

PUTNAM PREMIER INCOME TRUST
Form SC 13G/A
January 30, 2019

UNITED STATES*
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934

(Amendment No. 3)*

Putnam Premier Income Trust

(Name of Issuer)

Common

(Title of Class of Securities)

746853100

(CUSIP Number)

December 31, 2018

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
 Rule 13d-1(c)
 Rule 13d-1(d)

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

Edgar Filing: PUTNAM PREMIER INCOME TRUST - Form SC 13G/A

1. Names of Reporting Persons, I.R.S. Identification Nos. of above persons (entities only):

First Trust Portfolios L.P.: 36-3768815

First Trust Advisors L.P.: 36-3788904

The Charger Corporation: 36-3772451

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a) []

(b) []

3. SEC Use Only

4. Citizenship or Place of Organization of each

Reporting Person: Illinois, U.S.A.

Number of
Shares Bene-
ficially
Owned by Each
Reporting
Person With:

5. Sole Voting Power: 0

6. Shared Voting Power:
Such shares are held by the following entities in the
respective amounts listed:

First Trust Portfolios L.P.: 0

First Trust Advisors L.P.: 0

The Charger Corporation: 0

7. Sole Dispositive Power: 0

8. Shared Dispositive Power:

Such shares are held by the following entities in the
respective amounts listed:

First Trust Portfolios L.P.: 10,277,134

First Trust Advisors L.P.: 10,277,134

The Charger Corporation: 10,277,134

9. Aggregate Amount Beneficially Owned by Each
Reporting Person: 10,277,134

10. Check if the Aggregate Amount in Row (9) Excludes
Certain Shares (See Instructions)

- 2 -

11. Percent of Class Represented by Amount in Row (9): 8.77%

12. Type of Reporting Person (See Instructions)

First Trust Portfolios L.P.	- BD
First Trust Advisors L.P.	- IA
The Charger Corporation	- HC

ITEM 1.

- (a) Name of Issuer: Putnam Premier Income Trust
- (b) Address of Issuer's Principal Executive Offices

Attn: Legal Department
c/o Putnam Investments
100 Federal Street
Boston, MA 02110
USA

ITEM 2.

- (a) Name of Person Filing
- First Trust Portfolios L.P.
First Trust Advisors L.P.
The Charger Corporation
- (b) Address of Principal Business Office or, if none, Residence

First Trust Portfolios L.P.
120 East Liberty Drive, Suite 400
Wheaton, Illinois 60187

First Trust Advisors L.P.
120 East Liberty Drive, Suite 400
Wheaton, Illinois 60187

The Charger Corporation
120 East Liberty Drive, Suite 400
Wheaton, Illinois 60187

- (c) Citizenship of each Reporting Person:

Illinois, U.S.A.

- (d) Title of Class of Securities

Common Stock

Edgar Filing: PUTNAM PREMIER INCOME TRUST - Form SC 13G/A

(e) CUSIP Number 746853100

- 3 -

ITEM 3. If this statement is filed pursuant to Sec. 240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:

- (a) Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o);
- (b) Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c);
- (c) Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c);
- (d) Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8);
- (e) An investment adviser in accordance with Sec. 240.13d-1(b)(1)(ii)(E);
- (f) An employee benefit plan or endowment fund in accordance with Sec. 240.13d-1(b)(1)(ii)(F);
- (g) A parent holding company or control person in accordance with Sec. 240.13d-1(b)(1)(ii)(G);
- (h) A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i) A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j) A non-U.S. institution in accordance with Sec. 240.13d-1(b)(1)(ii)(J);
- (k) Group, in accordance with Sec. 240.13d-1(b)(1)(ii)(K).

If filing as a non-U.S. institution in accordance with Sec. 240.13d-1(b)(1)(ii)(J), please specify the type of institution: _____

ITEM 4. Ownership

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

- (a) Amount beneficially owned: 10,277,134
- (b) Percent of class: 8.77%
- (c) Number of shares as to which the person has:

Edgar Filing: PUTNAM PREMIER INCOME TRUST - Form SC 13G/A

- (i) Sole power to vote or to direct the vote: 0
- (ii) Shared power to vote or to direct the vote: 0
- (iii) Sole power to dispose or to direct the disposition
of: 0
- (iv) Shared power to dispose or to direct the disposition
of: 10,277,134

- 4 -

Instruction. For computations regarding securities which represent a right to acquire an underlying security see Sec. 204.13d-3(d)(1).

ITEM 5. Ownership of Five Percent or Less of a Class

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following [].

Instruction: Dissolution of a group requires a response to this item.

ITEM 6. Ownership of More than Five Percent on Behalf of Another Person

This Schedule 13G filing is jointly filed by The Charger Corporation, First Trust Portfolios L.P. and First Trust Advisors L.P. pursuant to Rule 13d-1(k)(1). The Charger Corporation is the General Partner of both First Trust Portfolios L.P. and First Trust Advisors L.P. First Trust Portfolios L.P. acts as sponsor of certain unit investment trusts which hold shares of the issuer. The total number of shares of the issuer held by these unit investment trusts is set forth in Row (8) above with respect to First Trust Portfolios L.P. No individual unit investment trust sponsored by First Trust Portfolios L.P. holds more than 3% of any registered investment company issuer's shares. First Trust Advisors L.P., an affiliate of First Trust Portfolios L.P., acts as portfolio supervisor of the unit investment trusts sponsored by First Trust Portfolios L.P., certain of which hold shares of the issuer. Neither First Trust Portfolios L.P., First Trust Advisors L.P. nor The Charger Corporation have the power to vote the shares of the issuer held by these unit investment trusts sponsored by First Trust Portfolios L.P. These shares are voted by the trustee of such unit investment trusts so as to insure that the shares are voted as closely as possible in the same manner and in the same general proportion as are the shares held by owners other than such unit investment trusts. The difference, if any, between the aggregate amount of shares beneficially owned by each reporting person, as set forth in Row (9) above, and the number of shares of the issuer held by the unit investment trusts sponsored by First Trust Portfolios L.P. represents shares of the issuer which are either held in other registered investment companies, pooled investment vehicles and/or separately managed accounts for which First Trust Advisors L.P. serves as investment advisor and/or investment sub-advisor. Each of First Trust Portfolios L.P., First Trust Advisors L.P. and The Charger Corporation disclaims beneficial ownership of the shares of the issuer identified in this filing.

Edgar Filing: PUTNAM PREMIER INCOME TRUST - Form SC 13G/A

ITEM 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company or Control Person

See Item 6.

ITEM 8. Identification and Classification of Members of the Group

Not Applicable.

- 5 -

ITEM 9. Notice of Dissolution of Group

Not Applicable.

ITEM 10. Certifications

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect other than activities solely in connection with a nomination under Sec. 240.14a-11.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

FIRST TRUST PORTFOLIOS L.P.,
FIRST TRUST ADVISORS L.P. and
THE CHARGER CORPORATION
Date: January 30, 2019

By: /s/ James M. Dykas

Name: James M. Dykas
Title: Chief Financial Officer of
First Trust Portfolios L.P. and
First Trust Advisors L.P., and
Chief Financial Officer and
Treasurer of The Charger
Corporation

bsp; 4.0% 2.4%

* Less than 1%.

(1) The address for each of such individuals, unless specified otherwise in a subsequent footnote, is in care of Brightpoint, Inc., 2601 Metropolis Parkway, Suite 210, Plainfield, Indiana 46168.

(2) Based solely on a Schedule 13G/A filed with the SEC by Goldman Sachs Group, Inc. on January 24, 2007. The address of Goldman Sachs Group, Inc. is 85 Broad St., New York, NY 10004.

(3) Based solely on a Schedule 13G filed with the SEC by Trivium Capital Management LLC on January 26, 2007. The address of

Trivium Capital
Management,
LLC is 600
Lexington
Avenue, 23rd
Floor, New
York, NY
10022.

(4) Based solely on a Schedule 13G filed with the SEC by Barclays Global Investors, NA on January 23, 2007. The address of Barclays Global Investors, NA is 45 Freemont Street, San Francisco, CA 94105.

(5) Based solely on a Schedule 13G filed with the SEC by Putnam Advisory Company, LLC on February 13, 2007. The address of Putnam Advisory Company, LLC is 1 Post Office Sq., Boston, MA 02109-2106.

(6) Based solely on a Schedule 13G filed with the SEC by LSV Asset Management on February 14, 2005. The address of LSV Asset Management is 1

N. Wacker
Drive,
Suite 4000,
Chicago, IL
60606.

- (7) Based solely on a Schedule 13G filed with the SEC by S.A.C. Capital Advisors, LLC, S.A.C. Capital Management, LLC, CR Intrinsic Investors, LLC and Steven A. Cohen on April 9, 2007. The address for Mr. Cohen is 72 Cummings Point Road, Stamford, Connecticut 06902.
- (8) Includes 150,022 shares underlying options held by Mr. Laikin that are exercisable within 60 days of the record date and 552,000 shares of restricted stock awarded under our 2004 Long-Term Stock Incentive Plan. Does not include 138,058 restricted stock units or options to purchase 30,010 shares.

Table of Contents

- (9) Includes 75,070 shares underlying options held by Mr. Howell that are exercisable within 60 days of the record date and 270,000 shares of restricted stock awarded under our 2004 Long-Term Stock Incentive Plan. Does not include 87,913 restricted stock units or options to purchase 15,034 shares.
- (10) Includes 26,100 shares underlying options held by Mr. Boor that are exercisable within 60 days of the record date. Does not include 70,113 restricted stock units or options to purchase 9,000 shares.
- (11) Includes 70,156 shares underlying options held by Mr. Fivel that are exercisable within 60 days of the record date, 135,000 shares of restricted stock awarded under

the Employee
Stock Purchase
Plan and 584
shares allocated
from the 401(k).
Does not include
52,771 restricted
stock units or
options to
purchase 12,578
shares.

(12) Includes 60,036
shares
underlying
options held by
Mr. Thomlinson
that are
exercisable
within 60 days
of the record
date. Does not
include 207,589
restricted stock
units or options
to purchase
15,034 shares.

(13) Includes 105,000
shares of
restricted stock
awarded to
Mr. Currie under
the 2004
Long-Term
Incentive Plan.
Does not include
51,559 restricted
stock units.

(14) Includes 6,417
shares of
restricted stock
owned by
Ms. Hermann
under our
Amended and
Restated
Director Stock
Compensation
Plan, which are

subject to
forfeiture as set
forth in the Plan.

(15) Includes 6,417
shares of
restricted stock
owned by
Ms. Pratt under
our Amended
and Restated
Director Stock
Compensation
Plan, which are
subject to
forfeiture as set
forth in the Plan

(16) Includes 9,117
shares of
restricted stock
owned by
Mr. Roedel
under our
Amended and
Restated
Director Stock
Compensation
Plan, which are
subject to
forfeiture as set
forth in the Plan.

(17) Includes 54,974
shares owned of
record by JMJS
Group LLP,
which are
beneficially
owned by Mr.
Stead and 6,417
shares of
restricted stock
owned by
Mr. Stead under
our Amended
and Restated
Director Stock
Compensation
Plan, which are
subject to

forfeiture as set forth in the Plan.

(18) Includes 9,117 shares of restricted stock owned by Mr. Wilska under our Amended and Restated Director Stock Compensation Plan, which are subject to forfeiture as set forth in the Plan.

(19) Includes 9,117 shares of restricted stock owned by Mr. Hunt under our Amended and Restated Director Stock Compensation Plan, which are subject to forfeiture as set forth in the Plan.

(20) Includes 6,417 shares of restricted stock owned by Mr. Simon under our Amended and Restated Director Stock Compensation Plan, which are subject to forfeiture as set forth in the Plan.

(21) Includes 8,566 shares held by Robert F. Wagner and Patricia D.

Wagner, and
6,417 shares of
restricted stock
owned by
Mr. Wagner
under our
Amended and
Restated
Director Stock
Compensation
Plan, which are
subject to
forfeiture as set
forth in the Plan.
Does not include
210 shares held
in a joint
account by
Mr. Wagner and
his emancipated
son, of which
shares Mr.
Wagner
disclaims
beneficial
ownership.

- (22) Assuming the
requisite
shareholder
approval for
Proposal 2 is
obtained at the
annual meeting
and the
acquisition
closes,
represents the
shares that
Brightpoint will
issue to
Dangaard
Holding in
consideration for
all of the capital
stock of
Dangaard
Telecom upon
the closing of
the acquisition in
accordance with

the terms of the purchase agreement.

- (23) Assuming the requisite shareholder approval is obtained for Proposal 3 at the annual meeting and the acquisition closes, Messrs. Hunt, Simon and Wagner will resign as directors and Messrs. Jensen, Krarup and Gesmar-Larsen will be appointed as directors in their place, upon the consummation of the acquisition. In addition, as described in the section in this proxy statement entitled Proposal 3 Post-acquisition executive officers and directors of Brightpoint, upon the consummation of the acquisition, Mr. Michael Koehn Milland will join our executive management team as co-chief operating officer

and president,
international
operations.

- (24) Includes an aggregate of 385,884 shares underlying options that are exercisable within 60 days after June 6, 2007. Includes 5,626 shares beneficially owned by Vincent Donargo, our Principal Accounting Officer. Does not include options to purchase an aggregate of 90,656 shares. Does not include 612,958 Restricted Stock Units.

Table of Contents

PROPOSAL 2:

TO APPROVE OUR ISSUANCE OF 30,000,000 SHARES OF BRIGHTPOINT COMMON STOCK (AN AMOUNT EXCEEDING 20% OF OUR OUTSTANDING COMMON STOCK) AS CONSIDERATION FOR OUR ACQUISITION OF DANGAARD TELECOM A/S

Reason for the proposal

Our common stock is traded on the NASDAQ Global Select Market. Consequently, issuances of our common stock are subject to the NASDAQ Marketplace Rules, such as Rule 4350. Under Rule 4350(i)(1)(C), we must seek shareholder approval with respect to issuances of our common stock when the shares to be issued are being issued in connection with our acquisition of the stock of another company and are equal to 20% or more of our outstanding common stock before the issuance. As of the record date, we had a total of 50,998,683 shares outstanding. Based on this number, the 30,000,000 shares to be issued by us to Dangaard Holding in partial consideration for all of the capital stock of Dangaard Telecom will equal approximately 59% of our outstanding common stock on a pre-issuance basis, based on the number of shares we had outstanding as of the record date. As a result, unless we obtain the requisite shareholder approval, our issuance of common stock to Dangaard Holding pursuant to the purchase agreement would be deemed a violation by NASDAQ of the foregoing provision of Rule 4350. In addition, Rule 4350(i)(1)(B) requires shareholder approval with respect to issuances of common stock (other than issuances in connection with a public offering) when the issuance would result in a change of control of the issuer. While we do not believe there would be a change of control with respect to Brightpoint upon our issuance of shares to Dangaard Holding in the acquisition, it is possible that NASDAQ could disagree and deem our issuance of common stock to Dangaard Holding pursuant to the purchase agreement, in the absence of shareholder approval, a violation of this provision of the rule as well.

Value of the shares to be issued

The value of the shares to be issued by us to Dangaard Holding will be subject to change with the fluctuation of the trading price of our common stock on the NASDAQ Global Select Market. For instance, as of February 16, 2007, the last trading day prior to our execution of the purchase agreement on February 19, 2006 and our announcement of the pending acquisition on February 20, 2007, the closing price of our common stock was \$10.28, making the market value of the shares to be issued to Dangaard Holding equal to \$308.4 million at the close of business on that date, while, as of the record date, the closing price of our common stock was \$13.78, making the market value of the shares to be issued to Dangaard Holding equal to \$413.4 million at the close of business on the record date.

We do not intend to modify the number of shares to be issued to Dangaard Holding based on changes to the price of our common stock between the date of the purchase agreement (or the record date) and the closing of the acquisition. The number of shares of our common stock to be issued to Dangaard Holding was determined through negotiations between Brightpoint and Dangaard Holding and reflects the determination of our board of directors and the board of directors of Dangaard Holding of the relative long-term worth of Brightpoint before and after the acquisition of Dangaard Telecom, which long-term worth may not be reflected, or which may be inappropriately adjusted by, fluctuations in our stock price.

Table of Contents**Per share market price information**

Our common stock is listed on the NASDAQ Global Select Market under the symbol CELL. The following table sets forth, for the periods indicated, the high and low sale prices for our common stock, as reported by NASDAQ:

	High	Low
Year ending December 31, 2007		
Second quarter (through June 15, 2007)	\$ 14.52	\$ 11.41
First quarter	\$ 14.07	\$ 10.06
Year ended December 31, 2006		
First quarter	\$ 25.88	\$ 15.94
Second quarter	\$ 27.90	\$ 13.25
Third quarter	\$ 17.10	\$ 10.96
Fourth quarter	\$ 14.65	\$ 11.35
Year ended December 31, 2005		
First quarter	\$ 7.64	\$ 5.89
Second quarter	\$ 8.74	\$ 6.83
Third quarter	\$ 11.07	\$ 8.43
Fourth quarter	\$ 16.71	\$ 10.13

During the foregoing periods, we declared the following common stock splits, all of which were effected in the form of common stock dividends.

Declaration date	Dividend payment date	Split ratio
August 12, 2005	September 15, 2005	3 for 2
December 5, 2005	December 30, 2005	3 for 2
May 9, 2006	May 31, 2006	6 for 5

On February 16, 2007, the last full trading day prior to the public announcement of the acquisition on February 20, 2007, the closing price of our common stock was \$10.28. On June 15, 2007, the latest practicable date before the printing of this document, the closing price of our common stock was \$14.43. On such date, there were approximately 322 shareholders of record.

Information with respect to the market price of Dangaard Telecom common stock is not provided because there is no established trading market for shares of Dangaard Telecom common stock.

Distribution of our common stock among our shareholders following the proposed share issuance

As of the record date, non-affiliates owned 57.8% and affiliates (our officers, directors and five percent or greater shareholders) owned 42.2% of our outstanding common stock. Based on those ownership percentages, immediately following the acquisition and our issuance of the 30,000,000 shares of our common stock to Dangaard Holding, the same non-affiliates would own 36.4%, the same affiliates would own 26.6% and Dangaard Holding would own 37.0% (making it an affiliate as well) of our outstanding common stock. As a result, the total ownership of common stock by affiliates following the acquisition would be increased to 63.6%.

Following the acquisition, no shareholder (based on current holdings) other than Dangaard Holding will own 10% or more of our common stock. However, while the acquisition, if consummated, will result in a significant concentration of our common stock in one shareholder's ownership, the shareholder agreement that we will enter into with Dangaard Holding upon the consummation of the acquisition, a copy of which is attached as an exhibit to the purchase agreement (see Annex A attached hereto), will require Dangaard Holding to vote in favor of all director candidates and shareholder proposals (other than those seeking approval to authorize a merger, sale of all or substantially all of our common stock or assets or other similar business combination or for matters related to the foregoing) recommended by our board of directors and generally prohibit it from acquiring additional shares of our common stock, until the earlier of (a) the date on which Dangaard Holding owns less than 7.5% of our outstanding

Table of Contents

common stock or (b) the date on which it (i) owns less than 10% of our outstanding common stock, (ii) has no designee serving as a member of our board of directors and (iii) has irrevocably given up its director designee rights.

Vote required to approve proposal

Shareholders representing a majority of the shares present (in person or by proxy) and entitled to vote at the annual meeting must vote to approve (i.e. FOR) our issuance of Brightpoint common stock under the terms and conditions described in the purchase agreement in order for this Proposal 2 to pass.

Consequences if this proposal is not approved

Pursuant to NASDAQ Rule 4350, we must obtain shareholder approval of our issuance of the 30,000,000 shares of common stock to Dangaard Holding prior to such issuance and, pursuant to the terms of the purchase agreement, we must obtain such approval as a condition to the closing of the acquisition. In addition to this Proposal 2, shareholder approval of Proposal 3 is also a condition in the purchase agreement to the closing of the acquisition. Consequently, if either this Proposal 2 or Proposal 3 is not approved, we will not be able to complete the acquisition on the terms currently contemplated by the purchase agreement. Shareholder approval of one and not the other is not enough.

In addition, if the purchase agreement is terminated as a result of our being unable to get the requisite shareholder approval for Proposal 2, we will be obligated to pay Dangaard Telecom for certain of its expenses not to exceed \$3.0 million. And, if prior to our annual meeting we have received a 50% acquisition proposal, and subsequently the purchase agreement is terminated as a result of our failure to acquire the requisite shareholder approval for this Proposal 2, then we will be required to pay Dangaard Holding a break-up fee of \$15.0 million in the event we enter into a definitive purchase agreement with respect to a 50% acquisition proposal during the six months following such termination.

Recommendation of our board of directors

Our board of directors unanimously approved our execution of the purchase agreement and believes that our acquisition of Dangaard Telecom pursuant to the terms of the purchase agreement, including our proposed issuance of common stock to Dangaard Holding as partial consideration therefore, under the terms set forth in the purchase agreement, is in our and our shareholders' best interests. For a description of the factors considered by our board of directors in making its determination with respect to the acquisition, see the section in this proxy statement entitled

The Dangaard Telecom Acquisition Reasons for the acquisition.

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE *FOR* OUR ISSUANCE OF COMMON STOCK TO DANGAARD HOLDING IN THE ACQUISITION ON THE TERMS SET FORTH IN THE PURCHASE AGREEMENT.

Table of Contents

PROPOSAL 3:

TO APPROVE THE APPOINTMENT OF THREE DANGAARD HOLDING DESIGNEES TO FILL THE VACANCIES ON OUR BOARD THAT WILL BE CREATED BY THE RESIGNATIONS UPON THE CLOSING OF THE ACQUISITION OF THREE OF OUR THEN-CURRENT DIRECTORS AND THE RECLASSIFICATION OF THE DIRECTORS THEN COMPRISING THE BOARD

Reason for the proposal

Condition to closing

Pursuant to the terms of the purchase agreement, we will pay to Dangaard Holding \$100,000 in cash and issue it 30,000,000 shares of our common stock upon the closing of the acquisition in consideration for all of the capital stock of Dangaard Telecom, resulting in Dangaard Holding owning approximately 37% of our outstanding common stock. While Dangaard Holding will be our largest shareholder following the acquisition, it will be subject to significant transfer and voting restrictions with respect to its shares, as described below. Consequently, to help protect its investment in our company and as part of the basis for its agreeing to accept restricted shares of our common stock, in lieu of cash, as the bulk of the consideration for the acquisition, Dangaard Holding has made it a condition to closing in the purchase agreement that, upon the closing, we:

receive resignations from three of our then-current directors effective as of the closing,

appoint three individuals designated by Dangaard Holding to fill the vacancies on our board created by such resignations, and

appoint each one of such director designees to serve on one of our board committees.

We have agreed to such condition, subject to the final approval (which we have received) of Dangaard Holding's designees by our board's corporate governance and nominating committee applying reasonable and uniform standards consistent with both its past practices and our corporate governance principles and the satisfaction of each of such designees of the independence requirements of NASDAQ Marketplace Rule 4200(a). In addition, although not required by law, as our board of directors has the authority, without shareholder approval, to appoint individuals to the board to replace vacancies created by director resignations, our board of directors deemed it advisable that we make it a condition to the closing that we receive shareholder approval at the annual meeting with respect to the board's proposed appointment of such designees to our board upon the closing of the acquisition, which is the approval we are seeking with this Proposal 3.

Post-acquisition transfer restrictions with respect to Dangaard Holding

All 30,000,000 of the shares to be issued by us to Dangaard Holding will be restricted upon issuance and at least 22,000,000 of such shares will remain restricted for at least a year after the closing. Pursuant to the terms of the shareholder agreement that we will enter into with Dangaard Holding upon the closing of the acquisition, a copy of which is attached as an exhibit to the purchase agreement (see Annex A attached hereto), we will use our best efforts to register 8,000,000 of the shares issued to Dangaard Holding with the SEC as soon as practicable following the closing and grant to Dangaard Holding certain demand and tag-along registration rights with respect to its remaining shares commencing one year following the closing. Other than certain permitted transfers to partners, members or affiliates of Dangaard Holding, Dangaard Holding will be prohibited from transferring (a) more than 8,000,000 of its shares during the first year following the closing, and (b) other than transfers made in accordance with the foregoing demand or tag along registration rights, any of the remaining 22,000,000 shares during the following two years in excess of the volume limitations prescribed by Rule 144 promulgated under the Securities Act of 1933 during any 90-day period.

Post-acquisition voting restrictions on Dangaard Holding

In addition, pursuant to the terms of the shareholder agreement, Dangaard Holding must vote its shares in favor of all director candidates and shareholder proposals (other than those seeking approval to authorize a merger, sale of all or substantially all of our common stock or assets or other similar business combination or for matters related to the foregoing) recommended by our board of directors, until the earlier of (a) the date on which Dangaard Holding owns less than 7.5 % of our outstanding common stock or (b) the date on which it (i) owns less than 10% of

Table of Contents

our outstanding common stock, (ii) has no designee serving as a member of our board of directors and (iii) has irrevocably given up its director designee rights.

The proposed director designees

Dangaard Holding has proposed each of Messrs. Jorn P. Jensen, Thorleif Krarup and Jan Gesmar-Larsen as designees to be appointed to our board upon the closing of the acquisition, each of whom has been approved by our corporate governance and nominating committee and determined to be independent under both our corporate governance principles and NASDAQ Marketplace Rule 4200(a). In accordance with the terms of the purchase agreement, three of our current directors, Messrs. V. William Hunt, Stephen H. Simon and Robert F. Wagner, have agreed to resign their positions on our board (assuming, in the case of Messrs. Hunt and Simon, that they are reelected to our board at the annual meeting) upon the closing of the acquisition in order for the remaining members of our board to appoint the foregoing designees to fill the vacancies on the board created by their resignations.

Set forth below for each such designee is his age, a brief description of his principal occupation and business experience during the last five years and, if applicable, certain other directorships he holds:

Jorn P. Jensen has served as Executive Vice President and chief financial officer of Carlsberg A/S, an international brewery, since 2000 and, during his tenure there, has also served as chairman, vice chairman or board member in several companies within the Carlsberg Group. Mr. Jensen is also a member of the board of directors of the JL Foundation (Vesterhavet A/S) which owns the J. Lauritzen Group, a shipping company.

Thorleif Krarup has served as the chairman of Dangaard Telecom and Dangaard Holding since September 2006 and has functioned as an advisor to Nordic Capital since 2004. If our contemplated acquisition of Dangaard Telecom is completed, Mr. Krarup will step down from the boards of Dangaard Telecom and Dangaard Holding. Previously, he held several group chief executive positions within the financial sector, including with Nykredit A/S, the largest Danish mortgage bank, and following its merger with Tryg, the largest Danish insurance company, the holding company Tryg Nykredit Holding, from 1987 to 1992; Unibank A/S, the second largest Danish bank, from 1992 to 2000; and Nordea AB, the largest bank in the Nordic region, which he co-founded, from 2000 to 2002. Mr. Krarup also currently serves as deputy chairman of the boards of H. Lundbeck A/S, a pharmaceuticals company, Alk Abello A/S, an allergy treatment/pharmaceuticals company, and LFI A/S, an investment company that holds 72% of H. Lundbeck. He is also a member of the board of directors for each of Group 4 Securicor Plc, a security and cash service company, and Bang & Olufsen A/S, a consumer electronics company, as well as several foundations, including Lundbeckfonden, The Crown Prince Frederik Fond and Danmark-Amerika fondet.

Jan Gesmar-Larsen has served as a member of the board of directors of Dangaard Telecom and Dangaard Holding since September 2006. If our contemplated acquisition of Dangaard Telecom is completed, Mr. Gesmar-Larsen will step down from the boards of each of these companies. Prior thereto, he served on various other boards of directors, including as chairman of Interse A/S from January 2001 until May 2005, chairman of Hal Knowledge Solutions from August 2002 until May 2004 and as vice chairman of Bang & Olufsen A/S from 1996 to May 2003. He also served on the advisory board of Danske Bank A/S (from September 1999 to May 2004). Previously he held senior executive positions in the personal computer industry, including at Dell Computer Corporation as president of its Europe, Middle East and Africa division (EMEA) from 1997 to 2000 and at Apple Computer in various positions from 1993 to 1997, including most recently as its president EMEA.

The proposed reclassification of our directors

Assuming the requisite shareholder approval of both Proposal 2 and Proposal 3 is obtained at the annual meeting and the acquisition is consummated, upon the closing of the acquisition the directors on our board will be reclassified among the board's three classes. In connection with such reclassification, Ms. Hermann will continue as a Class I director, Mr. Roedel will continue as a Class II director, Messrs. Stead and Wilska will continue as Class III directors, Mr. Laikin will be reclassified from a Class II director to a Class I director, Ms. Pratt will be reclassified from a Class III director to a Class II director, and Messrs. Gesmar-Larsen, Krarup and Jensen will become Class I, Class II and Class III directors, respectively.

As a result, following the foregoing reclassification, our board's three classes will be comprised as follows:

Class I (term expiring in 2010) Ms. Hermann, Mr. Laikin and Mr. Gesmar-Larsen;

Table of Contents

Class II (term expiring in 2008) Mr. Krarup, Ms Pratt and Mr. Roedel; and

Class III (term expiring in 2009) Mr. Jensen, Mr. Stead and Mr. Wilska.

Dangaard Holding s continuing designee rights following the acquisition

Pursuant to the terms of the shareholder agreement, following the acquisition, Dangaard Holding will continue to have the right for as long as it continues to beneficially own between 7.5% and 27.5% (as such percentages may be adjusted prior to the acquisition to take into account certain issuances of our common stock between the date of the purchase agreement and the closing of the acquisition) or more of our outstanding common stock to propose between one and three, depending upon its ownership percentage at the time, individuals for election to our board of directors, in each case, subject to the final approval of such designee by our board s corporate governance and nominating committee applying reasonable and uniform standards consistent with its past practices and our corporate governance principles as in effect from time to time. This right will be in lieu of, and not in addition to, its right to have three designees appointed to the board upon the closing of the acquisition, discussed above.

Vote required to approve proposal

Shareholders representing a majority of the shares present (in person or by proxy) and entitled to vote at the annual meeting must vote to approve (i.e. FOR) our appointment of Dangaard Holding s three designees to our board of directors as of the closing of the acquisition and our reclassification of our directors among our board s three classes in order for this Proposal 3 to pass.

Consequences if this proposal is not approved

Pursuant to the terms of the purchase agreement, we must obtain shareholder approval of our appointment of Dangaard Holding s three designees to our board of directors as a condition to the closing of the acquisition. Shareholder approval of Proposal 2 is also a condition in the purchase agreement to the closing of the acquisition. Consequently, if either this Proposal 3 or Proposal 2 is not approved, we will not be able to complete the acquisition on the terms currently contemplated by the purchase agreement. Shareholder approval of one and not the other is not enough.

In addition, if the purchase agreement is terminated as a result of our being unable to get the requisite shareholder approval for Proposal 3, we will be obligated to pay Dangaard Telecom for certain of its expenses not to exceed \$3.0 million. And, if prior to our annual meeting we have received a 50% acquisition proposal, and subsequently the purchase agreement is terminated as a result of our failure to acquire the requisite shareholder approval for this Proposal 3, then we will be required to pay Dangaard Holding a break-up fee of \$15.0 million in the event we enter into a definitive purchase agreement with respect to a 50% acquisition proposal during the six months following such termination.

Recommendation of our board of directors

Our board of directors unanimously approved our execution of the purchase agreement and believes that our acquisition of Dangaard Telecom pursuant to the terms of the purchase agreement, including our appointment of three Dangaard Holding designees to our board, and our reclassification of the board, is in our and our shareholders best interests. For a description of the factors considered by our board of directors in making its determination with respect to the acquisition, see the section in this proxy statement entitled The Dangaard Telecom Acquisition Reasons for the acquisition.

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE *FOR* OUR APPOINTMENT OF THREE DANGAARD HOLDING DESIGNEES TO FILL THE VACANCIES THAT WILL BE CREATED ON THE CLOSING OF THE ACQUISITION BY THE RESIGNATIONS OF THREE OF OUR THEN DIRECTORS AND THE RECLASSIFICATION OF OUR DIRECTORS AMONG THE BOARD S THREE CLASSES, EACH EFFECTIVE UPON THE CLOSING OF THE ACQUISITION.

Table of Contents

PROPOSAL 4:

**TO APPROVE THE AMENDMENT OF BRIGHTPOINT'S
2004 LONG-TERM INCENTIVE PLAN TO REMOVE ITS LIMITATION ON THE USE OF PLAN
SHARES FOR NON-OPTION BASED AWARDS AND TO BROADEN OUR ABILITY TO QUALIFY
AWARDS UNDER THE PLAN AS PERFORMANCE-BASED COMPENSATION**

The proposed amendment to the plan

Removal of the limitation on the use of plan shares for non-option based awards

Our 2004 Long-Term Incentive Plan, which is administered by the compensation and human resources committee of our board of directors, sometimes referred to as the compensation committee, currently enables that committee to grant to our employees, the employees of our subsidiaries, our directors, our consultants and other persons who are expected to contribute to our success, the following types of equity awards under the plan (the last four of which are referred to as non-option based awards):

stock options,

performance units;

restricted stock;

deferred stock; and

other stock-based awards (including restricted stock units).

The total number of shares originally reserved and available for issuance under the plan was set at 4,050,000 shares. As of the record date, a total of 2,523,257 of such shares had been issued or were the subject of outstanding awards and 1,526,743 were available for future award grants.

Currently, Section 16 of the plan limits the number of shares that can be the subject of non-option based awards under the plan to 2,025,000 shares, subject to certain adjustments for stock splits, dividends, distributions, mergers and other similar events. As of the record date, there were 2,007,646 shares already subject to non-option based awards under the plan, leaving a total of 17,354 shares available for grants of future non-option based awards.

Section 16 of the 2004 Long-Term Incentive Plan currently reads, in its entirety, as follows:

SECTION 16: LIMIT ON NON-OPTION AWARDS.

The number of shares that are subject to Non-Option Awards under the Plan shall not exceed 750,000 shares [2,025,000 shares post-split] of Common Stock in the aggregate, subject to adjustment in accordance with Section 17.

Our proposed amendment of the 2004 Long-Term Incentive Plan eliminates Section 16 from the plan, in its entirety, which would allow us to issue non-option based awards with respect to any of the 1,526,743 shares still available for issuance with respect to future award grants under the plan.

Broadening our ability to qualify awards under the plan as performance-based compensation

The terms of the proposed amendment to our 2004 Long-Term incentive Plan also make clear that all stock options and certain stock awards, performance awards and other awards granted under our 2004 Long-Term Incentive Plan, and the compensation attributable to such awards, are intended to (i) qualify as performance-based awards or (ii) be otherwise exempt from the deduction limitation imposed by Section 162(m) of the Internal Revenue Code of 1986, as amended, referred to as the Code.

Under Code Section 162(m), if the total compensation paid to our chief executive officer, or any of our other four most highly compensated executive officers, exceeds \$1.0 million in any one tax year, our tax deduction, in the absence of certain exemptions, could be limited to the extent of such excess. However, awards granted under our 2004 Long-Term Incentive Plan that qualify as performance-based compensation (as that term is used in Code

Table of Contents

Section 162(m) and the regulations thereunder), referred to as performance based awards, are exempt from the tax deduction limitation imposed by Code Section 162(m).

Among other criteria, in order for an award to qualify as a performance-based award under our plan, at the time it is granted our plan must be administered by the compensation committee of our board and the compensation committee must be comprised solely of two or more outside directors (as that term is used in Code Section 162(m) and the regulations thereunder). In addition, the material terms of the performance measures used in determining the goals for such performance-based compensation must have been approved by our stockholders.

By approving the proposed amendment to our 2004 Long-Term Incentive Plan, you will be approving the material terms of an expanded list of performance measures upon which basis the compensation committee may issue awards that qualify as performance-based awards, as set forth in a new Section 12 of the plan entitled PERFORMANCE BASED AWARDS. Under the proposed new Section 12, the compensation committee could use the following performance measures (either individually or in any combination) to set performance targets with respect to awards intended to qualify as performance-based awards: income from continuing operations; attainment of strategic and operational objectives; return on invested capital; net sales; pretax income before allocation of corporate overhead and bonus; budget; earnings per share; net income; division, group or corporate financial goals; return on stockholders equity; return on assets; return on net assets; gross margin return on investment; gross margin dollars or percent; inventory turnover; employee turnover; sales, general and administrative expense; appreciation in and/or maintenance of the price of our common stock or any other publicly-traded securities we may have in the future; market share; gross profits; earnings before interest and taxes; earnings before interest, taxes, depreciation and amortization; economic value-added models; comparisons with various stock market indices; and/or reductions in costs.

As described in the proposed amendment, the foregoing criteria will have any reasonable definitions that the compensation committee specifies, which may include or exclude any or all of the following items as the committee may specify: extraordinary, unusual or non-recurring items; effects of accounting changes; effects of financing activities; expenses for restructuring or productivity initiatives; other non-operating items; spending for acquisitions; effects of divestitures; and effects of litigation activities and settlements. In addition, any such performance criterion or combination of such criteria may apply to the participant's award opportunity in its entirety or to any designated portion or portions of the award opportunity, as the committee may specify.

Other

The amendment also corrects certain typographical errors within the plan, updates section numbers and cross-references and indicates that the number of shares subject to the plan has been adjusted for prior stock splits. A copy of the form of our proposed Amended 2004 Long-Term Incentive Plan is attached to, and included in, this proxy statement as Annex E.

Reasons for the proposal

Prior to 2005, we granted only stock options under our equity compensation program. However, beginning in 2005, we began issuing restricted stock units (which fall under the category of other stock-based awards permitted under the plan) in combination with stock options and restricted stock awards. A restricted stock unit award is generally issued pursuant to a vesting schedule and entitles the holder to receive one share of our common stock upon the designated vesting date in other words, it cannot be converted to shares of stock until and to the extent it vests. A restricted stock award entitles the holder to receive one share of our common stock upon the grant date, but that share remains subject to the restrictions set forth in a restricted stock agreement. Like a restricted stock unit, a restricted stock award is granted pursuant to a time-based vesting schedule, but, unlike a restricted stock unit, it is considered issued and outstanding on the date of grant. In 2006, and so far in 2007, all of our performance-based equity compensation was issued in the form of restricted stock units.

Our shift away from stock options was a result primarily of the increased stock-based compensation expense associated with stock options and similar instruments under Statement of Financial Accounting Standards No. 123, *Share-Based Payment* (revised 2004), commonly referred to as SFAS 123R. This accounting standard, which we adopted as of January 1, 2006, requires us to record, as compensation expense, the grant date fair value of a stock option over the vesting period of the option (requisite service period). In addition, the use of restricted stock

Table of Contents

units results in less immediate dilution than we would experience if we were to grant stock options or a combination of the two forms of equity because fewer restricted stock units need to be granted to afford the same immediate value as options. We also favor restricted stock units over restricted stock because restricted stock units do not require the issuance of common stock unless or until the shares are vested.

We have added the expanded list of criteria that the compensation committee may consider in granting performance-based awards under our 2004 Long-Term Incentive Plan in order to expand the universe of awards that can be granted under the amended plan that would qualify as performance-based awards and thus as performance based compensation for purposes of Section 162(m) of the Code.

Vote required to approve proposal

Shareholders representing a majority of the shares present (in person or by proxy) and entitled to vote at the annual meeting must vote to approve (i.e. **FOR**) the proposed amendment of our 2004 Long-Term Incentive Plan in order for this **Proposal 4** to pass.

Consequences if this proposal is not approved

If this **Proposal 4** is not approved, we will not be able to amend the 2004 Long-Term Incentive Plan as outlined above and, as a result, will only be able to issue options, as opposed to restricted stock units or other non-option based awards, with respect to 1,509,389 of the 1,526,743 shares still available for future award grants under the plan. Moreover, we will have less flexibility in qualifying a portion of our named executive officers' compensation as performance-based compensation, thereby decreasing our potential opportunities with respect to obtaining exemptions from the tax deduction limitations imposed by Code Section 162(m).

Recommendation of our board of directors

As described above under **Reasons for the proposal**, our board of directors believes that the proposed amendment of our 2004 Long-Term Incentive Plan to remove its limitation on the use of plan shares for non-option based awards and to broaden our ability to qualify awards under the plan as performance-based compensation, is in our and our shareholders' best interests.

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE AMENDMENT OF OUR 2004 LONG-TERM INCENTIVE PLAN.

Table of Contents

REPORT OF AUDIT COMMITTEE

The responsibilities of the audit committee are to oversee our financial reporting process and internal audit function on behalf of the board and to report the results of its activities to the board. The committee fulfills its responsibilities through periodic meetings with our independent registered public accounting firm, internal auditors and members of our management.

Throughout the year the audit committee monitors matters related to the independence of Ernst & Young LLP, our independent registered public accounting firm. As part of its monitoring activities, the committee obtained a letter from Ernst & Young, containing a description of all relationships between us and Ernst & Young. After reviewing the letter and discussing it with management, the audit committee discussed with Ernst & Young its overall relationship with us and any of those relationships described in the letter that could impact Ernst & Young's objectivity and independence. Based on its continued monitoring activities and year-end review, the committee has satisfied itself as to Ernst & Young's independence. Ernst & Young also has confirmed in its letter that, in its professional judgment, it is independent of Brightpoint within the meaning of the Federal securities laws and within the requirements of Independence Standard Board (ISB) Standard No. 1, Independence Discussion with Audit Committees.

The audit committee also discussed with members of our management, our internal auditors and our independent registered public accounting firm, the quality and adequacy of our internal controls and the internal audit function's management, organization, responsibilities, budget and staffing. The committee reviewed with both our independent registered public accounting firm and our internal auditors their audit plans, audit scope, and identification of audit risks.

The audit committee discussed and reviewed with the independent registered public accounting firm all matters required by auditing standards generally accepted in the United States, including those described in SFAS 61,

Communication with Audit Committees. With and without management present, the committee discussed and reviewed the results of the independent registered public accounting firm's examination of the financial statements. The committee also discussed the results of the internal audit examinations.

The committee reviewed our audited financial statements as of and for the fiscal year ended December 31, 2006 with our management and Ernst & Young. Management has the responsibility for the preparation and integrity of our financial statements and Ernst & Young, as our independent registered public accounting firm, has the responsibility for the examination of those statements. Based on the above-mentioned review and discussions with management and Ernst & Young, the audit committee recommended to our board of directors that our audited financial statements be included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2006 for filing with the Securities and Exchange Commission. The committee also reappointed Ernst & Young as our independent registered public accounting firm subject to shareholder ratification of such appointment.

AUDIT COMMITTEE

Richard W. Roedel, Chairperson

Marisa E. Pratt

V. William Hunt

Table of Contents

PROPOSAL 5:

RATIFICATION OF THE APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have engaged Ernst & Young LLP as our independent registered public accounting firm since October 1994. In connection with the audit of our 2006 financial statements, we entered into an engagement agreement with Ernst & Young that set forth the terms by which Ernst & Young will perform audit services for us. That agreement is subject to alternative dispute resolution procedures and an exclusion of punitive damages. Ernst & Young reported on our financial statements for the fiscal year ended December 31, 2006 and the audit committee of our board of directors has appointed Ernst & Young to audit and report on our financial statements for the year ending December 31, 2007.

Although shareholder approval of the appointment of Ernst & Young is not required by law, our board of directors believes that it is advisable to give shareholders an opportunity to ratify this appointment. In view of the difficulty and expense involved in changing auditors on short notice, however, should the shareholders not ratify the selection of Ernst & Young, it is contemplated that the appointment of Ernst & Young for the fiscal year ending December 31, 2007 will be permitted to stand unless the board finds other compelling reasons for making a change. Disapproval by the shareholders will be considered a recommendation that the board select other auditors for the following year. Furthermore, although the appointment of Ernst & Young is being submitted for shareholder ratification, the audit committee reserves the right, even after ratification by shareholders, to change the appointment of Ernst & Young as auditors, at any time during the 2007 fiscal year, if it deems such change to be in our best interests.

Representatives of Ernst & Young are expected to be present at our annual meeting and will be given the opportunity to make a statement, if they desire, and to respond to appropriate questions.

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE *FOR* RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2007.

Table of Contents

AUDIT FEES AND RELATED MATTERS

Audit fees

The aggregate fees for professional services rendered by Ernst & Young for the audit of our annual financial statements for the years ended December 31, 2006 and 2005, the review of the financial statements included in our quarterly reports on Form 10-Q for 2006 and 2005, audit of internal control over financial reporting and statutory audits of foreign subsidiaries totaled \$1,843,726 and \$1,733,288, respectively.

Audit-related fees

The aggregate fees for assurance and related services by Ernst & Young that are related to the performance of the audit or review of our financial statements, for the years ended December 31, 2006 and 2005, and that are not disclosed in the paragraph captioned **Audit Fees** above, were \$16,000 and \$15,000, respectively. The services performed by Ernst & Young in connection with these fees consisted of employee benefit plan audits and internal controls consultation.

Tax fees

The aggregate fees for professional services rendered by Ernst & Young for tax compliance, for the years ended December 31, 2006 and 2005, were \$368,307 and \$262,307, respectively. The aggregate fees billed by Ernst & Young for professional services rendered for tax advice and tax planning, for the years ended December 31, 2006 and 2005, were \$136,773 and \$70,604, respectively. The services performed by Ernst & Young in connection with these advisory and planning fees consisted of the following: tax audits and consultation regarding various tax issues.

All other fees

There were no fees for products and services by Ernst & Young, other than the services described in the paragraphs captioned **Audit Fees**, **Audit-Related Fees**, and **Tax Fees** above for the years ended December 31, 2006 and 2005.

The audit committee has established its pre-approval policies and procedures, pursuant to which the audit committee approved the foregoing audit and permissible non-audit services provided by Ernst & Young in 2006. The audit committee's pre-approval policy is as follows: consistent with the audit committee's responsibility for engaging our independent auditors, all audit and permitted non-audit services require pre-approval by the audit committee. All requests or applications for services to be provided by the independent registered public accounting firm that do not require specific approval by the audit committee will be submitted to the chief financial officer and must include a detailed description of the services to be rendered. The chief financial officer will determine whether such services are included within the list of services that have received the general pre-approval of the audit committee. The audit committee will be informed on a timely basis of any such services rendered by the independent auditor. Request or applications to provide services that require specific approval by the audit committee will be submitted to the audit committee by both the independent auditor and the chief financial officer, and must include a joint statement as to whether, in their view, the request or application is consistent with the Securities and Exchange Commission's rules on auditor independence. The audit committee has designated our vice president of internal audit to monitor the performance of all services provided by the independent auditor and to determine whether such services are in compliance with this policy. The vice president of internal audit will report to the audit committee on a periodic basis on the results of his monitoring. The vice president of internal audit and management will immediately report to the chairman of the audit committee any breach of this policy that comes to the attention of the vice president of internal audit or any member of management. The audit committee will also review the internal auditor's annual internal audit plan to determine that the plan provides for the monitoring of the independent auditor's services. Pursuant to these procedures the audit committee approved the foregoing audit and permissible non-audit services provided by Ernst & Young in 2006.

Table of Contents

SHAREHOLDER PROPOSALS FOR NEXT ANNUAL MEETING

Brightpoint currently anticipates holding its annual meeting of shareholders for its fiscal year ending December 31, 2007 in May 2008. Shareholders who wish to present proposals appropriate for consideration at our annual meeting of shareholders for our fiscal year ending December 31, 2007 to be held in the year 2008 must submit the proposal in proper form to our corporate secretary at Brightpoint's address set forth below (or such other address as then constitutes our executive offices) not later than December 21, 2007 in order for the proposition to be considered for inclusion in our proxy statement and form of proxy relating to such annual meeting. Such proposals must be presented in a manner consistent with our by-laws and applicable laws. Any such proposals, as well as any questions related thereto, should be directed to our corporate secretary, c/o Brightpoint Inc. at 2601 Metropolis Parkway, Suite 210, Plainfield, Indiana 46168. Under our corporate governance principles nominees for directors should be sent directly to our lead independent director at: board.directors@brightpoint.com.

If a shareholder submits a proposal after the December 21, 2007 deadline but still wishes to present the proposal at our annual meeting of shareholders (but not in our proxy statement) for the fiscal year ending December 31, 2007, the proposal, which must be presented in a manner consistent with our by-laws and applicable law, must be submitted to our corporate secretary in proper form at the address set forth above no later than March 5, 2008.

Brightpoint did not receive notice of any proposed matter to be submitted by shareholders for a vote at this annual meeting and, therefore, in accordance with Exchange Act Rule 14a-4(c) any proxies held by persons designated as proxies by our board of directors and received in respect of this annual meeting will be voted in the discretion of our management on such other matter which may properly come before the annual meeting. Moreover, if we do not receive notice by March 5, 2008 of a proposed matter to be submitted by a shareholder for shareholder vote at the annual meeting of shareholders for the fiscal year ending December 31, 2007, then, in accordance with Exchange Act Rule 14a-4(c) any proxies held by persons designated as proxies by our board of directors in respect of such annual meeting may be voted at the discretion of such persons on such matter if it shall properly come before such annual meeting.

The qualities and skills sought in prospective members of the board are determined by our board's corporate governance and nominating committee. The corporate governance and nominating committee requires that director candidates be qualified individuals who, if added to the Board, would provide the mix of director characteristics and diverse experiences, perspectives and skills appropriate for Brightpoint. Criteria for selection of candidates will include, but not be limited to: (i) business and financial acumen, as determined by the Committee in its discretion, (ii) relevant education or training, (iii) a commitment to business ethics and the Brightpoint Values, (iv) tenure and breadth of experience in a significant leadership capacity, as well as qualities reflecting a proven record of accomplishment and ability to work with others, (v) degree of knowledge in our industry, (vi) relevant experience and knowledge of corporate governance practices, and (vii) expertise in an area relevant to us. Any prospective director nominee must be independent under NASDAQ Marketplace Rules and our Corporate Governance Principles. Such persons should not have commitments that would conflict with the time commitments of a director serving on our board of directors. Such persons shall be of high repute and recognized integrity and not have been convicted in a criminal proceeding or be named a subject of a pending criminal proceeding (excluding traffic violations and other minor offenses). Such person shall not have been found in a civil proceeding to have violated any federal or state securities or commodities law, and shall not be subject to any court or regulatory order or decree limiting his or her business activity, including in connection with the purchase or sale of any security or commodity. Such persons shall have other characteristics considered appropriate for membership on our board of directors, as determined by the corporate governance and nominating committee.

The corporate governance and nominating committee has complete discretion in considering nominations to our board. A shareholder who wishes to recommend a qualified candidate to our board of directors may write to our corporate secretary at the address set forth above, stating in detail the qualifications of the person they recommend. Pursuant to our by-laws, all nominations for the 2007 annual meeting must be submitted not less than 50 days nor more than 75 days prior to the annual meeting.

EXPERTS

The consolidated financial statements of Dangaard Telecom A/S as of September 30, 2005 and 2006, and for each of the years in the three-year period ended September 30, 2006, have been included in this proxy statement

120

Table of Contents

as part of Annex C in reliance upon the report of KPMG C. Jespersen, Statsautoriseret Revisionsinteressentskab (Partnership of State Authorized Public Accountants), independent accountants, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing. As discussed in Note 35 to the consolidated financial statements, the consolidated balance sheet as of September 30, 2006 and 2005 and the related consolidated income statement for the year ended September 30 2006 have been restated.

WHERE YOU CAN FIND MORE INFORMATION

A copy of our 2006 Annual Report to Shareholders is being furnished herewith to each shareholder of record as of the close of business on June 6, 2007. Copies of our Annual Report on Form 10-K for the fiscal year ended December 31, 2006 will be provided upon written request to Brightpoint Inc. at 2601 Metropolis Parkway, Suite 210, Plainfield, Indiana 46168, Attention: Investor Relations. The Form 10-K also is available on our website at www.brightpoint.com.

We also file reports, proxy statements and other information with the Securities and Exchange Commission as required by the Securities Exchange Act of 1934, as amended. Copies of our reports, proxy statements and other information may be inspected and copied at the Public Reference Room maintained by the Securities and Exchange Commission at:

Room 1580
100 F Street, N.E.
Washington, D.C. 20549

Information on the operation of the Public Reference Room may be obtained by calling the Securities and Exchange Commission at 1-800-SEC-0330. The Securities and Exchange Commission maintains a website that contains reports, proxy and information statements and other information regarding Brightpoint. The address of the Securities and Exchange Commission website is <http://www.sec.gov>.

Information and statements contained in this proxy statement, including in any Annex to this proxy statement, are qualified in all respects by reference to the copy of the relevant contract filed as an Annex to this proxy statement. You should rely only on the information contained in this proxy statement to vote on our issuance of common stock in the acquisition or the approval of the other proposals set forth herein. Brightpoint has not authorized anyone to provide you with information that is different from what is contained in this proxy statement. This proxy statement is dated June 20, 2007. You should not assume that the information contained in this proxy statement is accurate as of any date other than June 20, 2007, and the mailing of this proxy statement to shareholders shall not create any implication to the contrary.

The information contained in this proxy statement with respect to Brightpoint was provided by Brightpoint and the information contained in this proxy statement with respect to Dangaard Telecom was provided by Dangaard Telecom and Dangaard Holding. Information provided by Brightpoint, on the one hand, and Dangaard Telecom or Dangaard Holding, on the other hand, does not constitute any representation, estimate or projection of the other.

OTHER INFORMATION

Our board of directors is aware of no other matters, except for those incident to the conduct of the annual meeting, that are to be presented to shareholders for formal action at the annual meeting. If, however, any other matters properly come before the annual meeting or any adjournments thereof, it is the intention of the persons named in the proxy to vote the proxy in accordance with their judgment.

By Order of the Board of Directors,

Steven E. Fivel
Executive Vice President, General Counsel and
Secretary
June 20, 2007

Table of Contents

Annex A

STOCK PURCHASE AGREEMENT

- (1) Stock Purchase Agreement, dated February 19, 2007, including
 - Exhibit A Form of Escrow Agreement

 - Exhibit B Form of Shareholder Agreement

 - Exhibit C Form of Registration Rights Agreement
 - (2) Amendment to Stock Purchase Agreement, dated April 19, 2007
 - (3) Amendment to Stock Purchase Agreement, dated May 17, 2007
 - (4) Amendment to Stock Purchase Agreement, dated June 15, 2007
-

Table of Contents

**STOCK PURCHASE AGREEMENT
dated February 19, 2007
BY AND AMONG
DANGAARD HOLDING A/S, DANGAARD TELECOM A/S,
BRIGHTPOINT, INC.
AND
NORDIC CAPITAL FUND VI (CONSISTING OF:
NORDIC CAPITAL VI ALPHA, L.P., NORDIC CAPITAL BETA, L.P.,
NC VI LIMITED AND NORDIC INDUSTRIES LIMITED)**

Annex A - (1)

1

Table of Contents

STOCK PURCHASE AGREEMENT

Parties: Dangaard Holding A/S

A Danish company (Shareholder)
c/o Nordic Capital
Sankt Annae Plads 11
1250 Copenhagen K
Denmark

Dangaard Telecom A/S

A Danish company (Target)
Transitvej 12
6330 Padborg
Denmark

Brightpoint, Inc.

An Indiana corporation (Parent)
2601 Metropolis Parkway, Suite 210
Plainfield, Indiana 46168

Nordic Capital Fund VI (for purposes of Sections 6.16 and 12.14 only), consisting of: Nordic Capital VI Alpha, L.P. and Nordic Capital Beta, L.P., Jersey limited partnerships acting through their general partner, Nordic Capital VI Limited, a Jersey company, NC VI Limited, a Jersey company, and Nordic Industries Limited, a Jersey company (collectively, Nordic)
22 Grenville Street
St. Helier Jersey JE4 8PX
Channel Islands

Date: February 19, 2007

Background: Whereas Target and its Subsidiaries are in the business, among other things, of distributing mobile phone products, and providing logistical services, mobile accessories and smart phone solutions (the Target Business); Whereas Shareholder owns all of the issued and outstanding shares of capital stock of Target (the Target Stock); Whereas the parties desire that Shareholder sell and Parent buy all of the Target Stock, all on the terms and subject to the conditions set forth in this Stock Purchase Agreement (the Agreement).

Now Therefore Intending To Be Legally Bound, in consideration of the foregoing and the mutual agreements contained herein and subject to the satisfaction of the terms and conditions set forth herein, the parties hereto agree as follows:

Section 1. *Defined Terms*

Defined terms used in this Agreement are defined in this Section 1 as follows:

1.1 *Accounts Receivable* means (a) any right to payment for goods sold, leased or licensed or for services rendered, whether or not it has been earned by performance, whether billed or unbilled, and whether or not it is evidenced by any Contract; (b) any note receivable; or (c) any other receivable or right to payment of any nature.

1.2 *Acquisition Proposal* shall have the meaning given that term in Section 6.4.2.

1.3 *Agreement* shall have the meaning given that term in the recitals to this Agreement.

1.4 *Antitrust Laws* means the antitrust and competition laws of the United States, the European Union or Denmark.

1.5 *Asset* means any real, personal, mixed, tangible or intangible property of any nature including Cash Assets, prepayments, deposits, escrows, Accounts Receivable, Tangible Property, Real

Annex A - (1)

2

Table of Contents

Property, Contract Rights, Intangibles and goodwill, and claims, causes of action and other legal rights and remedies.

1.6 *Break-Up Fee* shall have the meaning given that term in Section 10.2.2.

1.7 *Business Day* shall have the meaning given that term in Section 12.5.

1.8 *Business Facility* shall have the meaning given that term in Sections 4.19.3 and 5.19.3, as applicable.

1.9 *Cash Asset* means any cash on hand, cash in bank or other accounts, readily marketable securities, and other cash-equivalent liquid assets of a Person.

1.10 *Closing* shall have the meaning given that term in Section 8.1.

1.11 *Closing Date* shall have the meaning given that term in Section 8.1.

1.12 *Code* means the United States Internal Revenue Code of 1986, as amended.

1.13 *Confidentiality Agreement* shall have the meaning given that term in Section 6.4.

1.14 *Consent* means any consent, approval, order or authorization of, or any declaration, filing or registration with, or any application, notice or report to, or any waiver by, or any other action (whether similar or dissimilar to any of the foregoing) of, by or with, any Person, which is necessary in order to take a specified action or actions in a specified manner and/or to achieve a specified result.

1.15 *Contract* means any written or oral contract, agreement, instrument, order, arrangement, commitment or understanding of any nature including sales orders, purchase orders, leases, subleases, data processing agreements, maintenance agreements, license agreements, sublicense agreements, loan agreements, promissory notes, security agreements, pledge agreements, deeds, mortgages, bonds, guaranties, indemnities, warranties, employment agreements, consulting agreements, sales representative agreements, joint venture agreements, buy-sell agreements, options or warrants.

1.16 *Contract Right* means any right, power or remedy of any nature under any Contract including rights to receive property or services or otherwise derive benefits from the payment, satisfaction or performance of another party's Obligations, rights to demand that another party accept property or services or take any other actions, and rights to pursue or exercise remedies or options.

1.17 *Danish Tax Order* means the written approval of the Danish Tax Authorities dated January 26, 2007 and attached hereto as Annex I.

1.18 *Defense* shall have the meaning given that term in Section 11.2.2.

1.19 *EC Act* means Articles 81 and 82 of the European Community Treaty.

1.20 *Employee Benefit Plan* means any employee benefit plan and any other plan, program, policy or arrangement for or regarding bonuses, commissions, incentive compensation, severance, vacation, deferred compensation, pensions, profit sharing, retirement, payroll savings, stock options, stock purchases, stock awards, stock ownership, phantom stock, stock appreciation rights, medical/dental expense payment or reimbursement, disability income or protection, sick pay, group insurance, self insurance, death benefits, employee welfare or fringe benefits of any nature, but not including employment Contracts with individual employees.

1.21 *Encumbrance* means any lien, super lien, security interest, pledge, right of first refusal, mortgage, easement, covenant, restriction, reservation, conditional sale, prior assignment, or other encumbrance, claim, burden or charge of any nature.

1.22 *Entity* means any corporation (including any non-profit corporation), general partnership, limited partnership, limited liability partnership, joint venture, estate, trust, company (including any company limited by shares, limited liability company or joint stock company), firm, society or other enterprise, association, organization or entity.

Annex A - (1)

3

Table of Contents

1.23 *Environmental Laws* means all applicable Laws (including consent decrees and administrative orders) relating to the public health and safety and protection of the environment including those governing the use, generation, handling, storage and disposal or cleanup of Hazardous Substances, all as amended.

1.24 *Escrow Account* means the account set up pursuant to the Escrow Agreement.

1.25 *Escrow Agent* shall have the meaning given that term in Section 3.2.

1.26 *Escrow Agreement* shall have the meaning given that term in Section 3.2.

1.27 *Escrow Shares* shall have the meaning given that term in Section 3.2.

1.28 *Exchange Act* means the United States Securities Exchange Act of 1934, as amended.

1.29 *Facility Amendment* and *Facility Amendments* shall have the meanings given those terms in Section 6.6.2.

1.30 *Financial Statements* shall have the meaning given that term in Section 4.7.2.

1.31 *GAAP* means generally accepted accounting principles under current United States accounting rules and regulations, consistently applied.

1.32 *Governmental Body* means the United States, European Union or other: (a) nation, principality, republic, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign or other government; (c) governmental or quasi-governmental authority of any nature (including any governmental division, subdivision, department, agency, bureau, branch, office, commission, council, board, instrumentality, officer, official, representative, organization, unit, body or Entity and any court or other tribunal); (d) multi-national organization or body; or (e) individual, Entity or body exercising, or entitled to exercise, any executive, legislative, judicial, administrative, regulatory, police, military or Taxing Authority power of any nature.

1.33 *Hazardous Substances* means: (i) those substances included within the statutory and/or regulatory definitions or listings of hazardous substance, medical waste, special waste, hazardous waste, extremely hazardous substance, regulated substance, hazardous materials, or toxic substances, under any Law; (ii) any material, waste or substance which is or contains: (A) petroleum, oil or a fraction thereof, (B) explosives, (C) radioactive materials (including naturally occurring radioactive materials), or (D) solid wastes that pose imminent and substantial endangerment to health or the environment; and (iii) such other substances, materials, or wastes that are or become classified or regulated as hazardous or toxic under any applicable Law or regulation.

1.34 *HSR Act* means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

1.35 *IFRS* means International Financial Reporting Standards.

1.36 *including* means including but not limited to.

1.37 *Indemnification Excess* shall have the meaning given that term in Section 6.16.

1.38 *Indemnification Matter* shall have the meaning given that term in Section 11.2.

1.39 *Indemnification Notice* shall have the meaning given that term in Section 11.1.

1.40 *Indemnification Proceeds* shall have the meaning given that term in Section 6.16.

1.41 *Insurance Policy* means any public liability, product liability, general liability, comprehensive, property damage, vehicle, life, hospital, medical, dental, disability, worker's compensation, key man, fidelity bond, theft, forgery, errors and omissions, directors' and officers' liability, or other insurance policy of any nature.

1.42 *Intangible* means any name, corporate name, domain name, fictitious name, brand name, product name, slogan, trade secret, know-how, website, design, logo, formula, invention, product right, technology, Intellectual Property Right or other intangible asset of any nature, whether in use, operational,

Annex A - (1)

4

Table of Contents

active, under development or design, non-operative or inactive and whether owned, marketed, maintained, supported, used, licensed or otherwise held for use by, or licensed to or with respect to which rights are granted to, a Person, and whether arising under statutory or common law in any jurisdiction throughout the world or otherwise.

1.43 *Intellectual Property Rights* means any and all intellectual property rights and industrial property rights arising under statutory or common law, contract, or otherwise, and whether or not perfected, including all: (a) Patents; (b) rights associated with works of authorship including copyrights, moral rights, copyright applications, copyright registrations, and rights to prepare derivative works; (c) rights relating to the protection of trade secrets and confidential information; (d) rights in trademarks, trademark applications, service marks, service mark applications, trade names, logos, symbols, and the like; (e) divisions, continuations, renewals, reissues and extensions of the foregoing (as and to the extent applicable) now existing, hereafter filed, issued, or acquired; and (f) rights analogous to those set forth in this *Intellectual Property Rights* definition and any and all other proprietary rights relating to the foregoing in any jurisdiction throughout the world, including all rights to sue for past, present and future infringement.

1.44 *Internal Controls* shall have the meaning given that term in Section 4.7.2.

1.45 *IRS* means the United States Internal Revenue Service.

1.46 *Judgment* means any order, writ, injunction, citation, award, decree or other judgment of any nature of any Governmental Body.

1.47 *June Stock Purchase Agreement* shall have the meaning given that term in Section 6.16.

1.48 *to Parent's knowledge* and similar phrases mean the actual knowledge or implied knowledge of the individuals listed on **Schedule 1.48** attached hereto. For this purpose, *implied knowledge* means all information available in the books, records and files of Parent and all information such individuals should have reasonably known in the course of operating and managing the business and affairs of Parent and its Subsidiaries.

1.49 *to Shareholder's knowledge* and similar phrases mean the actual knowledge or implied knowledge of the individuals listed on **Schedule 1.49** attached hereto. For this purpose, *implied knowledge* means all information available in the books, records and files of Target and all information such individuals should have reasonably known in the course of operating and managing the business and affairs of Target and its Subsidiaries.

1.50 *Latest Balance Sheet* shall have the meaning given that term in Section 4.7.2.

1.51 *Latest Balance Sheet Date* shall have the meaning given that term in Section 4.7.4.

1.52 *Law* means any provision of any United States, European Union or other foreign, federal, state or local law, statute, ordinance, charter, constitution, treaty, code, rule, regulation or guideline, including common law.

1.53 *Lender* or *Lenders* means, in the case of Parent, Bank of America, N.A. or, in the case of Target, collectively, Nordea Bank and Fortis Bank, such definitions used herein as the context requires.

1.54 *Losses* shall have the meaning given that term in Section 11.1.

1.55 *Material Adverse Effect* shall mean, with respect to any Person, any effect, event or occurrence that is materially adverse to the assets, liabilities, results of operations or financial condition of the business of such Person and its subsidiaries, taken as a whole, or that has a material adverse effect on the ability of such Person and its subsidiaries to consummate the transactions contemplated by, and discharge their obligations under, this Agreement;

provided, however, that none of the following shall be deemed, either alone or in combination, to constitute, and none of the following shall be taken into account in determining whether there has been or will be, a Material Adverse Effect: (i) failure to meet any internal or published projections, forecasts, or revenue or earnings predictions for any period; it being understood, however, that the underlying reason or cause for such failure may still constitute a Material

Table of Contents

Adverse Effect; (ii) any adverse change, effect, event, occurrence, state of facts or development to the extent attributable to the announcement or pendency of the Transaction (including any cancellations of or delays in customer orders, any reduction in sales, any disruption in supplier distributor, partner or similar relationships or any loss of employees); (iii) any adverse change, effect, event, occurrence, state of facts or development attributable to conditions affecting (a) the industries in which the business of such Person and its subsidiaries operates (which adverse changes or effects do not affect the business of such Person and its subsidiaries in a materially disproportionate manner) or (b) general economic conditions not uniquely related to the business of such Person and its subsidiaries; (iv) terrorist activities; (v) any adverse change, effect, event, occurrence, state of facts or development arising from or relating to any change in accounting requirements or principles or the interpretation thereof required under any applicable Law or applicable local generally accepted accounting principles or (vi) any adverse change, effect, event, occurrence, state of facts or development arising from or relating to any change in applicable Laws or the interpretation or enforcement thereof (which adverse changes, effects, events, occurrences, state of facts or developments do not affect such Person's ability to consummate the Transaction).

1.56 *Material Contracts* shall have the meaning given that term in Section 4.17.1.

1.57 *NASDAQ* means The NASDAQ Global Select Market.

1.58 *Nordic* shall have the meaning given that term in the recitals to this Agreement.

1.59 *Obligation* means any debt, liability or obligation of any nature, whether secured, unsecured, recourse, nonrecourse, liquidated, unliquidated, accrued, absolute, fixed, contingent, ascertained, unascertained, known, unknown or otherwise.

1.60 *Parent* shall have the meaning given that term in the recitals to this Agreement.

1.61 *Parent Board* means the board of directors of Parent.

1.62 *Parent Break-Up Fee* shall have the meaning given that term in Section 10.2.2.

1.63 *Parent Common Stock* shall have the meaning given that term in Section 5.4.1.

1.64 *Parent Disclosure Controls* shall have the meaning given that term in Section 5.6.

1.65 *Parent Documents* shall have the meaning given that term in Section 5.1.1.

1.66 *Parent Employee Benefit Plans* shall have the meaning given that term in Section 5.14.1.

1.67 *Parent Form 10-K* shall have the meaning given that term in Section 5.5.

1.68 *Parent Indemnitees* shall have the meaning given that term in Section 11.1.

1.69 *Parent Internal Controls* shall have the meaning given that term in Section 5.6.

1.70 *Parent Latest Balance Sheet* shall have the meaning given that term in Section 5.6.

1.71 *Parent MAE* shall have the meaning given that term in Section 7.2.3.

1.72 *Parent Material Contracts* shall have the meaning given that term in Section 5.17.1.

- 1.73 *Parent Opinion* shall have the meaning given that term in Section 7.2.4.
- 1.74 *Parent Recommendation* shall have the meaning given that term in Section 6.1.1.
- 1.75 *Parent SEC Reports* shall have the meaning given that term in Section 5.6.
- 1.76 *Parent Shares* shall have the meaning given that term in Section 3.1.
- 1.77 *Parent Stock* shall have the meaning given that term in Section 5.4.1.
- 1.78 *Parent Stockholders Approval* shall have the meaning given that term in Section 6.1.1.
- 1.79 *Parent Stockholders Meeting* shall have the meaning given that term in Section 6.1.1.

Annex A - (1)

6

Table of Contents

1.80 *Patents* mean patents, reissues and reexamined patents, and patent applications, whenever filed and wherever issued, including limitation, continuations, continuations-in-part, substitutes, and divisions of such applications and all priority rights resulting from such applications.

1.81 *Permit* means any license, permit, approval, waiver, order, authorization, right or privilege of any nature, granted, issued, approved or allowed by any Governmental Body.

1.82 *Permitted Encumbrances* means: (i) Encumbrances for current Taxes not yet due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings and has been reserved against on the Latest Balance Sheet or the Parent Latest Balance Sheet, as applicable; (ii) mechanics , materialmen s, carriers , workers , repairers , and statutory liens and rights in rem and other similar Encumbrances arising or incurred in the ordinary and usual course of business consistent with past practice; (iii) zoning, entitlement, conservation restriction and other land use and environmental regulations by Governmental Bodies; (iv) such easements, covenants, conditions, restrictions, reservations, declarations, agreements, states of fact, rights of way and other matters or encumbrances of record or disclosed by registered title or identified in title reports; and (v) reservations of rights of ownership for products sold on credit.

1.83 *Person* means any individual, Entity or Governmental Body.

1.84 *Proceeding* means any demand, claim, suit, action, litigation, investigation, notice of violation, arbitration, administrative hearing or other proceeding of any nature.

1.85 *Proxy Statement* shall have the meaning given that term in Section 6.1.2.

1.86 *Purchase Price* shall have the meaning given that term in Section 3.1.

1.87 *Real Property* means any real estate, land, building, condominium, town house, structure or other real property of any nature, all shares of stock or other ownership interests in cooperative or condominium associations or other forms of ownership interest through which interests in real estate may be held, and all appurtenant and ancillary rights thereto including easements, covenants, water rights, sewer rights and utility rights.

1.88 *Registration Rights Agreement* shall have the meaning given that term in Section 6.13.

1.89 *Sarbanes-Oxley Act* means the Sarbanes-Oxley Act of 2002.

1.90 *SEC* means the United States Securities and Exchange Commission.

1.91 *Securities Act* means the United States Securities Act of 1933, as amended.

1.92 *Shareholder* shall have the meaning given that term in the recitals to this Agreement.

1.93 *Shareholder Agreement* shall have the meaning given that term in Section 6.12.

1.94 *Software* means any computer program, operating system, application, system, firmware or software of any nature, whether operational, active, under development or design, non-operational or inactive, including all object code, source code, comment code, algorithms, processes, formulae, interfaces, navigational devices, menu structures or arrangements, icons, operational instructions, scripts, commands, syntax, screen designs, reports, designs, concepts, visual expressions, technical manuals, test scripts, user manuals and other documentation therefore, whether in

machine-readable form, programming language or any other language or symbols, and whether stored, encoded, recorded or written on disk, tape, film, memory device, paper or other media of any nature and all data bases necessary to operate any such computer program, operating system, application, system, firmware or software.

1.95 *Subsidiaries* means all of the respective subsidiaries of Parent and Target.

1.96 *Survival Period* shall have the meaning given that term in Section 11.3.

1.97 *Tangible Property* means any furniture, fixtures, leasehold improvements, vehicles, office equipment, computer equipment, other equipment, machinery, tools, forms, supplies or other tangible personal property of any nature.

Annex A - (1)

7

Table of Contents

- 1.98 *Target* shall have the meaning given that term in the recitals to this Agreement.
- 1.99 *Target Break-Up Fee* shall have the meaning given that term in Section 10.2.2.
- 1.100 *Target Business* shall have the meaning given that term in the recitals to this Agreement.
- 1.101 *Target Documents* shall have the meaning given that term in Section 4.1.1.
- 1.102 *Target Employee Benefit Plans* shall have the meaning given that term in Section 4.14.1.
- 1.103 *Target MAE* shall have the meaning given that term in Section 7.1.3.
- 1.104 *Target Opinion* shall have the meaning given that term in Section 7.1.4.
- 1.105 *Target Stock* shall have the meaning given that term in the recitals to this Agreement.
- 1.106 *Tax* means (a) any foreign or United States federal, state or local income, earnings, profits, gross receipts, franchise, capital stock, net worth, sales, use, value added, occupancy, general property, real property, personal property, intangible property, transfer, fuel, excise, payroll, withholding, unemployment compensation, social security, retirement, escheat, unclaimed property or other tax of any nature; (b) any foreign or United States federal, state or local organization fee, qualification fee, annual report fee, filing fee, occupation fee, assessment, sewer rent or other fee or charge of any nature; (c) any deficiency, interest or penalty imposed with respect to any of the foregoing or (d) any liability for amounts described in clause (a), (b) or (c) as a result of the application of Treasury Regulation Section 1.1502-6 (or similar provision of foreign, state or local Law), by Contract, by Law or otherwise.
- 1.107 *Tax Returns* means all non-United States, United States federal, state, local, and other Tax returns and reports, information returns, statements, declarations, estimates, schedules, notices, notifications, forms, elections, certificates or other documents required to be filed or submitted to any Governmental Body with respect to the determination, assessment, collection or payment of any Tax or in connection with the administration, implementation or enforcement of or compliance with any Law relating to any Tax, including any amendments thereto.
- 1.108 *Taxing Authority* shall mean any United States, European Union or other domestic, non-United States, federal, national, state, county or municipal or other local government, any subdivision, agency, commission or authority thereof, or any quasi-governmental body exercising Tax regulatory authority.
- 1.109 *Termination Expenses* shall have the meaning given that term in Section 10.2.3.
- 1.110 *Transaction* shall have the meaning given that term in Section 2.1.
- 1.111 *VAT* shall have the meaning given that term in Section 4.11.10.
- 1.112 *VAT Legislation* shall have the meaning given that term in Section 4.11.10.

Section 2. *The Transaction*

2.1 *Sale and Purchase of Target Stock.* On the Closing Date, and subject to the other terms and conditions of this Agreement, Shareholder shall sell, transfer, assign, convey and deliver to Parent free and clear of all Encumbrances, and Parent shall purchase for the Purchase Price, all right, title and interest in and to the Target Stock from

Shareholder (the Transaction).

Section 3. *Purchase Price and Escrow Shares*

3.1 *Purchase Price.* The purchase price for the Target Stock shall be One Hundred Thousand Dollars (\$100,000) plus thirty million (30,000,000) shares of Parent Common Stock (the Parent Shares), payable at Closing to Shareholder (the Purchase Price).

3.2 *Escrow Shares.* In order to secure Shareholder s indemnification obligations under Section 11 of this Agreement, on the Closing Date, Parent shall deliver to an escrow agent selected by Parent and reasonably acceptable to Shareholder (the Escrow Agent) three million (3,000,000) of the Parent Shares (the Escrow Shares), such Escrow Shares to be held and distributed pursuant to the terms of an escrow agreement to be

Annex A - (1)

8

Table of Contents

entered into on the Closing Date by and among Parent, Shareholder and the Escrow Agent, in substantially the form attached hereto as Exhibit A (the Escrow Agreement).

Section 4. *Representations of Shareholder*

Knowing that Parent is relying thereon, Shareholder represents and warrants to Parent as follows:

4.1 *Authority.*

4.1.1. The execution and delivery by each of Shareholder and Target of this Agreement and of all of the agreements to be executed and delivered by Shareholder and Target pursuant hereto (collectively, the Target Documents), the performance by Shareholder and Target of their respective obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby, have been duly and validly authorized by all necessary corporate action on the part of Shareholder and Target and Shareholder and Target have all necessary corporate power and corporate authority with respect thereto. This Agreement is, and when executed and delivered by Shareholder and Target, each of the other Target Documents to be delivered by either or both of them pursuant hereto will be, the valid and binding obligations of Shareholder and Target, to the extent they are parties thereto, and enforceable in accordance with their respective terms, except as the same may be limited by bankruptcy, insolvency, reorganization, moratorium or other Laws affecting the rights of creditors generally and subject to the rules of law governing (and all limitations on) specific performance, injunctive relief, and other equitable remedies.

4.1.2. The execution, delivery and performance of this Agreement and the other Target Documents by Shareholder and Target require no material actions in respect of, or filing with, any Governmental Body, other than compliance with the Antitrust Laws.

4.2 *Noncontravention.* Except as set forth on **Schedule 4.2**, neither the execution and delivery by Shareholder or Target of this Agreement or of any other Target Documents to be executed and delivered by either or both of them, nor the consummation of any of the transactions contemplated hereby or thereby, nor the performance by either or both of them of any of their respective obligations hereunder or thereunder, will (nor with the giving of notice or the lapse of time or both would) (a) conflict with or result in a breach of any provision of the organizational documents of Shareholder or Target, each as amended to date, (b) give rise to a default, or any right of termination, cancellation or acceleration, or otherwise be in conflict with or result in a loss of contractual benefits to either or both of them, under any of the terms, conditions or provisions of any Contract or Obligation to which either or both of them is a party or by which either or both of them or any of their respective Assets may be bound, or, except as set forth on **Schedule 4.2**, require any Consent, including any Consent required in connection with any existing loan or credit facility of Target or any of its Subsidiaries, or payment under the terms of any such document or instrument, (c) assuming compliance with the matters referred to in Section 4.1.2, violate any Judgment or Law which is applicable to Shareholder or Target, or (d) result in the creation or imposition of any Encumbrance upon any of the Assets of Shareholder or Target, excluding from the foregoing clauses (b), (c) and (d) such defaults, rights, conflicts, losses, violations and Encumbrances that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Target.

4.3 *Ownership.* Shareholder: (i) is the sole record holder and beneficial owner of the Target Stock and has full and unrestricted title to the Target Stock, free and clear of any Encumbrances; (ii) has the ability to vote all of the shares of Target Stock at any meeting of the shareholders of Target; and (iii) has not appointed or granted any proxy or entered into any agreement, contract, commitment or understanding with respect to any of the shares of Target Stock.

4.4 *Organization, Standing and Power.*

4.4.1. Except as set forth in **Schedule 4.4**, each of Target and its Subsidiaries is an Entity duly organized and, validly existing under the laws of the jurisdiction of its formation, with full corporate power and lawful authority to (a) own, lease and operate its respective properties as currently conducted by it, (b) carry on the Target Business as currently conducted by it and (c) execute and deliver, and

Annex A - (1)

9

Table of Contents

perform under, this Agreement and each other agreement and instrument to be executed and delivered by it pursuant hereto.

4.4.2. **Schedule 4.4** sets forth all of the Subsidiaries of Target.

4.4.3. Accurate and complete copies of the organizational and related documents, each as amended to date, and all Contracts relating to the acquisition or formation of Target and its Subsidiaries (or their affiliates or predecessors) have been made available to Parent.

4.5 *Capitalization.* **Schedule 4.5** sets forth the authorized capital stock of Target and each of its Subsidiaries, including the type of shares authorized, the par value per share and the number of each type of shares that are issued and outstanding. Except for Shareholder, there are no other record or beneficial owners of any shares of capital stock of Target or any other securities of Target. All of the issued and outstanding shares of capital stock of Target have been duly authorized and validly issued, and are fully paid and nonassessable. Except as set forth in **Schedule 4.5**, there exists no right of first refusal or other preemptive right with respect to Target or the capital stock, business or Assets of Target or any of its Subsidiaries. Except as set forth in **Schedule 4.5** Target owns, either directly or indirectly, all of the capital stock of its Subsidiaries. Except as referenced on **Schedule 4.5**, none of the Subsidiaries owns any capital stock in any Person.

4.6 *Options and Other Rights.*

4.6.1. There is no:

(a) outstanding subscription, option, call, warrant or right (whether or not currently exercisable) to acquire any shares of the capital stock or other securities of Target or any of its Subsidiaries;

(b) outstanding security, instrument or obligation that is or may become convertible into or exchangeable for any shares of the capital stock or other securities of Target or any of its Subsidiaries; or

(c) Contract under which Target or any of its Subsidiaries is or may become obligated to sell or otherwise issue any shares of its capital stock or any other securities.

4.7 *Financial Statements; Internal Controls.*

4.7.1. Target's fiscal year ends on September 30.

4.7.2. Target has delivered to Parent the following financial statements and related notes (collectively the Financial Statements): the audited consolidated balance sheets of Target and its Subsidiaries as of September 30, 2006 (the Latest Balance Sheet), September 30, 2005, and September 30, 2004, and the related statements of income, capital and reserves and cash flows of Target and its Subsidiaries for the fiscal years ended September 30, 2006, September 30, 2005, and September 30, 2004.

4.7.3. Except as set forth on **Schedule 4.7**, the Financial Statements were prepared from the books and records of Target, present a true and fair view of the financial position of Target as of the respective dates thereof and the results of operations, changes in capital and reserves and cash flows of Target for the periods covered thereby and were accompanied by unqualified reports from the independent auditor opining thereon. The Financial Statements have been prepared in accordance with IFRS on a consistent basis and in accordance with past practices.

4.7.4. As of September 30, 2006, (the Latest Balance Sheet Date), Target had no Obligations other than (i) Obligations identified as such in the liabilities column on the Latest Balance Sheet, (ii) Obligations set forth on **Schedule 4.7**, or (iii) Obligations under the Material Contracts listed on **Schedule 4.17**, provided that as of the Latest Balance Sheet Date, no such Obligation consisted of or resulted from a default under or violation of any such Contract.

4.7.5. *Internal Controls*. The management of Target has (i) designed and maintained a system of internal control over financial reporting (Internal Controls) sufficient to provide reasonable assurances regarding the reliability of financial reporting and preparation of financial statements in accordance with IFRS on a consistent basis and in accordance with past practices.

Annex A - (1)

10

Table of Contents

4.8 *Accounts Receivable.* All Accounts Receivable of Target and its Subsidiaries, arose in the ordinary course of business and were adequately provided for on the Latest Balance Sheet. Except as disclosed in **Schedule 4.8**, all Accounts Receivable are insured, there are no unsatisfied insurance claims for Accounts Receivable and there are no refunds, discounts, rights of setoff or assignments affecting any such Accounts Receivable which are not insured.

4.9 *Inventory.* Except as disclosed in **Schedule 4.9**, all Inventory used in the Target Business conforms in all material respects with all applicable specifications and warranties, is not obsolete, is useable or saleable in the ordinary course of business and, if saleable, is saleable at values not less than the book value amounts thereof except to the extent adequately reserved. As of the Latest Balance Sheet Date, all Inventory on the Latest Balance Sheet is valued at the lower of cost or market in accordance with IFRS consistently applied.

4.10 *Operations Since The Latest Balance Sheet Date.* Except as set forth on **Schedule 4.10**, since the Latest Balance Sheet Date, as of the date hereof:

(a) except in the ordinary course of its business consistent with its past practices or pursuant to this Agreement, neither Target nor any of its Subsidiaries, as applicable, has: (i) pledged or hypothecated any of its material Assets or otherwise permitted any of its material Assets to become subject to any Encumbrance other than Permitted Encumbrances; (ii) incurred any material Obligation; (iii) made any material loan or advance to any Person; (iv) assumed, guaranteed or otherwise become liable for any material Obligation of any Person; (v) committed for any capital expenditure individually in an amount in excess of (euro) 1,000,000 and in the aggregate in an amount in excess of (euro) 5,000,000; (vi) purchased, leased, sold, abandoned or otherwise acquired or disposed of any material business or assets; (vii) waived or released any right or canceled or forgiven any material debt or claim; (viii) discharged any material Encumbrance or discharged or paid any material indebtedness or other material Obligation; (ix) assumed or entered into any material Contract other than this Agreement; (x) amended or terminated any material Contract; (xi) materially increased, or authorized an increase in, the compensation or benefits paid or provided to any of its senior executive officers; (xii) established, adopted or amended in any material respect (including any amendment with a future effective date) any Employee Benefit Plan; (xiii) declared, accrued, set aside, or paid any dividend or made any other distribution in respect of any shares of its capital stock, other securities, Cash Assets or other Assets; (xiv) repurchased, redeemed or otherwise reacquired any shares of its capital stock or other securities; (xv) sold or otherwise issued any shares of its capital stock or any other securities; (xvi) amended its organizational documents; (xvii) been a party to any merger, consolidation, recapitalization, reclassification of shares, stock split, reverse stock split or similar transaction; (xviii) accrued any deferred bonuses or compensation due to any shareholder, employee or agent of Target or any of its Subsidiaries, or paid any such deferred bonuses or compensation except to the extent such deferred bonuses or compensation was accrued on the Latest Balance Sheet; (xix) changed any of its methods of accounting or accounting practices in any respect; or (xx) made any material Tax election; and

(b) there has been no change that has had a Material Adverse Effect on Target.

4.11 *Taxes.*

4.11.1. Each of Target and its Subsidiaries has timely filed (or has had timely filed on its behalf) or will timely file or cause to be timely filed, all material Tax Returns required by applicable Law to be filed by it prior to or as of the Closing Date. All such Tax Returns are or will be complete and correct.

4.11.2. Each of Target and its Subsidiaries has timely paid (or has had timely paid on its behalf) or will timely pay (or will have timely paid on its behalf) all material Taxes falling due prior to the Closing Date (whether or not on a Tax Return).

4.11.3. There are no Encumbrances for Taxes upon any property of Target or any of its Subsidiaries except for liens for local property Taxes and assessments in the ordinary course of business assessed by jurisdictions not delinquent beyond any cure period.

Annex A - (1)

11

Table of Contents

4.11.4. Except as set forth on **Schedule 4.11**, no audits, examinations, investigations or other administrative proceedings or court proceedings are pending with regard to any Tax Returns filed by or on behalf of Target or any of its Subsidiaries.

4.11.5. Except as set forth on **Schedule 4.11**, there are no outstanding Consents to extend the statutory period of limitations (or similar period under non-United States law) applicable to the assessment of any Taxes or deficiencies against Target or any of its Subsidiaries.

4.11.6. Except as set forth on **Schedule 4.11**, to Shareholder's knowledge, the transactions contemplated by this Agreement are not subject to any Tax withholding.

4.11.7. No claim has ever been made by a Governmental Body in a jurisdiction where Target or any of its Subsidiaries do not file Tax Returns that any of them may be subject to taxation in that jurisdiction.

4.11.8. Each of Target and its Subsidiaries have timely withheld and paid all Taxes required to have been withheld and paid in connection with any amounts paid or owing to any employee, independent contractor, creditor, stockholder, or third party.

4.11.9. None of the Target or any of its Subsidiaries is a party to, or bound by, any Tax allocation or sharing agreement.

4.11.10. Without affecting the general character of the representations and warranties in this Section 4.11: (i) Target and each of its Subsidiaries is registered for Value Added Tax (VAT) purposes if required to be so registered by Law, regulation or administrative practice relating to VAT (VAT Legislation), and any such registration is not subject to any material conditions imposed by or agreed with the relevant Taxing Authority; and (ii) Target and each of its Subsidiaries has complied with and observed in all material respects the terms of VAT Legislation.

4.11.11. Shareholder has obtained the Danish Tax Order, and, as of the date hereof, the Danish Tax Order is in full force.

4.12 *Intellectual Property.*

4.12.1. *Schedule 4.12* contains an accurate and complete list as of the date hereof and description of all material Intellectual Property Rights of Target and its Subsidiaries.

4.12.2. Except as set forth on **Schedule 4.12**, Target and each of its Subsidiaries have all right, title and interest in and to, including good and indefeasible title and the full right to use, or valid license to use all material Intellectual Property Rights, free and clear of any Encumbrance other than Permitted Encumbrances.

4.12.3. None of the material Intellectual Property Rights or their respective past or current uses, including the preparation, manufacture, distribution, marketing, selling or licensing thereof, has violated or infringed upon, or is violating or infringing upon, any Software, technology, or other Intellectual Property Rights of any Person. No Proceeding is pending or, to Shareholder's knowledge, is threatened, nor has any claim or demand been made on Target or its Subsidiaries, which challenges or challenged the legality, validity, enforceability, use or exclusive ownership by Target or its Subsidiaries of any of the material Intellectual Property Rights. To Shareholder's knowledge, no Person is violating or infringing upon, or has violated or infringed upon at any time, any of the material Intellectual Property Rights.

4.12.4. Any Contract covering or relating to any material Intellectual Property Rights is legal, valid, binding, enforceable and in full force and effect, and upon consummation of the transactions contemplated hereby, will continue to be legal, valid, binding, enforceable and in full force and effect on terms identical to those in effect immediately prior to the consummation of the transactions contemplated hereby, except as the same may be limited by bankruptcy, insolvency, reorganization, moratorium or other Laws affecting the rights of creditors generally and subject to the rules of law governing (and all limitations on) specific performance, injunctive relief, and other equitable remedies. Neither Target nor any of its Subsidiaries is in breach of or default under any Contract covering or relating to any material

Annex A - (1)

12

Table of Contents

Intellectual Property Rights or has performed any act or omitted to perform any act which, with notice or lapse of time or both, will become or result in a material violation, breach or default thereunder.

4.13 Employees and Independent Contractors.

4.13.1. **Schedule 4.13** contains an accurate and complete list as of the date hereof of all of the senior executive officers of Target and each of its Subsidiaries (including any such person who is on a leave of absence or on layoff status) and (i) their titles or responsibilities; (ii) their dates of hire; (iii) their current salaries or wages and all bonuses, commissions and incentives paid at any time during the past twelve (12) months; (iv) their last compensation changes and the dates on which such changes were made; (v) any specific bonus, commission or incentive plans or agreements for or with them; (vi) each Employee Benefit Plan in which they participate; and (vii) any outstanding loans or advances made to them.

4.13.2. **Schedule 4.13** also contains an accurate and complete list as of the date hereof of all key sales representatives and independent contractors engaged by Target or any of its Subsidiaries and material to the Target Business and (i) their payment arrangements (if not set forth in a Material Contract listed or described on **Schedule 4.17**), and (ii) a brief description of their jobs or projects currently in progress.

4.13.3. Except as limited by the specific and express terms of any employment Contracts listed on **Schedule 4.13** and except for any limitations of general application which may be imposed under applicable employment Laws, Target and its Subsidiaries, as applicable, has the right to terminate the employment of each of its key employees at will and to terminate the engagement of any of its independent contractors without payment to such employee or independent contractor other than for services rendered through termination and without incurring any penalty or liability other than liability for severance pay in accordance with such company's disclosed severance pay policy.

4.13.4. Each of Target and its Subsidiaries is in compliance in all material respects with all Laws relating to employment practices. Target has made available to Parent accurate and complete copies of all material employee manuals and handbooks, disclosure materials, policy statements and other materials relating to the employment of the current and former employees of Target and each of its Subsidiaries.

4.13.5. Except as set forth on **Schedule 4.13**, neither Target nor any of its Subsidiaries have been a party to or bound by any union or collective bargaining Contract, nor is any such Contract currently in effect or being negotiated by or on behalf of Target or any of its Subsidiaries.

4.13.6. In the past two years, neither Target nor any of its Subsidiaries has experienced any material labor problem.

4.13.7. To the Shareholder's knowledge, no key employee of Target or any of its Subsidiaries is a party to or is bound by any confidentiality agreement, non-competition agreement or other Contract (with any Person) that may have an adverse effect on the performance by such employee of any of his duties or responsibilities as an employee of Target or any of its Subsidiaries.

4.13.8. Except as set forth on **Schedule 4.13**, no key employee of Target or any of its Subsidiaries has indicated an intention to terminate or has terminated his or her employment within three (3) months prior to the date hereof.

4.14 Employee Benefit Plans.

4.14.1. **Schedule 4.14** contains an accurate and complete list as of the date hereof of all of the material Employee Benefit Plans of Target and its Subsidiaries (collectively referred to as the Target Employee Benefit Plans). Accurate and complete copies and descriptions of all of the Target Employee Benefit Plans have been made available to Parent.

4.14.2. With respect to the Target Employee Benefit Plans, Target will have made, on or before the Closing Date, all payments required to be made by them on or before the Closing Date and will have accrued (in accordance with IFRS) as of the Closing Date all payments due but not yet payable as of the

Annex A - (1)

13

Table of Contents

Closing Date, so there will not have been, nor will there be, any accumulated funding deficiencies or waivers of such deficiencies.

4.14.3. All of the Target Employee Benefit Plans are, and have been, operated in compliance in all material respects with their provisions and with all applicable Laws. Target and all fiduciaries of the Target Employee Benefit Plans have complied in all material respects with the provisions of the Target Employee Benefit Plans and with all applicable Laws.

4.14.4. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (i) result in any payment (including any severance, unemployment compensation or golden parachute payment) becoming due from Target under any of the Target Employee Benefit Plans, (ii) increase any benefits otherwise payable under any of the Target Employee Benefit Plans, or (iii) result in the acceleration of the time of payment or vesting of any such benefits to any extent.

4.15 *Real Property*. **Schedule 4.15** contains an accurate and complete list as of the date hereof of all material Real Property owned or leased by Target and its Subsidiaries, showing location, and if leased, the rental cost and landlord. All Real Property owned, under lease to or otherwise used by Target and its Subsidiaries is in good condition, ordinary wear and tear excepted, as is sufficient in all material respects for the current operations of Target and its Subsidiaries. No such Real Property, nor the occupancy, maintenance or use thereof, is in material violation of, or material breach or default under, any Contract or Law, and, to Shareholder's knowledge, no notice or threat from any lessor, Governmental Body or other Person has been received by Target or its Subsidiaries or served upon any such Real Property claiming any material violation of, or material breach, default or liability under, any Contract or Law, or requiring or calling attention to the need for any material work, repairs, construction, alteration, installations or environmental remediation.

4.16 *Insolvency*. No order has been made, petitioned or presented and no meeting convened for the purpose of considering a resolution for the winding-up of, or appointment of any administrator or receiver for, Target or any of its Subsidiaries.

4.17 *Material Contracts*.

4.17.1. **Schedule 4.17** contains an accurate and complete list as of the date hereof of all of the Contracts to which Target or any of its Subsidiaries is a party or by which Target or any of its Subsidiaries is bound, that, in each case:

(a) provides for aggregate future payments by Target or any of its Subsidiaries, or to Target or any of its Subsidiaries, of more than (euro) 500,000;

(b) is a Contract not entered into in the ordinary course of business consistent with past practice which provides for aggregate future payments by Target or any of its Subsidiaries, or to Target or any of its Subsidiaries, of more than (euro) 500,000;

(c) is a collective bargaining Contract or other Contract with a labor union (including all material side letters and side agreements);

(d) restricts Target or any of its Subsidiaries from engaging in any business in any part of the world;

(e) is an employment Contract where the base compensation is in excess of (euro) 200,000 per year, or retention or change in control Contract that applies to any transaction other than this Transaction, or material independent contractor Contract with any director, officer or other employee of Target or any of its Subsidiaries;

(f) is with respect to the creation, operation, governance or management of a partnership, joint venture, limited liability company or similar agreement or is a stockholders agreement, registration rights agreement, voting agreement or proxy relating to the voting of any capital stock of Target or any of its Subsidiaries;

(g) is a mortgage, indenture, security agreement relating to indebtedness for borrowed money, letter of credit, promissory note, loan agreement or other material agreement, guarantee and instrument relating to the borrowing of money or extension of credit in each case in excess of (euro) 1,000,000;

Annex A - (1)

14

Table of Contents

(h) (A) is a stock purchase agreement whereby Target or any of its Subsidiaries bought or sold an equity interest or (B) is an asset purchase agreement or other acquisition or divestiture agreement whereby Target or any of its Subsidiaries, bought or sold a business or all or substantially all of the assets of a business for a price in excess of (euro) 1,000,000, in each case within the last three (3) years prior to the date hereof; or

(i) is a material written amendment in respect of any of the foregoing (collectively, the *Material Contracts*). A description of each oral Material Contract is included on **Schedule 4.17**, and true and correct copies of each written Material Contract have been made available to Parent.

4.17.2. Each Material Contract is valid and in full force and effect against Target or its Subsidiaries as applicable, and is enforceable against Target and its Subsidiaries in accordance with its terms. To Shareholder's knowledge, each Material Contract is valid and in full force and effect against the counterparties thereto and is enforceable by Target and its Subsidiaries in accordance with its terms, except where the failure to be in full force and effect or enforceable would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Target.

4.17.3. Except as set forth on **Schedule 4.17**: (i) to Shareholder's knowledge, no Person has materially violated, breached, or committed any default under, any Material Contract; (ii) no event has occurred, and no circumstance or condition exists, that might (with or without notice or lapse of time) (A) result in a material violation or breach of any of the provisions of any Material Contract, (B) give any Person the right to declare a default or exercise any remedy under any Material Contract, (C) give any Person the right to accelerate the maturity or performance of any Material Contract, or (D) give Target, its Subsidiaries or, to Shareholder's knowledge, any other Person, the right to cancel, terminate or modify any Material Contract; (iii) neither Target nor any of its Subsidiaries has received any notice or other communication (in writing or otherwise) regarding any actual, alleged, possible or potential material violation or breach of, or default under, any Material Contract; and (iv) neither Target nor any of its Subsidiaries has waived any of its material rights under any Material Contract.

4.18 *Related Party Transactions*. Except as set forth on **Schedule 4.18** and except for any employment Contracts listed on **Schedule 4.13** and **Schedule 4.17** and other arrangements entered into in the ordinary course of business, there are no material real estate leases, personal property leases, loans, guarantees, Contracts, transactions, understandings or other arrangements of any nature between or among Target and any current or former shareholder, director, officer or controlling Person of Target (or any of its predecessors) or any other Person affiliated with Target (or any of its predecessors).

4.19 *Environmental Matters*.

4.19.1. Target, its Subsidiaries, and any Business Facility (as that term is defined in Section 4.19.3 below) are in material compliance with all applicable Environmental Laws, which compliance includes the possession by Target and its Subsidiaries of all material Permits and other governmental authorizations required under applicable Environmental Laws, and are and have been in material compliance with the terms and conditions thereof.

4.19.2. Except in compliance with Environmental Laws, no Hazardous Substances have been used, generated, extracted, mined, beneficiated, manufactured, stored, treated, or disposed of, or in any other way released (and no release is threatened) on, under or about any Business Facility or transferred or transported to or from any Business Facility.

4.19.3 Neither Target nor any of its Subsidiaries have been named as a potentially responsible party (PRP) or a term of similar import under any Environmental Law, and to the knowledge of Shareholder no Business Facility of Target or any of its Subsidiaries is subject to any lien arising under Environmental Laws.

4.19.4. There are no Obligations arising out of or relating to Environmental Laws which Target or any of its Subsidiaries has agreed to, assumed or retained, by Contract or otherwise.

4.19.5. For purposes of this Section 4.19, the term Business Facility includes any property (whether real or personal) which Target or any of its Subsidiaries currently leases, operates, or owns or

Annex A - (1)

15

Table of Contents

manages in any manner or which Target or any of its Subsidiaries or any of their respective organizational predecessors formerly leased, operated, owned or managed in any manner.

4.20 *Insurance.* **Schedule 4.20** contains an accurate and complete list and description of all material Insurance Policies (excluding Insurance Policies that constitute the Target Employee Benefit Plans described on **Schedule 4.14**) currently owned or maintained by Target as of the date hereof and all liability and errors and omissions Insurance Policies owned or maintained by Target and its predecessors (if any) at any time since September 30, 2003. Except as set forth on **Schedule 4.20**, accurate and complete copies of all material Insurance Policies described or required to be described on **Schedule 4.20** have been made available to Parent. Each such material Insurance Policy is in full force and effect; Target has not received notice of cancellation with respect to any such Insurance Policy; and, to Shareholder's knowledge, there is no basis for the insurer thereunder to terminate any such material Insurance Policy. Except as set forth on **Schedule 4.20**, there are no claims in excess of (euro) 100,000 that are pending under any of the material Insurance Policies described on **Schedule 4.20**.

4.21 *Compliance with Laws; Permits.*

4.21.1. Except as set forth on **Schedule 4.21**: (i) Target and its Subsidiaries are in material compliance with each Law that is applicable to them or to the conduct of any of their businesses or the ownership or use of any of their Assets; (ii) no event has occurred, and no condition or circumstance exists, that might (with or without notice or lapse of time) constitute or result in a material violation by Target or any of its Subsidiaries of, or a failure on the part of Target or any of its Subsidiaries to comply in all material respects with any Law; and (iii) neither Target nor any of its Subsidiaries has received, at any time, any notice or other communication (in writing or otherwise) from any Governmental Body or any other Person regarding any actual, alleged, possible or potential material violation of, or failure to comply in all material respects with, any Law, including any Antitrust Laws.

4.21.2. Except as set forth on **Schedule 4.21**, Target and each of its Subsidiaries has obtained and holds all material Permits required for the lawful operation of the Target Business as and where such business is presently conducted. Accurate and complete copies of all such material Permits have been made available to Parent.

4.21.3. It is the intent of the Parties that this representation and warranty is not applicable to matters relating to Taxes, Intellectual Property Rights, employee and independent contractor matters, Employee Benefit Plans, Real Property or environmental matters, which are the subject of Sections 4.11, 4.12, 4.13, 4.14, 4.15 and 4.19, respectively.

4.22 *Proceedings and Judgments.*

4.22.1. Except as set forth on **Schedule 4.22**: (i) no material Proceeding is currently pending or, to Shareholder's knowledge, threatened, to which Target or any of its Subsidiaries is or was a party, or by which Target or any of its Subsidiaries or any Material Contracts or other material Assets or business of Target or its Subsidiaries is affected; and (ii) no material Judgment is currently outstanding, against Target or any of its Subsidiaries, or by which Target or any of its Subsidiaries or any material Assets or business of Target or its Subsidiaries is affected.

4.22.2. As to each matter described on **Schedule 4.22**, accurate and complete copies of all material pleadings, Judgments, orders, correspondence and other legal documents have been made available to Parent.

4.23 *Customers, Prospects and Suppliers.* **Schedule 4.23** annexed hereto contains a complete and accurate list of the top ten customers (by revenue) including the line of business and region in respect of the Target Business and the top ten suppliers (by purchases) of the Target Business, in each case for the period from October 1, 2005 through September 30, 2006. Except as disclosed on **Schedule 4.23**, no such customer or supplier within the last twelve (12) months has canceled or otherwise terminated its relationship with Target, and no such customer or supplier has

during the last twelve (12) months materially decreased or limited its business with Target, in each case whether as a result of the transactions contemplated hereby or otherwise.

Annex A - (1)

16

Table of Contents

4.24 *Brokers Fees.* No Person acting on behalf of Shareholder or Target is or shall be entitled to any fee or commission in connection with the transactions contemplated by this Agreement for which Parent could become wholly or partly liable.

4.25 *Full Disclosure.* No representation or warranty made by Target or Shareholder in this Agreement or pursuant hereto (a) contains any untrue statement of any material fact; or (b) omits to state any fact that is necessary to make the statements made, in the context in which made, not false or misleading in any material respect. To Shareholder's knowledge, there is no fact that has not been disclosed to Parent in the schedules to this Agreement or otherwise in writing, that has been or, so far as Shareholder can reasonably foresee, will have a Material Adverse Effect on Target.

Section 5. *Representations of Parent*

Knowing that Shareholder is relying thereon, Parent hereby represents and warrants to Shareholder as follows:

5.1 *Authority.*

5.1.1. The execution and delivery by Parent of this Agreement and of all of the agreements to be executed and delivered by Parent pursuant hereto (collectively, the Parent Documents), the performance by Parent of its obligations hereunder and thereunder, and the consummation of the transactions contemplated hereby and thereby, have been duly and validly authorized by all necessary corporate action on the part of Parent and Parent has all necessary corporate power and corporate authority with respect thereto. This Agreement is, and when executed and delivered by Parent, each of the other Parent Documents to be delivered by it pursuant hereto will be, the valid and binding obligations of Parent, to the extent it is a party thereto, and enforceable in accordance with their respective terms, except as the same may be limited by bankruptcy, insolvency, reorganization, moratorium or other Laws affecting the rights of creditors generally and subject to the rules of law governing (and all limitations on) specific performance, injunctive relief, and other equitable remedies.

5.1.2. The execution, delivery and performance of this Agreement and the other Parent Documents by Parent require no material actions in respect of, or filing with, any Governmental Body, other than (i) the filing by Parent with the SEC of the Proxy Statement; (ii) the filing of an additional listing application with NASDAQ in respect of the Parent Shares; (iii) compliance with any applicable requirements of the Exchange Act; and (iv) compliance with the Antitrust Laws.

5.2 *Noncontravention.* Except as set forth on **Schedule 5.2**, neither the execution and delivery by Parent of this Agreement or of any other Parent Documents to be executed and delivered by it, nor the consummation of any of the transactions contemplated hereby or thereby, nor the performance by Parent of any of its obligations hereunder or thereunder, will (nor with the giving of notice or the lapse of time or both would) (a) conflict with or result in a breach of any provision of the organizational documents of Parent, as amended to date, (b) give rise to a default, or any right of termination, cancellation or acceleration, or otherwise be in conflict with or result in a loss of contractual benefits to Parent, under any of the terms, conditions or provisions of any Contract or Obligation to which Parent is a party or by which Parent or its Assets may be bound, or, except as set forth on **Schedule 5.2**, require any Consent, or payment under the terms of any such document or instrument, (c) assuming compliance with the matters referred to in Section 5.1.2, violate any Judgment or Law which is applicable to Parent, or (d) result in the creation or imposition of any lien, Encumbrance upon any of the Assets of Parent, excluding from the foregoing clauses (b), (c) and (d) such defaults, rights, conflicts, losses, violations and Encumbrances that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Parent.

5.3 *Organization, Standing and Power.*

5.3.1. Except as set forth on **Schedule 5.3**, each of Parent and its Subsidiaries is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation, with full corporate power and corporate authority to (a) own, lease and operate its respective properties as currently conducted by it, (b) carry on their business as currently conducted by it and (c) execute and

Annex A - (1)

17

Table of Contents

deliver, and perform under, this Agreement and each other agreement and instrument to be executed and delivered by it pursuant hereto.

5.3.2. Accurate and complete copies of the articles or certificate of incorporation, bylaws and other organizational and related documents, each as amended to date, of Parent and its Subsidiaries (or their affiliates or predecessors), have been delivered or made available to Shareholder.

5.4 Capitalization.

(a) As of the date hereof, the authorized capital stock of Parent consists of 100,000,000 shares of common stock, \$.01 par value (the Parent Common Stock), of which 50,674,610 shares are issued and outstanding and 1,000,000 shares of preferred stock, \$.01 par value (the Parent Preferred Stock), none of which are issued and outstanding (collectively, the Parent Stock). All of the issued and outstanding shares of the Parent Stock have been duly authorized and validly issued, and are fully paid and nonassessable.

(b) Except as disclosed in the Parent s SEC Reports or as set forth on **Schedule 5.4**, (i) there are no options, warrants, calls, subscriptions or other rights, agreements, arrangements or commitments of any character binding upon Parent or any of its Subsidiaries with respect to the issued or unissued Parent Stock or capital stock of or other equity interests in its Subsidiaries or obligating Parent or any of its Subsidiaries to issue or sell any shares of capital stock of or other equity interests in Parent or any of its Subsidiaries or securities, instruments or obligations that are or may become convertible into or exchangeable for any shares of the capital stock or other securities of Parent or any of its Subsidiaries; and (ii) except for the transactions contemplated by this Agreement, there are no outstanding contractual obligations or other commitments or arrangements of Parent or any of its Subsidiaries to (A) repurchase, redeem or otherwise acquire any shares of Parent Stock or capital stock of or other equity interests in its Subsidiaries (or any interest therein); (B) provide funds to or make any investment (in the form of a loan, capital contribution or otherwise) in any other Entity; (C) issue or distribute to any Person any Parent Stock; or (D) issue or distribute to holders of any of the Parent Stock or capital stock of or other equity interests in its Subsidiaries any evidences of indebtedness or assets of Parent or its Subsidiaries. There are no preemptive rights with regard to the Parent Stock.

5.5 Interests in Other Entities. Except as set forth on **Schedule 5.5**, Parent has no direct or indirect subsidiaries except as set forth in Parent s Annual Report on Form 10-K for the fiscal year ended December 31, 2005 (the Parent Form 10-K). Other than the Subsidiaries set forth on **Schedule 5.5** and in the Parent Form 10-K, Parent does not own any equity interest in any Person. Except as set forth on **Schedule 5.5**, Parent owns, either directly or indirectly, all of the capital stock of its Subsidiaries.

5.6 Regulatory Compliance; Information Supplied; Parent Internal Controls.

Since January 1, 2004, Parent has duly and timely filed all reports, statements, forms, schedules, registration statements, prospectuses, proxy statements, and other documents required to be filed by it with the SEC pursuant to the Exchange Act or the Securities Act, as the case may be (Parent SEC Reports). Except as disclosed therein, each of the Parent SEC Reports, at the time of its filing and, to the extent applicable, its effective date or, in the case of a proxy or information statement, its mailing date, complied in all material respects, and each Parent s SEC Reports to be filed after the date hereof, shall comply in all material respects with the requirements of the Exchange Act and the rules and regulations of the SEC promulgated thereunder and other federal, state and local laws, rules and regulations applicable to such documents, and did not, at the time filed, and, to the extent applicable, its effective date or, in the case of a proxy or information statement, its mailing date, and will not, if filed subsequent to the date hereof, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. As of the date hereof, there are no outstanding or unresolved comments in the comment letters received from the staff of the

SEC with respect to the Parent SEC Reports.

Each of the consolidated financial statements (including, in each case, any notes thereto) contained in the Parent SEC Reports was, or will be, prepared in accordance with GAAP applied on a consistent basis

Annex A - (1)

18

Table of Contents

throughout the periods indicated (except as may be indicated in the notes thereto), each presented, or will present, fairly the consolidated financial position, results of operations and cash flows of Parent and the consolidated Subsidiaries of Parent as of the respective dates thereof and for the respective periods indicated therein (subject, in the case of unaudited statements, to normal year-end adjustments) and each complied, or will comply, as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto. Except to the extent set forth in the Parent SEC Reports, no report of auditors in such Parent SEC Reports has been withdrawn or modified. The books and records of Parent are complete and correct in all material respects and have been, and are being, maintained in accordance with applicable material legal and accounting requirements.

Each required form, report and document containing financial statements that Parent has filed with or furnished to the SEC since July 31, 2002 was accompanied by the certifications required to be filed or furnished by Parent's Chief Executive Officer and Chief Financial Officer pursuant to the Sarbanes-Oxley Act, and at the time of filing or submission of each such certification, such certification (i) was true and accurate and complied with the Sarbanes-Oxley Act, (ii) did not contain any qualifications or exceptions to the matters certified therein, except as otherwise permitted under the Sarbanes-Oxley Act, and (iii) has not been modified or withdrawn. As of the date of this Agreement, neither Parent nor any of its officers has received notice from any governmental entity questioning or challenging the accuracy, completeness, content, form or manner of filing or furnishing of such certifications. Except to the extent set forth in the Parent SEC Reports, the management of Parent has, in material compliance with Rule 13a-15 under the Exchange Act, (i) designed and maintained (x) a system of internal control over financial reporting (as defined in Rule 13a-15(f) and Rule 15d-15(f) under the Exchange Act) (Parent Internal Controls) sufficient to provide reasonable assurances regarding the reliability of financial reporting and preparation of financial statements in accordance with GAAP and the rules and regulations promulgated under the Exchange Act and (y) disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Exchange Act) (Parent Disclosure Controls) to ensure that material information relating to Parent, including its consolidated Subsidiaries, is made known to the management of Parent by others within those entities, and (ii) has disclosed, based on its most recent evaluation prior to the date hereof, to Parent's auditors and the audit committee of the Parent Board (A) any significant deficiencies and material weaknesses in the design or operation of the Parent Internal Controls which are reasonably likely to adversely affect Parent's ability to record, process, summarize and report financial data and (B) any fraud, whether or not material, that involves management or other employees who have a significant role in the Parent Internal Controls. Except to the extent set forth in the Parent SEC Reports to Parent's knowledge, the Parent Disclosure Controls are and have been effective in timely alerting Parent's management to such material information required to be included in Parent's periodic reports required under the Exchange Act.

As of September 30, 2006 (the Parent Latest Balance Sheet Date), Parent had no Obligations other than (i) Obligations identified as such in the liabilities column on the balance sheet as of September 30, 2006 included in the Parent SEC Reports (the Parent Latest Balance Sheet), (ii) Obligations set forth on **Schedule 5.6**, or (iii) Obligations under the Parent Material Contracts listed on **Schedule 5.17**, provided that as of the September 30, 2006, no such Obligation consisted of or resulted from a default under or violation of any such Contract.

The information supplied or to be supplied by Parent for inclusion or incorporation by reference in the Proxy Statement shall not, at (i) the time the Proxy Statement (or any amendment thereof or supplement thereto) is first mailed to the stockholders of Parent and (ii) the time of the Parent Stockholders Meeting contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. All documents that the Parent is responsible for filing with the SEC in connection with this Agreement will comply as to form and substance with the applicable requirements of the Securities Act and the rules and regulations thereunder and the Exchange Act and the rules and regulations thereunder. Notwithstanding the foregoing sentence, no representation or warranty is made by Parent with respect to statements made or incorporated by reference therein based on information

supplied in writing to Parent by Target or Shareholder for inclusion or incorporation by reference in the Proxy Statement.

Annex A - (1)

19

Table of Contents

5.7 *The Parent Shares.* The Parent Shares to be issued pursuant to this Agreement will be duly authorized, validly issued, fully paid and non-assessable and will not be subject to preemptive rights created by statute, Parent's organizational documents or any agreement to which Parent is a party or by which it is bound.

5.8 *Accounts Receivable.* All Accounts Receivable of Parent and its Subsidiaries, arose in the ordinary course of business and were adequately provided for on the Parent Latest Balance Sheet. Except as disclosed in **Schedule 5.8**, there are no refunds, discounts, rights of setoff or assignments affecting any such Accounts Receivable.

5.9 *Inventory.* Except as disclosed in **Schedule 5.9**, all Inventory used in Parent's business conforms in all material respects with all applicable specifications and warranties, is not obsolete, is useable or saleable in the ordinary course of business and, if saleable, is saleable at values not less than the book value amounts thereof except to the extent adequately reserved. As of the Parent Latest Balance Sheet Date, all Inventory on the Parent Latest Balance Sheet is valued at the lower of cost or market in accordance with GAAP consistently applied.

5.10 *Operations Since The Parent Latest Balance Sheet Date.* Except as set forth on **Schedule 5.10**, since the Parent Latest Balance Sheet Date, as of the date hereof:

(a) except in the ordinary course of its business consistent with its past practices or pursuant to this Agreement, neither Parent nor any of its Subsidiaries, as applicable, has: (i) pledged or hypothecated any of its material Assets or otherwise permitted any of its material Assets to become subject to any Encumbrance other than Permitted Encumbrances other than Permitted Encumbrances; (ii) incurred any material Obligation; (iii) made any material loan or advance to any Person; (iv) assumed, guaranteed or otherwise become liable for any material Obligation of any Person; (v) committed for any capital expenditure individually in an amount in excess of \$1,200,000 and in the aggregate in an amount in excess of \$6,000,000; (vi) purchased, leased, sold, abandoned or otherwise acquired or disposed of any material business or assets; (vii) waived or released any right or canceled or forgiven any material debt or claim; (viii) discharged any material Encumbrance or discharged or paid any material indebtedness or other Obligation; (ix) assumed or entered into any material Contract other than this Agreement; (x) amended or terminated any material Contract; (xi) materially increased, or authorized an increase in, the compensation or benefits paid or provided to any of its senior executive officers; (xii) established, adopted or amended in any material respect (including any amendment with a future effective date) any Parent Employee Benefit Plan; (xiii) declared, accrued, set aside, or paid any dividend or made any other distribution in respect of any shares of its capital stock, other securities, Cash Assets or other Assets; (xiv) repurchased, redeemed or otherwise reacquired any shares of its capital stock or other securities; (xv) sold or otherwise issued any shares of its capital stock or any other securities; (xvi) amended its organizational documents; (xvii) been a party to any merger, consolidation, recapitalization, reclassification of shares, stock split, reverse stock split or similar transaction; (xviii) accrued any deferred bonuses or compensation due to any shareholder, employee or agent of Parent or any of its Subsidiaries, or paid any such deferred bonuses or compensation except to the extent such deferred bonuses or compensation was accrued on the Parent Latest Balance Sheet; (xix) changed any of its methods of accounting or accounting practices in any respect; or (xx) made any material Tax election; and

(b) there has been no change that has had a Material Adverse Effect on Parent.

5.11 *Taxes.*

5.11.1. Each of Parent and its Subsidiaries has timely filed (or has had timely filed on its behalf) or will timely file or cause to be timely filed, all material Tax Returns required by applicable Law to be filed by it prior to or as of the Closing Date. All such Tax Returns are or will be complete and correct.

5.11.2. Each of Parent and its Subsidiaries has timely paid (or has had timely paid on its behalf) or will timely pay (or will have timely paid on its behalf) all material Taxes falling due prior to the Closing Date (whether or not on a Tax Return).

Annex A - (1)

20

Table of Contents

5.11.3. There are no Encumbrances for Taxes upon any property of Parent or any of its Subsidiaries except for liens for local property Taxes and assessments in the ordinary course of business assessed by jurisdictions not delinquent beyond any cure period.

5.11.4. Except as set forth on **Schedule 5.11**, no audits, examinations, investigations or other administrative proceedings or court proceedings are pending with regard to any Tax Returns filed by or on behalf of Parent or any of its Subsidiaries.

5.11.5. Except as set forth on **Schedule 5.11**, there are no outstanding Consents to extend the statutory period of limitations applicable to the assessment of any Taxes or deficiencies against Parent or any of its Subsidiaries.

5.11.6. Except as set forth on **Schedule 5.11**, to the Parent's knowledge, the transactions contemplated by this Agreement are not subject to any Tax withholding.

5.11.7. Except as set forth on **Schedule 5.11**, no claim has ever been made by a Governmental Body in a jurisdiction where Parent or any of its Subsidiaries do not file Tax Returns that any of them may be subject to taxation in that jurisdiction.

5.11.8. Each of Parent and its Subsidiaries have timely withheld and paid all Taxes required to have been withheld and paid in connection with any amounts paid or owing to any employee, independent contractor, creditor, stockholder, or third party.

5.11.9. None of the Parent or any of its Subsidiaries is a party to, or bound by, any Tax allocation or sharing agreement.

5.12 Intellectual Property.

5.12.1. **Schedule 5.12** contains an accurate and complete list as of the date hereof and description of all material Intellectual Property Rights of Parent and its Subsidiaries.

5.12.2. Except as set forth on **Schedule 5.12**, Parent and each of its Subsidiaries have all right, title and interest in and to, including good and indefeasible title and the full right to use, or valid license to use all material Intellectual Property Rights, free and clear of any Encumbrance other than Permitted Encumbrances.

5.12.3. None of the material Intellectual Property Rights or their respective past or current uses, including the preparation, manufacture, distribution, marketing, selling or licensing thereof, has violated or infringed upon, or is violating or infringing upon, any Software, technology, or other Intellectual Property Rights of any Person. No Proceeding is pending or, to Parent's knowledge, is threatened, nor has any claim or demand been made on Parent or its Subsidiaries, which challenges or challenged the legality, validity, enforceability, use or exclusive ownership by Parent or its Subsidiaries of any of the material Intellectual Property Rights. To Parent's knowledge, no Person is violating or infringing upon, or has violated or infringed upon at any time, any of the material Intellectual Property Rights.

5.12.4. Any Contract covering or relating to any material Intellectual Property Rights is legal, valid, binding, enforceable and in full force and effect, and upon consummation of the transactions contemplated hereby, will continue to be legal, valid, binding, enforceable and in full force and effect on terms identical to those in effect immediately prior to the consummation of the transactions contemplated hereby, except as the same may be limited by bankruptcy, insolvency, reorganization, moratorium or other Laws affecting the rights of creditors generally and

subject to the rules of law governing (and all limitations on) specific performance, injunctive relief, and other equitable remedies. Neither Parent nor any of its Subsidiaries is in breach of or default under any Contract covering or relating to any material Intellectual Property Rights or has performed any act or omitted to perform any act which, with notice or lapse of time or both, will become or result in a material violation, breach or default thereunder.

5.13 Employees and Independent Contractors.

5.13.1. **Schedule 5.13** contains an accurate and complete list as of the date hereof of all of the senior executive officers of Parent and each of its Subsidiaries (including any such person who is on a

Annex A - (1)

21

Table of Contents

leave of absence or on layoff status) and (i) their titles or responsibilities; (ii) their dates of hire; (iii) their current salaries or wages and all bonuses, commissions and incentives paid at any time during the past twelve (12) months; (iv) their last compensation changes and the dates on which such changes were made; (v) any specific bonus, commission or incentive plans or agreements for or with them; (vi) each Employee Benefit Plan in which they participate; and (vii) any outstanding loans or advances made to them.

5.13.2. **Schedule 5.13** also contains an accurate and complete list as of the date hereof of all key sales representatives and independent contractors engaged by Parent or any of its Subsidiaries and material to Parent's business and (i) their payment arrangements (if not set forth in a Material Contract listed or described on **Schedule 5.17**), and (ii) a brief description of their jobs or projects currently in progress.

5.13.3. Except as limited by the specific and express terms of any employment Contracts listed on **Schedule 5.13** and except for any limitations of general application which may be imposed under applicable employment Laws, Parent and its Subsidiaries, as applicable, has the right to terminate the employment of each of its key employees at will and to terminate the engagement of any of its independent contractors without payment to such employee or independent contractor other than for services rendered through termination and without incurring any penalty or liability other than liability for severance pay in accordance with such company's disclosed severance pay policy.

5.13.4. Each of Parent and its Subsidiaries is in compliance in all material respects with all Laws relating to employment practices. Parent has made available to the Shareholder accurate and complete copies of all material employee manuals and handbooks, disclosure materials, policy statements and other materials relating to the employment of the current and former employees of Parent and each of its Subsidiaries.

5.13.5. Except as set forth on **Schedule 5.13**, neither Parent nor any of its Subsidiaries have been a party to or bound by any union or collective bargaining Contract, nor is any such Contract currently in effect or being negotiated by or on behalf of Parent or any of its Subsidiaries.

5.13.6. In the past two years, neither Parent nor any of its Subsidiaries has experienced any material labor problem.

5.13.7. To Parent's knowledge, no key employee of Parent or any of its Subsidiaries is a party to or is bound by any confidentiality agreement, non-competition agreement or other Contract (with any Person) that may have an adverse effect on the performance by such employee of any of his duties or responsibilities as an employee of Parent or any of its Subsidiaries.

5.13.8. Except as set forth on **Schedule 5.13**, no key employee of Parent or any of its Subsidiaries has indicated an intention to terminate or has terminated his or her employment within three (3) months prior to the date hereof.

5.14 *Employee Benefit Plans.*

5.14.1. **Schedule 5.14** contains an accurate and complete list as of the date hereof of all of the material Employee Benefit Plans of Parent and its Subsidiaries (collectively referred to as the "Parent Employee Benefit Plans"). Accurate and complete copies and descriptions of all of the Parent Employee Benefit Plans have been made available to the Shareholder.

5.14.2. With respect to the Parent Employee Benefit Plans, Parent will have made, on or before the Closing Date, all payments required to be made by them on or before the Closing Date and will have accrued (in accordance with GAAP) as of the Closing Date all payments due but not yet payable as of the Closing Date, so there will not have been, nor will there be, any accumulated funding deficiencies or waivers of such deficiencies.

5.14.3. All of the Parent Employee Benefit Plans are, and have been, operated in compliance in all material respects with their provisions and with all applicable Laws. Parent and all fiduciaries of the

Annex A - (1)

22

Table of Contents

Parent Employee Benefit Plans have complied in all material respects with the provisions of the Parent Employee Benefit Plans and with all applicable Laws.

5.14.4. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (i) result in any payment (including any severance, unemployment compensation or golden parachute payment) becoming due from Parent under any of the Parent Employee Benefit Plans, (ii) increase any benefits otherwise payable under any of the Parent Employee Benefit Plans, or (iii) result in the acceleration of the time of payment or vesting of any such benefits to any extent.

5.15 *Real Property*. **Schedule 5.15** contains an accurate and complete list as of the date hereof of all material Real Property owned or leased by Parent and its Subsidiaries, showing location, and if leased, the rental cost and landlord. All Real Property owned, under lease to or otherwise used by Parent and its Subsidiaries is in good condition, ordinary wear and tear excepted and is sufficient in all material respects for the current operations of Parent and its Subsidiaries. No such Real Property, nor the occupancy, maintenance or use thereof, is in material violation of, or material breach or default under, any Contract or Law, and, to Parent's knowledge, no notice or threat from any lessor, Governmental Body or other Person has been received by Parent or its Subsidiaries or served upon any such Real Property claiming any material violation of, or material breach, default or liability under, any Contract or Law, or requiring or calling attention to the need for any material work, repairs, construction, alteration, installations or environmental remediation.

5.16 *Insolvency*. No order has been made, petitioned or presented and no meeting convened for the purpose of considering a resolution for the winding-up of, or appointment of any administrator or receiver for, Parent or any of its Subsidiaries.

5.17 *Material Contracts*.

5.17.1. **Schedule 5.17** contains an accurate and complete list as of the date hereof of all of the Contracts to which Parent or any of its Subsidiaries is a party or by which Parent or any of its Subsidiaries is bound, that, in each case:

- (a) provides for aggregate future payments by Parent or any of its Subsidiaries, or to Parent or any of its Subsidiaries, of more than \$600,000;
- (b) is a Contract not entered into in the ordinary course of business consistent with past practice which provides for aggregate future payments by Parent or any of its Subsidiaries, or to Parent or any of its Subsidiaries, of more than \$600,000;
- (c) is a collective bargaining Contract or other Contract with a labor union (including all material side letters and side agreements);
- (d) restricts Parent or any of its Subsidiaries from engaging in any business in any part of the world;
- (e) is an employment Contract where the base compensation is in excess of \$240,000 per year, or retention or change in control Contract that applies to any transaction other than this Transaction, or material independent contractor Contract with any director, officer or other employee of Parent or any of its Subsidiaries;
- (f) is with respect to the creation, operation, governance or management of a partnership, joint venture, limited liability company or similar agreement or is a stockholders' agreement, registration rights agreement, voting agreement or proxy relating to the voting of any capital stock of Parent or any of its Subsidiaries;

(g) is a mortgage, indenture, security agreement relating to indebtedness for borrowed money, letter of credit, promissory note, loan agreement and other material agreement, guarantee and instrument relating to the borrowing of money or extension of credit in each case in excess of \$1,200,000;

Annex A - (1)

23

Table of Contents

(h) (A) is a stock purchase agreement whereby Parent or any of its Subsidiaries bought or sold an equity interest or (B) is an asset purchase agreement or other acquisition or divestiture agreement whereby Parent or any of its Subsidiaries, bought or sold a business or all or substantially all of the assets of a business for a price in excess of \$1,200,000, in each case within the last three (3) years prior to the date hereof; or

(i) is a material written amendment in respect of any of the foregoing (collectively, the Parent Material Contracts). A description of each oral Parent Material Contract is included on **Schedule 5.17**, and true and correct copies of each written Parent Material Contract have been made available to Shareholder.

5.17.2. Each Parent Material Contract is valid and in full force and effect against Parent or its Subsidiaries as applicable, and is enforceable against Parent and its Subsidiaries in accordance with its terms. To Parent's knowledge, each Parent Material Contract is valid and in full force and effect against the counterparties thereto and is enforceable by Parent and its Subsidiaries in accordance with its terms, except where the failure to be in full force and effect or enforceable would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Parent.

5.17.3. Except as set forth on **Schedule 5.17**: (i) To Parent's knowledge, no Person has materially violated, breached, or committed any default under, any Parent Material Contract; (ii) no event has occurred, and no circumstance or condition exists, that might (with or without notice or lapse of time) (A) result in a material violation or breach of any of the provisions of any Parent Material Contract, (B) give any Person the right to declare a default or exercise any remedy under any Parent Material Contract, (C) give any Person the right to accelerate the maturity or performance of any Parent Material Contract, or (D) give Parent, its Subsidiaries, or to Parent's knowledge, any other Person, the right to cancel, terminate or modify any Parent Material Contract; (iii) neither Parent nor any of its Subsidiaries has received any notice or other communication (in writing or otherwise) regarding any actual, alleged, possible or potential material violation or breach of, or default under, any Parent Material Contract; and (iv) neither Parent nor any of its Subsidiaries has waived any of its material rights under any Parent Material Contract.

5.18 *Related Party Transactions.* Except as set forth on **Schedule 5.18** and except for any employment Contracts listed on **Schedule 5.13** and **Schedule 5.17** and other arrangements entered into in the ordinary course of business, there are no material real estate leases, personal property leases, loans, guarantees, Contracts, transactions, understandings or other arrangements of any nature between or among Parent and any current or former shareholder, director, officer or controlling Person of Parent (or any of its predecessors) or any other Person affiliated with Parent (or any of its predecessors).

5.19 *Environmental Matters.*

5.19.1. Parent, its Subsidiaries, and any Business Facility (as that term is defined in Section 5.19.3 below) are in material compliance with all applicable Environmental Laws, which compliance includes the possession by Parent and its Subsidiaries of all material Permits and other governmental authorizations required under applicable Environmental Laws, and are and have been in material compliance with the terms and conditions thereof.

5.19.2. Except in compliance with Environmental Laws, no Hazardous Substances have been used, generated, extracted, mined, beneficiated, manufactured, stored, treated, or disposed of, or in any other way released (and no release is threatened) on, under or about any Business Facility or transferred or transported to or from any Business Facility.

5.19.3. Neither Parent nor any of its Subsidiaries have been named as a potentially responsible party under any Environmental Law, and to the knowledge of Parent no Business Facility of Parent or any of its Subsidiaries is subject

to any lien arising under Environmental Laws.

5.19.4. Except as set forth on **Schedule 5.19**, there are no Obligations arising out of or relating to Environmental Laws which Parent or any of its Subsidiaries has agreed to, assumed or retained, by Contract or otherwise.

Annex A - (1)

24

Table of Contents

5.19.5. For purposes of this Section 5.19, the term *Business Facility* includes any property (whether real or personal) which Parent or any of its Subsidiaries currently leases, operates, or owns or manages in any manner or which Parent or any of its Subsidiaries or any of their respective organizational predecessors formerly leased, operated, owned or managed in any manner.

5.20 *Insurance.* **Schedule 5.20** contains an accurate and complete list and description of all Insurance Policies (excluding Insurance Policies that constitute the Parent Employee Benefit Plans described on **Schedule 5.14**) currently owned or maintained by Parent as of the date hereof and all liability and errors and omissions Insurance Policies owned or maintained by Parent and its predecessors (if any) at any time since September 30, 2003. Except as set forth on **Schedule 5.20**, accurate and complete copies of all material Insurance Policies described or required to be described on **Schedule 5.20** have been made available to Shareholder. Each such material Insurance Policy is in full force and effect; Parent has not received notice of cancellation with respect to any such Insurance Policy; and, to Parent's knowledge, there is no basis for the insurer thereunder to terminate any such material Insurance Policy. Except as set forth on **Schedule 5.20**, there are no claims in excess of \$120,000 that are pending under any of the material Insurance Policies described on **Schedule 5.20**.

5.21 *Compliance with Laws; Permits.*

5.21.1. Except as set forth on **Schedule 5.21**: (i) Parent and its Subsidiaries are in material compliance with each Law that is applicable to them or to the conduct of any of their businesses or the ownership or use of any of their Assets; (ii) no event has occurred, and no condition or circumstance exists, that might (with or without notice or lapse of time) constitute or result in a violation by Parent or any of its Subsidiaries of, or a failure on the part of Parent or any of its Subsidiaries to comply in all material respects with any Law; and (iii) neither Parent nor any of its Subsidiaries has received, at any time, any notice or other communication (in writing or otherwise) from any Governmental Body or any other Person regarding any actual, alleged, possible or potential material violation of, or failure to comply in all material respects with, any Law, including any Antitrust Laws.

5.21.2. Except as set forth on **Schedule 5.21**, Parent and each of its Subsidiaries has obtained and holds all material Permits required for the lawful operation of Parent's business as and where such business is presently conducted. Accurate and complete copies of all such material Permits have been made available to the Shareholder.

5.21.3. It is the intent of the Parties that this representation and warranty is not applicable to matters relating to Taxes, Intellectual Property Rights, employee and independent contractor matters, Employee Benefit Plans, Real Property or environmental matters, which are the subject of Sections 5.11, 5.12, 5.13, 5.14, 5.15 and 5.19, respectively.

5.22 *Proceedings and Judgments.*

5.22.1. Except as set forth on **Schedule 5.22**: (i) no material Proceeding is currently pending or, to Parent's knowledge, threatened, to which Parent or any of its Subsidiaries is or was a party, or by which Parent or any of its Subsidiaries or any Parent Material Contracts, or other material Assets or business of Parent or its Subsidiaries is affected; and (ii) no material Judgment is currently outstanding, against Parent or any of its Subsidiaries, or by which Parent or any of its Subsidiaries or any material Assets or business of Parent or its Subsidiaries is affected.

5.22.2. As to each matter described on **Schedule 5.22**, accurate and complete copies of all material pleadings, Judgments, orders, correspondence and other legal documents have been made available to Shareholder.

5.23 *Customers, Prospects and Suppliers.* **Schedule 5.23** annexed hereto contains a complete and accurate list of the top ten customers (by revenue) including the line of business and region in respect of Parent's business and the top ten

suppliers (by purchases) of Parent's business, in each case for the period from January 1, 2006 through December 31, 2006. Except as disclosed on **Schedule 5.23**, no such customer or supplier within the last twelve (12) months has canceled or otherwise terminated its relationship with Parent,

Annex A - (1)

25

Table of Contents

and no such customer or supplier has during the last twelve (12) months materially decreased or limited its business with Parent, in each case whether as a result of the transactions contemplated hereby or otherwise.

5.24 Brokers Fees. No Person acting on behalf of Parent is or shall be entitled to any fee or commission in connection with the transactions contemplated by this Agreement for which Shareholder or Target could become wholly or partly liable.

5.25 Vote Required. The only vote of the holders of any class or series of the Parent Stock necessary to approve the issuance of the Parent Shares pursuant to this Agreement or any other transaction contemplated by this Agreement is the affirmative vote of the holders of a majority of the shares of Parent Common Stock present in person or represented by proxy at a meeting of stockholders and entitled to vote.

5.26 Board Approval. The Parent Board (i) has determined that the Purchase Price is fair to Parent and its stockholders, (ii) has approved this Agreement, the other Parent Documents and the transactions contemplated hereby and thereby, and (iii) has approved and determined to recommend that the stockholders of Parent vote to approve the issuance of the Parent Shares and the other transactions contemplated hereby that require the approval of such stockholders.

5.27 Listing and Maintenance Requirements. The shares of Parent Common Stock are registered pursuant to the Exchange Act and are listed on The NASDAQ Global Select Market, and Parent has taken no action designed to terminate the registration of the Parent Common Stock or delisting the Parent Common Stock from The NASDAQ Global Select Market. Parent has not, in the two years preceding the date hereof, received notice (written or oral) from The NASDAQ Global Select Market to the effect that Parent is not in compliance with the listing or maintenance requirements thereof. Parent is, and has no reason to believe that it will not in the foreseeable future continue to be, in compliance with the listing and maintenance requirements for continued listing of Parent Common Stock on The NASDAQ Global Select Market.

5.28 Opinion of Financial Advisor. Parent has received the opinion of Deutsche Bank Securities Inc., financial advisor to Parent, to the effect that, as of the date of such opinion, the payment of the Purchase Price by Parent is fair, from a financial point of view, to Parent. A copy of such opinion will be delivered to Target and Shareholder promptly after the date of this Agreement.

5.29 Full Disclosure. No representation or warranty made by Parent in this Agreement or pursuant hereto (a) contains any untrue statement of any material fact; or (b) omits to state any fact that is necessary to make the statements made, in the context in which made, not false or misleading in any material respect. To Parent's knowledge, there is no fact that has not been disclosed to Shareholder in the schedules to this Agreement or otherwise in writing, that has been or, so far as Parent can reasonably foresee, will have a Material Adverse Effect on Parent.

Section 6. *Covenants*

6.1 Parent Stockholders Approval; Proxy Statement.

6.1.1. Parent, acting through the Parent Board shall: (i) duly call and give notice of a special meeting of its stockholders (the *Parent Stockholders Meeting*) for the purpose of voting on and approving the issuance of the Parent Shares and approving the appointment of the Shareholder Directors (as defined and more fully described in the Shareholder Agreement) to the Parent Board (the *Parent Stockholders Approval*); (ii) convene and hold the *Parent Stockholders Meeting* as promptly as practicable following the date the Proxy Statement is approved by the SEC, and (iii) recommend to its stockholders the approval of the issuance of the Parent Shares and approval of the Shareholder Directors to the Parent Board (the *Parent Recommendation*) and take all lawful action and use its best efforts to solicit

and obtain such approval, not withdraw or adversely modify the Parent Recommendation, and include the Parent Recommendation in the Proxy Statement.

6.1.2. Parent shall use its best efforts to, as promptly as practicable after the execution of this Agreement, prepare and file a proxy statement (such proxy statement, and any amendments or supplements thereto, the Proxy Statement) with the SEC with respect to the Parent Stockholders Meeting. Parent will promptly notify Shareholder of the receipt of any oral or written comments from the

Annex A - (1)

26

Table of Contents

SEC or its staff and of any request by the SEC or its staff for amendments or supplements to the Proxy Statement or for additional information and will supply Shareholder with copies of all correspondence between Parent, on the one hand, and the SEC or its staff, on the other hand, with respect to the Proxy Statement. Parent shall give Shareholder and its counsel a reasonable opportunity to review and comment on the draft of the Proxy Statement prior to it being filed with the SEC and shall give Shareholder and its counsel the opportunity to review and comment on all amendments and supplements to the Proxy Statement and all responses to requests for additional information and replies to comments prior to their being filed with, or sent to, the SEC. Shareholder shall furnish all information concerning it and Target as Parent may reasonably request in connection with such actions and the preparation of the Proxy Statement. Parent agrees to use its best efforts, after consultation with Shareholder, to respond promptly to all such comments of and requests by the SEC. As promptly as practicable after the Proxy Statement shall have been approved by the SEC, Parent shall mail the Proxy Statement to its stockholders. If at any time prior to obtaining Parent Stockholders Approval there shall occur any event which must be set forth in an amendment or supplement to the Proxy Statement, Parent will prepare and mail to its stockholders such an amendment or supplement. No filing of an amendment or supplement to the Proxy Statement shall be made without the prior written consent of Shareholder, such consent not to be unreasonably withheld.

6.1.3. Notwithstanding the provisions of Section 6.1.2, in the event that either Parent or Target has not entered into a Facility Amendment with its respective Lender pursuant to Section 6.6.2 hereof, Parent (A) shall not be required to comply with its solicitation obligations with respect to the Parent Stockholders Approval under Section 6.1.2 hereof, and (B) may terminate this Agreement pursuant to Section 10.1.8 hereof.

6.2 *Conduct of Target's Business.* Target covenants and agrees as to itself and its Subsidiaries, except as specifically permitted by any other provision of this Agreement, as required by Law or as set forth in **Schedule 6.2**, to conduct the Target Business during the period from the date of this Agreement to the Closing Date only in the ordinary course and in a manner consistent with past practice, to use its commercially reasonable efforts to maintain and preserve the Assets of Target and each of its Subsidiaries, and to use commercially reasonable efforts to keep available the services of their respective current officers, employees and consultants and their relationships with customers, suppliers and other Persons with whom they have business relations that relate to the Target Business. In addition to the foregoing, except as specifically permitted by any other provisions in this Agreement, as required by Law or as set forth in **Schedule 6.2**, neither Target nor any of its Subsidiaries shall, between the date hereof and the Closing Date, directly or indirectly, do any of the following without the prior written consent of Parent.

(a) declare, set aside or pay any dividends on, or make any other distributions in respect of, its or any of its Subsidiary's capital stock (other than dividends or other distributions from a wholly-owned Subsidiary to its shareholders); or purchase, redeem or otherwise acquire any shares of its or any of its Subsidiary's capital stock or any other securities thereof or any rights, warrants or options to acquire any such shares or other securities; or pledge or otherwise encumber any shares of its or any of its Subsidiary's capital stock, any other voting securities or any securities convertible into, or any rights, warrants or options to acquire, any such shares, voting securities, convertible securities or any other securities or equity equivalents;

(b) increase, alter or amend in any material respect the compensation or fringe benefits of any of its or any Subsidiary's employees except in the ordinary course of business, in accordance with past practice; establish, adopt or amend in any material respect (including any amendment with a future effective date) any Employee Benefit Plan; enter into employment arrangements or arrangements to provide rights or benefits upon a change of control with any such employee or enter into any retention or performance-based bonus or other compensation agreement or any similar agreement with any such employee; or, except as required to comply with applicable Law, establish, adopt, enter into, amend or terminate any material written agreement or other plan, agreement, trust, fund, policy or arrangement for the benefit of any employee;

Table of Contents

(c) amend in any material respect its organizational documents or alter through merger, liquidation, reorganization, restructuring or in any other fashion the corporate structure or ownership of Target or its Subsidiaries in any way which would adversely impact the transactions contemplated hereby or the Target Business;

(d) acquire or agree to acquire by merging or consolidating with, or by purchasing a substantial portion of the stock or assets of, or by any other manner, any business or corporation, partnership, joint venture, association or other business organization or division thereof, except any such transaction with a Subsidiary of Target, so long as such transaction would not in any way adversely impact the transactions contemplated hereby or the Target Business and except purchases (x) in the ordinary course of business consistent with past practice, or (y) individually in an amount not in excess of \$20,000,000 and in the aggregate in an amount not in excess of \$40,000,000;

(e) sell, lease, license, mortgage or otherwise subject to any Encumbrance or otherwise dispose of any Assets, except sales or dispositions in the ordinary course of business consistent with past practice and except for Permitted Encumbrances;

(f) incur any indebtedness or guarantee any such indebtedness of another Person (including any affiliate of Target or its Subsidiaries), issue or sell any debt securities or warrants or other rights to acquire any debt securities, guarantee any debt securities of another Person (including any affiliate of Target or its Subsidiaries), repay any indebtedness of any affiliate of Target or its Subsidiaries, or repay any indebtedness which is guaranteed by any affiliate of Target or its Subsidiaries, or enter into any arrangement having the economic effect of any of the foregoing, or amend or modify any terms relating thereto, except for short-term borrowings incurred in the ordinary course of business consistent with past practice;

(g) enter into, amend, modify or terminate in any material respect any Material Contract except in the ordinary course of business consistent with past practice;

(h) expend funds for capital expenditures individually in an amount in excess of \$1,000,000 and in the aggregate in an amount in excess of \$5,000,000;

(i) with respect to Target only, adopt a plan of complete or partial liquidation or resolutions providing for or authorizing such a liquidation or dissolution, merger, consolidation, restructuring, recapitalization or reorganization;

(j) recognize any labor union or enter into or amend any collective bargaining agreement, unless legally required to do so;

(k) change any accounting principles, except as required by IFRS or by a Governmental Body;

(l) make any Tax election or settle or compromise any income tax liability, or file any amended Tax Return, in the case of any of the foregoing, material to the business, financial condition or results of operations of Target or any of its Subsidiaries;

(m) unless compelled by a final non-appealable court order or other binding order of a Governmental Body, settle or compromise any litigation in which Target or any of its Subsidiaries is a defendant (whether or not commenced prior to the date of this Agreement) or settle, pay or compromise any claims not required to be paid, which payments are individually in an amount in excess of \$500,000 and in the aggregate in an amount in excess of \$1,000,000 or waive any material right;

(n) enter into any agreements or arrangements with any current or former shareholder, director, officer or controlling Person of Target (or any of its predecessors) or any other Person affiliated with Target (or any of its predecessors); or

(o) authorize any of, or commit or agree to take any of, the foregoing actions;

provided, that notwithstanding the foregoing, nothing contained in this Agreement shall give Parent, directly or indirectly, the right to control or direct the operations of Target or any of its Subsidiaries prior to the Closing Date.

Table of Contents

6.3 *Conduct of Parent's Business.* Parent covenants and agrees as to itself and its Subsidiaries, except as specifically permitted by any other provision of this Agreement, as required by Law or as set forth in **Schedule 6.3**, to conduct its business during the period from the date of this Agreement to the Closing Date only in the ordinary course and in a manner consistent with past practice, to use its commercially reasonable efforts to maintain and preserve the Assets of Parent and each of its Subsidiaries, and to use commercially reasonable efforts to keep available the services of their respective current officers, employees and consultants and their relationships with customers, suppliers and other Persons with whom they have business relations that relate to Parent's business. In addition to the foregoing, except as specifically permitted by any other provisions in this Agreement, as required by Law or as set forth in **Schedule 6.3**, neither Parent nor any of its Subsidiaries shall, between the date hereof and the Closing Date, directly or indirectly, do any of the following without the prior written consent of Target:

(a) declare, set aside or pay any dividends on, or make any other distributions in respect of, its or any of its Subsidiary's capital stock (other than dividends or other distributions from a wholly-owned Subsidiary to its shareholders); or purchase, redeem or otherwise acquire any shares of its or any of its Subsidiary's capital stock or any other securities thereof or any rights, warrants or options to acquire any such shares or other securities; or pledge or otherwise encumber any shares of its or any of its Subsidiary's capital stock, any other voting securities or any securities convertible into, or any rights, warrants or options to acquire, any such shares, voting securities, convertible securities or any other securities or equity equivalents;

(b) unless approved by the Compensation Committee of the Parent Board acting in the ordinary course of business, increase, alter or amend in any material respect the compensation or fringe benefits of any of its or any Subsidiary's employees except in the ordinary course of business, in accordance with past practice; establish, adopt or amend in any material respect (including any amendment with a future effective date) any Employee Benefit Plan; enter into employment arrangements or arrangements to provide rights or benefits upon a change of control with any such employee; or, except as required to comply with applicable Law, establish, adopt, enter into, amend or terminate any material written agreement or other plan, agreement, trust, fund, policy or arrangement for the benefit of any employee;

(c) amend in any material respect its organizational documents or alter through merger, liquidation, reorganization, restructuring or in any other fashion the corporate structure or ownership of Parent or its Subsidiaries in any way which would adversely impact the transactions contemplated hereby or the Parent's business;

(d) subject to the fiduciary obligations of the Parent Board, acquire or agree to acquire by merging or consolidating with, or by purchasing a substantial portion of the stock or assets of, or by any other manner, any business or corporation, partnership, joint venture, association or other business organization or division thereof, except any such transaction with a Subsidiary of Parent, so long as such transaction would not in any way adversely impact the transactions contemplated hereby or Parent's business and except purchases (x) in the ordinary course of business consistent with past practice, or (y) individually in an amount not in excess of \$20,000,000 and in the aggregate in an amount not in excess of \$40,000,000;

(e) sell, lease, license, mortgage or otherwise subject to any Encumbrance or otherwise dispose of any Assets, except (x) for sales or dispositions in the ordinary course of business consistent with past practice, (y) for Permitted Encumbrances, or (z) in connection with the actions permitted under Section 6.3(f) hereof;

(f) incur any indebtedness or guarantee any such indebtedness of another Person in excess of \$250,000,000, issue or sell any debt securities or warrants or other rights to acquire any debt securities, guarantee any debt securities of another Person in excess of \$250,000,000, or enter into any arrangement having the economic effect of any of the foregoing, or amend or modify any terms relating thereto, except for short-term borrowings incurred in the ordinary

course of business consistent with past practice;

(g) enter into, amend, modify or terminate in any material respect any Parent Material Contract except in the ordinary course of business consistent with past practice;

Annex A - (1)

29

Table of Contents

(h) expend funds for capital expenditures individually in an amount in excess of \$1,000,000 and in the aggregate in an amount in excess of \$5,000,000;

(i) with respect to Parent only, adopt a plan of complete or partial liquidation or resolutions providing for or authorizing such a liquidation or dissolution, merger, consolidation, restructuring, recapitalization or reorganization;

(j) recognize any labor union or enter into or amend any collective bargaining agreement, unless legally required to do so;

(k) change any accounting principles, except as approved by Parent's independent registered public accounting firm and as disclosed in the Parent SEC Reports and except as required by GAAP or by a Governmental Body;

(l) make any Tax election or settle or compromise any income tax liability or file any amended Tax Return or file any Tax Return prior to the last day (including extensions) prescribed by Law, in the case of any of the foregoing, material to the business, financial condition or results of operations of Parent or any of its Subsidiaries;

(m) unless compelled by a final non-appealable court order or other binding order of a Governmental Body, settle or compromise any litigation in which Parent or any of its Subsidiaries is a defendant (whether or not commenced prior to the date of this Agreement) or settle, pay or compromise any claims not required to be paid, which payments are individually in an amount in excess of \$500,000 and in the aggregate in an amount in excess of \$1,000,000 or waive any material right;

(n) enter into any agreements or arrangements with any current or former shareholder, director, officer or controlling Person of Parent (or any of its predecessors) or any other Person affiliated with Parent (or any of its predecessors); or

(o) authorize any of, or commit or agree to take any of, the foregoing actions;

provided, that notwithstanding the foregoing, nothing contained in this Agreement shall give Target, directly or indirectly, the right to control or direct the operations of Parent or any of its Subsidiaries prior to the Closing Date.

6.4 No Solicitation of Transactions.

6.4.1. Prior to the earlier of (A) the Closing Date or (B) the termination of this Agreement in accordance with the provisions of Section 10, none of Parent, any of Parent's Subsidiaries, Shareholder, Target or any of Target's Subsidiaries will, nor will any of them permit their officers, directors, employees or agents, investment bankers, attorneys, accountants or other advisors or representatives, to directly or indirectly (i) solicit, initiate, encourage or knowingly facilitate (including by furnishing nonpublic information) any inquiries or the making of any proposal or offer that constitutes, or may reasonably be expected to lead to, an Acquisition Proposal, (ii) participate in any discussions or negotiations in furtherance of such inquiries or to obtain an Acquisition Proposal, or the making of any proposal that constitutes any Acquisition Proposal, or provide any confidential information or data with respect to an Acquisition Proposal, (iii) agree to, approve or recommend or propose publicly to approve or recommend any Acquisition Proposal, or (iv) execute or enter into any letter of intent, agreement in principle, merger agreement, memorandum of understanding, term sheet or other similar document related to an Acquisition Proposal. Each of Parent and Target agrees that it and each of their respective Subsidiaries and each of their respective representatives shall immediately cease any and all existing activities, discussions or negotiations with any third parties conducted heretofore with respect to any Acquisition Proposal.

6.4.2. Acquisition Proposal, for the purposes of this Agreement, shall mean any inquiry, offer or proposal concerning any (a) merger, consolidation, share exchange, reorganization, recapitalization, business combination, or other similar transaction in which the other party thereto or its stockholders will own 20% or more of the combined voting power of the surviving entity resulting from any such transaction, (b) sale, lease, exchange, mortgage, pledge, transfer or other disposition of assets of Parent or Target (including each of their respective Subsidiaries), as the case may be, representing 20% or more of

Table of Contents

the consolidated assets of Parent or Target (including each of their respective Subsidiaries), as the case may be, taken as a whole in a single transaction or series of related transactions, (c) any tender offer or exchange offer for 20% or more of any class of equity security of Parent or Target, as the case may be, or the filing of a registration statement under the Securities Act in connection therewith, (d) any other transaction or series of related transactions pursuant to which any third party proposes to acquire control of assets of Parent or Target (including its respective Subsidiaries), as the case may be, having a fair market value equal to or greater than 20% of the fair market value of all of the assets of Parent or Target (including its respective Subsidiaries), as the case may be, taken as a whole, immediately prior to such transaction, or (e) any public announcement of a proposal, plan or intention to do any of the foregoing or any agreement to engage in any of the foregoing (other than the transactions contemplated by this Agreement).

6.4.3. As promptly as practicable (but in any event within two Business Days) after any of Parent's or Target's respective officers, directors or representatives (including any investment banker, attorney or accountant retained by Parent or Target or any of their respective Subsidiaries) receives or becomes aware of the receipt of any Acquisition Proposal by Parent or Target, as the case may be, or any request for non-public information or inquiry which Parent or Target, at the case may be, reasonably believes could lead to an Acquisition Proposal, Parent or Target, as the case may be, shall provide the other parties hereto with written notice of receipt of such Acquisition Proposal, request or inquiry. Parent or Target, as the case may be, shall keep the other parties hereto informed as promptly as practicable (but in any event within two (2) Business Days) of the receipt of all amendments or proposed amendments of any such Acquisition Proposal, request or inquiry.

6.5 *Investigation.* Between the date of this Agreement and the earlier of the termination of this Agreement in accordance with the provisions of Section 10 hereof or the Closing Date, each of Parent and Shareholder may, directly and through its respective representatives, make such investigation of the other as it deems reasonably necessary or advisable. In furtherance of the foregoing, each party hereto and its respective representatives shall have reasonable access, during normal business hours after the date hereof, to all properties, books, contracts, commitments and records of the other, and shall furnish to each other and its respective representatives such financial and operating data and other information as may from time to time be reasonably requested relating to the transactions contemplated by this Agreement. Each party hereto and its respective management, employees, accountants and attorneys shall cooperate fully with the other and its respective representatives in connection with such investigation. All information obtained in connection with such access shall be governed by the Non-Disclosure and Confidentiality Agreement dated June 27, 2001, as amended on February 22, 2002, November 22, 2002, August 1, 2006 and August 22, 2006 (the Confidentiality Agreement), the terms and provisions of which shall be incorporated by reference into this Agreement.

6.6 *Certain Filings; Consents.*

6.6.1. Parent, Shareholder and Target shall cooperate with one another (i) in determining whether any action by or in respect of, or filing with or consent of, any Governmental Body is required (including pursuant to the Antitrust Laws), or any actions or Consents are required to be obtained from parties to any Material Contracts or Parent Material Contracts, in connection with the consummation of the transactions contemplated by this Agreement and (ii) in taking such actions or making any such filings, furnishing information required including pursuant to the Antitrust Laws or in connection therewith and seeking to obtain any such Consents in a timely manner.

6.6.2. Each of Parent and Target shall use its best efforts as promptly as practicable after the date hereof to enter into and to cause its respective Lender to enter into an amendment(s) to its existing credit facility(ies) in a form reasonably and mutually satisfactory to Parent, Target and each of their respective Lenders (each respective amendment, a Facility Amendment and, collectively, the Facility Amendments).

6.7 *Commercially Reasonable Efforts; Further Assurance.*

(a) Subject to the terms and conditions of this Agreement, Parent, Shareholder and Target will use their commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be

Annex A - (1)

31

Table of Contents

done, all things reasonably necessary or desirable under applicable Law to consummate the transactions contemplated by this Agreement. Parent, Shareholder and Target agree to execute and deliver such other documents, certificates, agreements and other writings and to take such other actions as may be reasonably necessary or desirable in order to consummate or implement expeditiously the transactions contemplated by this Agreement.

(b) In furtherance and not in limitation of the foregoing, each of Parent and Target shall make any appropriate required filings pursuant to applicable Antitrust Laws, including an appropriate filing of a Notification and Report Form pursuant to the HSR Act or similar form required by the EC Act, with respect to the transactions contemplated by this Agreement as promptly as reasonably practicable and, in the case of such Notification and Report Form pursuant to the HSR Act or similar form required by the EC Act, in any event within twenty (20) Business Days of the date hereof. Each of Parent, Shareholder and Target shall supply as promptly as reasonably practicable any additional information and documentary material that may be requested pursuant to the HSR Act, the EC Act and any other Antitrust Laws and shall take all other actions reasonably necessary to cause the expiration or termination of the applicable waiting periods under the HSR Act, the EC Act and any other Antitrust Laws as soon as practicable.

(c) If any objections are asserted with respect to the transactions contemplated by this Agreement under any Antitrust Law or if any Proceeding is instituted or threatened by any Governmental Body or any private party challenging any of the transactions contemplated by this Agreement as violative of any Antitrust Law, each of Parent, Shareholder and Target shall use its commercially reasonable efforts to promptly resolve such objections. Without limiting the generality of the parties undertakings pursuant to this Section 6.7, Parent and Target each agree to take any and all steps necessary to avoid or eliminate each and every impediment under any antitrust, competition, trade regulation Law or other demand or request that may be asserted by any Governmental Bodies so as to enable the parties hereto to expeditiously close the transactions contemplated hereby as promptly as practical, including proposing, negotiating, committing to and effecting, by consent decree, hold separate orders, or otherwise, the sale, divestiture or disposition of any of its assets, properties or businesses or of the assets, properties or businesses to be acquired by it pursuant to this Agreement as are required to be divested in order to avoid the entry of, or to effect the dissolution of, any Judgment in any Proceeding, which would otherwise have the effect of materially delaying or preventing the consummation of the transactions contemplated by this Agreement; provided, however, that neither Parent nor Target shall be required to sell, divest or dispose of assets that contributed more than 5% to its respective consolidated earnings before interest and taxes for the twelve (12) month period immediately preceding the date of this Agreement.

6.8 Cooperation on Tax Matters.

6.8.1. Parent, Shareholder and Target shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the filing of Tax Returns pursuant to this Agreement and any audit, litigation or other proceeding with respect to Taxes. Such cooperation shall include the retention and (upon the other party's request) the provision of records and information which are reasonably relevant to any such audit, litigation or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Target agrees to retain all books and records with respect to Tax matters pertinent to Target relating to any Tax period beginning before the Closing Date until the expiration of the statute of limitations or similar periods pursuant to non-United States tax law, as applicable (including any applicable extensions) of the respective Tax periods, and to abide by all record retention agreements entered into with any Taxing Authority or Governmental Body.

6.8.2. From the date hereof until the day after June 13, 2009, Parent shall, and shall cause Target to, comply with the notification conditions of the Danish Tax Order and Parent shall not take, and shall cause Target not to take, any actions with respect to the Target Stock without first (except as otherwise expressly contemplated by the Danish Tax Order) (i) notifying Shareholder of such proposed transaction, (ii) notifying the applicable Danish Taxing Authorities

of such proposed transaction, (iii) obtaining written confirmation from the applicable Danish Taxing Authorities that such transaction will not violate the Danish Tax Order and (iv) to the extent the written confirmation set forth in clause (iii) requires Parent or

Annex A - (1)

32

Table of Contents

Target to satisfy any conditions, both (A) complying with such conditions and (B) obtaining the written consent of Shareholder if such conditions adversely affect Shareholder or its shareholders. Parent agrees to indemnify and hold harmless Shareholder and its shareholders for any Losses arising out of or caused by, directly or indirectly, a breach by Parent or Target of this Section 6.8.2.

6.9 *Public Announcements.* Parent and Shareholder agree to consult with each other before issuing any press release or making any other public statement with respect to this Agreement or the transactions contemplated hereby which differs substantially from previously agreed upon press releases or public statements and, except for any press releases and public statements the making of which may be required by applicable Law, or any applicable stock exchange or NASDAQ rule or any listing agreement, neither party will issue any such press release nor make any such public statement unless the content of such press release or public statement shall have been agreed upon by the parties.

6.10 *Notices of Certain Events.* Each of Parent, Shareholder and Target shall promptly notify the other party of:

6.10.1. any notice or other communication from any Person alleging that the Consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;

6.10.2. any notice or other communication from any Governmental Body in connection with the transactions contemplated by this Agreement; and

6.10.3. any actions, suits, claims, investigations or proceedings commenced that, if pending on the date of this Agreement, would have been required to have been disclosed pursuant to, in the case of Target or any of its Subsidiaries, Section 4.22 or, in the case of Parent or any of its Subsidiaries, Section 5.22.

Each of Parent, Shareholder and Target shall use commercially reasonable efforts to notify the other party of any event or state of facts which makes the representations and warranties of such party contained herein untrue in any material respect or which makes the satisfaction of any condition or performance of any obligation of such party contained herein impossible or reasonably unlikely.

6.11 *Information Supplied.* The information supplied or to be supplied by Shareholder in writing for inclusion in the Proxy Statement shall not, at (i) the time the Proxy Statement (or any amendment thereof or supplement thereto) is first mailed to the stockholders of Parent and (ii) the time of the Parent Stockholders Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

6.12 *Shareholder Agreement.* On or immediately prior to the Closing Date, Shareholder and Parent hereby agree to enter into a Shareholder Agreement in substantially the form attached hereto as Exhibit B (the Shareholder Agreement).

6.13 *Registration Rights Agreement.* The Parent Shares issued to Shareholder pursuant to this Agreement shall be registered in accordance with the terms and conditions of the Registration Rights Agreement, in substantially the form attached hereto as Exhibit C (the Registration Rights Agreement), which shall provide, among other things, that Parent will use its best efforts to file a registration statement covering eight million (8,000,000) Parent Shares promptly following the Closing Date pursuant to the terms of the Registration Rights Agreement.

6.14 *Director and Officer Liability.* From and after the Closing Date, Parent shall cause (i) the certificate of incorporation and/or bylaws (or similar organizational documents) of Target and each of its Subsidiaries to continue to contain provisions no less favorable with respect to indemnification, advancement of expenses and exculpation of each of its current (as of the Closing Date) and former directors and officers, than are presently set forth in the

certificate of incorporation and bylaws (or similar organizational documents) of such entity, which provision shall not be amended, repealed or otherwise modified in any manner that would materially adversely affect the rights thereunder of any such individual and (ii) any agreement previously made available to Parent on or prior to the date of this Agreement providing for the indemnification

Annex A - (1)

33

Table of Contents

by Target or any of its Subsidiaries of any current or former officer or director of Target or such Subsidiary in effect as of the date of this Agreement to survive the consummation of the transactions contemplated hereby and continue in full force and effect and be honored by Target or such Subsidiary, as the case may be, after the Closing. In addition, Parent shall cause Target and its Subsidiaries to maintain coverage under their current director and officer liability insurance policy (or another policy with substantially comparable coverage, including coverage of pre-Closing time periods) for a period of not less than six (6) years from the Closing Date; provided, however, that Target and its Subsidiaries shall not be obligated to make annual premium payments for such insurance to the extent such premiums exceed 200% of the most recent annual premiums paid by Target and its Subsidiaries for such insurance.

6.15 Employee Matters.

6.15.1. The officers of Parent, Target and their respective Subsidiaries as of the Closing shall be as set forth on **Schedule 6.15** hereto.

6.15.2. From and after the Closing Date, Parent shall cause the service of each employee of Target and its Subsidiaries prior to the Closing Date to be recognized for purposes of eligibility, vesting, level of benefits and benefit accrual (including level of benefits and benefit accrual under any vacation and severance pay plans, policies or arrangements) under each Employee Benefit Plan of Parent in which any such employee is or becomes eligible to participate.

6.16 Shareholder's Indemnification Rights under the June Stock Purchase Agreement.

(a) Effective as of the Closing, Shareholder hereby transfers and assigns to Parent all of its rights to indemnification under that certain Share Sale and Purchase Agreement dated June 13, 2006 by and between Shareholder and the former shareholders of Target (the June Stock Purchase Agreement). In the event that any such transfer or assignment is limited or not permitted pursuant to the June Stock Purchase Agreement and in the event that a Parent Indemnitee seeks indemnification for any Losses under Section 11 herein, Shareholder shall from and after the Closing, at the direction of Parent and as promptly as practicable after Shareholder's receipt of an Indemnification Notice from such Parent Indemnitee, enforce its right to indemnification for such Losses. The Indemnification Notice shall set forth the basis of the claim to be made under the June Stock Purchase Agreement, together with all relevant details in the possession of Parent or Target, and shall instruct Shareholder to enforce its right to indemnification under the June Stock Purchase Agreement. Upon receipt of such Indemnification Notice, Shareholder shall, as promptly as reasonably practicable, make a claim for indemnity under the June Stock Purchase Agreement in accordance with the terms thereof, and in connection with such claim shall only take such actions and incur such fees as reasonably requested by Parent. In connection with enforcing such rights, Parent shall, and shall cause Target to, cooperate with Shareholder and its counsel and provide Shareholder with access to all information and personnel in its possession relevant or reasonably necessary for enforcing such rights. All amounts recovered pursuant to such indemnification right (net of any Taxes and any actual out-of-pocket fees and expenses of Shareholder in connection with Shareholder seeking such Indemnification Proceeds) (the Indemnification Proceeds) which exceed the Cap set forth in Section 11.4.2 (the Indemnification Excess) shall increase the Cap in order to provide the Parent Indemnitee the full benefit of such Indemnification Proceeds. Parent shall indemnify Shareholder for any Losses of Shareholder arising out of the exercise of such indemnification rights under the June Stock Purchase Agreement (including the actual out-of-pocket fees and expenses incurred by it in connection with Shareholder seeking such Indemnification Proceeds). Furthermore, notwithstanding anything to the contrary in this Agreement, Shareholder shall pay all such Indemnification Proceeds to the Parent Indemnitee promptly after receipt thereof in accordance with Section 11.6 herein, provided, however, that Shareholder shall pay any Indemnification Excess to the Parent Indemnitee promptly after receipt thereof in cash. For purposes of clarification, in no circumstance shall Section 11.4.1 (Basket) or Section 11.4.2 (Cap) be applicable to any Indemnification Proceeds received by Shareholder.

(b) Effective as of the Closing, Shareholder hereby agrees that it shall not, by its own voluntary action, liquidate, dissolve or otherwise cease to exist so long as its indemnification rights under the June Stock Purchase Agreement are enforceable; provided, however, that any involuntary action of liquidation,

Annex A - (1)

34

Table of Contents

dissolution or cessation of existence of Shareholder is not a result of the actions or inactions of Shareholder or Nordic; provided further that nothing in this Section 6.16(b) shall prohibit Shareholder from issuing dividends or making distributions, including from proceeds received from the sale of any Parent Shares, or otherwise writing down its share capital or buying back shares.

(c) Effective as of the Closing, Nordic hereby agrees to cause Shareholder to comply with the covenants provided for in this Section 6.16 and shall indemnify Parent for any Losses associated with Shareholder's failure to use commercially reasonable efforts to comply with the terms and conditions of this Section 6.16, in each case until the earlier of (i) when Shareholder no longer has any right to indemnification under the June Stock Purchase Agreement or (ii) six (6) years after the Closing. Notwithstanding the foregoing, Nordic's obligation to indemnify Parent for any such Losses shall be limited to, and shall not exceed, the value (measured at the Closing) of its pro rata interest (determined based upon Nordic's shareholdings in Shareholder) in the Purchase Price payable to Shareholder at Closing. Notwithstanding any other provision hereof, each of Nordic Capital VI Alpha, L.P. and Nordic Capital Beta, L.P., acting through their general partner, Nordic Capital VI Limited, NC VI Limited and Nordic Industries Limited shall be only severally, and not jointly liable, for any indemnification or other obligations pursuant to this Section 6.16(c) (in proportion to their respective holdings in Shareholder).

6.17 Form 8-K Obligations. Shareholder will use commercially reasonable efforts to take all actions to assist Parent in connection with Parent's preparation of the financial statements and other information it will be required to file with the SEC under Rule 3-05 of Regulation S-X (on Form 8-K).

Section 7. Conditions of Closing.

7.1 Conditions to Obligations of Parent to Consummate the Transaction. The obligations of Parent to consummate the closing of the Transaction shall be subject to the satisfaction (or, to the extent permitted by applicable Law, waiver by Parent) at or prior to the Closing Date of the following conditions:

7.1.1. Accuracy of Representations and Warranties. The representations and warranties of Shareholder contained in any document delivered by it hereby shall have been true and correct (without giving effect to any limitations as to materiality set forth therein) when made, and, in addition, as of the Closing Date with the same force and effect as though made on and as of the Closing Date, except that those representations and warranties which by their express terms are made as of a specific date shall be required to be true and correct only as of such date, except when the failure of such representations and warranties to be true and correct (without giving effect to any limitation as to materiality set forth therein) would not, individually or in the aggregate, result in a Material Adverse Effect on Target, and Parent shall have received a certificate signed by an officer of Target to such effect.

7.1.2. Performance of Agreements. Each of Shareholder, Target and its Subsidiaries, as the case may be, shall have performed, observed and complied in all material respects with all of their obligations, covenants and agreements, and shall have satisfied or fulfilled in all material respects all conditions contained herein and required to be performed, observed or complied with by either of them hereunder, or to be satisfied or fulfilled, by Shareholder, Target or its Subsidiaries at or prior to the Closing Date.

7.1.3. Material Adverse Effect. Since the date of this Agreement, there shall have been no event, development or state of facts that results in, or would reasonably be expected to result in, a Material Adverse Effect on Target (a Target MAE).

7.1.4. Opinion of Counsel for Target and its Subsidiaries and Shareholder. Parent shall have received an opinion of Latham & Watkins LLP, U.S. counsel, and Plesner Svane Grønberg, Danish counsel, for Target, its Subsidiaries and Shareholder, dated as of the Closing Date, in a customary form reasonably satisfactory to the parties hereto (the Target

Opinion).

7.1.5. *Litigation.* No order of any Governmental Body shall be in effect which restrains or prohibits the transactions contemplated hereby, and no claim, suit, action, inquiry, investigation or proceeding in which it will be, or it is, sought to restrain, prohibit or change the terms of or obtain damages or other relief in connection with this Agreement or any of the transactions contemplated hereby, shall have been instituted by any person or entity, and which, in the reasonable judgment of Parent (based

Annex A - (1)

35

Table of Contents

on the likelihood of success and material consequences of such claim, suit, action, inquiry or proceeding), makes it impossible or unlawful to proceed with the consummation of the Transaction.

7.1.6. Consents and Approvals. All Consents by third parties set forth in **Schedule 7.1.6** required by Parent as a precondition to the performance by Target and Shareholder of their respective obligations hereunder, and all Governmental Bodies including, but not limited, under any Antitrust Laws, shall have been obtained and shall be in full force and effect.

7.1.7. No Termination. This Agreement shall not have been terminated pursuant to Section 10.

7.1.8. Parent Stockholders Approval. The Parent Stockholders Approval shall have been obtained.

7.1.9. Registration Rights Agreement. Shareholder shall have executed and delivered to Parent the Registration Rights Agreement.

7.1.10. Target Option Plans. All options, warrants or any other right of any nature whatsoever to purchase equity in Target or any of its Subsidiaries shall have been terminated and/or cancelled and be of no further force or effect.

7.1.11. Closing Certificates. Each of Shareholder and Target shall have furnished Parent with certificates, dated as of the Closing Date, to the effect that all conditions to be satisfied at or as of the Closing have been waived or satisfied.

7.1.12. Shareholder Agreement. Shareholder shall have executed and delivered to Parent the Shareholder Agreement.

7.1.13. Facility Amendment. Each of Target and Target's Lender shall have executed the respective Facility Amendment pursuant to Section 6.6.2 hereof.

7.1.14. Escrow Agreement. Shareholder shall have executed and delivered to Parent the Escrow Agreement.

7.2 Conditions to Obligations of Shareholder to Consummate the Transaction. The obligations of Shareholder and Target to consummate the Transaction shall be subject to the satisfaction (or, to the extent permitted by applicable Law, waiver by Shareholder) at or prior to the Closing Date of the following conditions:

7.2.1. Accuracy of Representations and Warranties. The representations and warranties of Parent contained in any documents delivered by it hereby shall have been true and correct, (without giving effect to materiality set forth therein) when made, and, in addition, shall be true on and as of the Closing Date with the same force and effect as though made on and as of the Closing Date, except that those representations and warranties which by their express terms are made as of a specific date shall be required to be true and correct only as of such date, except where the failure of such representations and warranties to be true and correct (without giving effect to any limitation as to materiality set forth therein) would not, individually or in the aggregate, result in a Material Adverse Effect on Parent, and Shareholder shall have received a certificate signed by an officer of Parent to such effect.

7.2.2. Performance of Agreements. Each of Parent and its Subsidiaries shall have performed, observed and complied, in all material respects, with all obligations, covenants and agreements, and shall have satisfied or fulfilled in all material respects all conditions contained in any document required to be performed, observed or complied with by it hereunder, or satisfied or fulfilled, by Parent at or prior to the Closing Date.

7.2.3. Material Adverse Effect. Since the date of this Agreement, there shall have been no event, development or state of facts that results in, or would reasonably be expected to result in, a Material Adverse Effect on Parent (a

Parent MAE).

Annex A - (1)

36

Table of Contents

7.2.4. Opinion of Counsel Parent. Shareholder shall have received an opinion of Blank Rome LLP, counsel for Parent, and Indiana counsel for Parent, dated as of the Closing Date, in a customary form reasonably satisfactory to the parties hereto (the Parent Opinion).

7.2.5. Litigation. No order of any Governmental Body shall be in effect which restrains or prohibits the transactions contemplated hereby, and no claim, suit, action, inquiry, investigation or proceeding in which it will be, or it is, sought to restrain, prohibit or change the terms of or obtain damages or other relief in connection with this Agreement or any of the transactions contemplated hereby, shall have been instituted by any person or entity, and which, in the reasonable judgment of Shareholder (based on the likelihood of success and material consequences of such claim, suit, action, inquiry or proceeding), makes it impossible or unlawful to proceed with the consummation of the Transaction.

7.2.6. Consents and Approvals. All Consents by third parties set forth in **Schedule 7.2.6** required by Shareholder as a precondition to the performance by Parent of its obligations hereunder, and all Governmental Bodies including, but not limited, under any Antitrust Laws, shall have been obtained and shall be in full force and effect.

7.2.7. No Termination. This Agreement shall not have been terminated pursuant to Section 10.

7.2.8. Parent Stockholders Approval. The Parent Stockholders Approval shall have been obtained.

7.2.9. The Registration Rights Agreement. Parent shall have executed and delivered to Shareholder the Registration Rights Agreement.

7.2.10. NASDAQ Listing. The Parent Shares issuable to Shareholder hereunder shall have been approved for listing on The NASDAQ Global Select Market, subject to official notice of issuance.

7.2.11. Shareholder Agreement. Parent shall have executed and delivered to Shareholder the Shareholder Agreement.

7.2.12. Directors. Three Directors shall have duly resigned from the Parent Board and such number of Directors nominated by Shareholder in accordance with Section 2.1(a) of the Shareholder Agreement shall have been duly appointed to the Parent Board.

7.2.13. Closing Certificates. Parent shall have furnished Shareholder with certificates executed by an executive officer, dated the Closing Date, to the effect that all conditions to be satisfied at or as of the Closing have been waived or satisfied.

7.2.14. Facility Amendment. Each of Parent and Parent's Lender shall have executed the respective Facility Amendment pursuant to Section 6.6.2 hereof.

7.2.15. Escrow Agreement. Parent shall have executed and delivered to Shareholder the Escrow Agreement.

Section 8. Closing

8.1 Closing. The closing of the transactions contemplated by this Agreement (the Closing) shall be held as promptly as practicable (but not later than two (2) Business Days) after satisfaction or waiver of the conditions set forth in Section 7 of this Agreement, or such later date as agreed upon in writing by the parties (the Closing Date), at a location that is mutually acceptable to the parties.

8.2 *Shareholder's Deliveries at the Closing.* At the Closing, Shareholder shall deliver or cause to be delivered the following to Parent:

8.2.1. stock certificates representing all of the issued and outstanding shares of Target Stock, together with assignments separate from certificate, dated the Closing Date and duly executed by Shareholder, and stamps or other proper evidence of the payment of any stock transfer or similar Taxes due as a result of the transfer of capital stock;

8.2.2. the original signed copies of all Consents listed on **Schedule 7.1.6**;

Annex A - (1)

37

Table of Contents

- 8.2.3. all of the original minute books and stock books of Target and its Subsidiaries (including those of any applicable predecessors);
- 8.2.4. duly executed resignations, dated the Closing Date, of those directors and officers of Target and its Subsidiaries as specified by Parent;
- 8.2.5. copies of the applicable resolutions, filings and other documents establishing, in form and substance reasonably acceptable to Parent, that the transactions contemplated by this Agreement were fully completed and authorized by all appropriate corporate action on the part of Target, certified by an officer of Target as in full force and effect, without modification or rescission, on and as of the Closing Date;
- 8.2.6. good standing certificates or the equivalent for Target and its operational Subsidiaries, dated no earlier than ten days before the Closing Date, from each of their jurisdictions of incorporation or formation, as applicable, and from each other jurisdiction in which Target and each of its operational Subsidiaries is qualified or registered to do business as a foreign corporation;
- 8.2.7. a certificate of Secretary of Target as to the incumbency and signatures of the officers of Target executing this Agreement;
- 8.2.8. the Target Opinion;
- 8.2.9. the Escrow Agreement duly executed by Shareholder;
- 8.2.10. the Shareholder Agreement duly executed by Shareholder;
- 8.2.11. the Registration Rights Agreement duly executed by Shareholder;
- 8.2.12. the respective Facility Amendment duly executed by Target and Target's Lender; and
- 8.2.13. all other agreements, certificates, instruments, financial statement certifications and documents reasonably requested by Parent in order to fully consummate the transactions contemplated by this Agreement and carry out the purposes and intent of this Agreement.
- 8.3 *Parent's Deliveries at Closing.* At the Closing, Parent shall deliver the following:
- 8.3.1. the Parent Shares, including the Escrow Shares;
- 8.3.2. the original signed copies of all Consents listed on **Schedule 7.2.6**;
- 8.3.3. a certificate of existence for Parent and good standing certificates for its operational Subsidiaries, dated no earlier than ten days before the Closing Date, from each of their jurisdictions of incorporation or formation, as applicable, and from each other jurisdiction in which Parent and each of its operational Subsidiaries is qualified or registered to do business as a foreign corporation;
- 8.3.4. copies of the resolutions duly adopted by the board of directors of Parent, authorizing Parent to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby, certified by an officer of Parent as in full force and effect, without modification or rescission, on and as of the Closing Date;

8.3.5. a certificate of the Secretary of Parent as to the incumbency and signatures of the officers of Parent executing this Agreement;

8.3.6. the Parent Opinion;

8.3.7. the Escrow Agreement duly executed by Parent;

8.3.8. the Shareholder Agreement duly executed by Parent;

8.3.9. the Registration Rights Agreement duly executed by Parent;

8.3.10. the respective Facility Amendment duly executed by Parent and Parent's Lender; and

Annex A - (1)

38

Table of Contents

8.3.11. all other agreements, certificates, instruments and documents reasonably requested by Shareholder in order to fully consummate the transactions contemplated by this Agreement and carry out the purposes and intent of this Agreement.

Section 9. *[Intentionally Omitted]*

Section 10. *Termination; Amendment; Waiver*

10.1 *Termination.* This Agreement may be terminated at any time prior to the Closing Date:

10.1.1. by mutual written consent of Parent, on the one hand, and the Target and Shareholder, on the other hand;

10.1.2. by either of Target or Shareholder, on the one hand, or Parent, on the other hand, by written notice to the other; if (i) the Closing shall not have been consummated by August 20, 2007 provided, however, that the right to terminate this Agreement under this Section 10.1.2 shall not be available to any party whose failure to fulfill any obligation under this Agreement has been the cause of, or resulted in, the failure of the Closing Date to occur on or before such date, or (ii) any Governmental Body of competent jurisdiction shall have issued a Judgment or taken any other action (which Judgment or other action the parties hereto shall have used their commercially reasonable efforts to lift), which permanently restrains, enjoins or otherwise prohibits or makes illegal the consummation of the transactions contemplated hereby, and such order, decree, judgment, injunction or other action shall have become final and non-appealable; provided, however, that the party terminating this Agreement pursuant to this Section 10.1.2 shall have used its commercially reasonable efforts to have such Judgment or other action vacated;

10.1.3. by written notice from Parent to Target or Shareholder (if Parent is not in material breach of any of its representations, warranties, covenants and agreements under this Agreement), if Target or any of its Subsidiaries or Shareholder breaches or fails to perform in any material respect any of its representations, warranties or covenants contained in this Agreement, which breach or failure to perform would give rise to a Target MAE and such Target MAE is incapable of being cured within 20 days of the receipt of such notice; provided, however, that the failure to satisfy the condition in Section 7.1.13 hereof shall not be deemed a Target MAE;

10.1.4. by written notice from Shareholder or Target to Parent (if Target and Shareholder are not in material breach of any of their representatives and warranties, covenants and agreements under this Agreement) if Parent breaches or fails to perform in any material respect any of its representations, warranties or covenants contained in this Agreement, which breach or failure to perform would give rise to a Parent MAE and such Parent MAE is incapable of being cured within 20 days of the receipt of such notice; provided, however, that the failure to satisfy the condition in Section 7.2.14 hereof shall not be deemed a Parent MAE;

10.1.5. by written notice from Shareholder or Target to Parent if the Parent Board shall have (A) failed to make the Parent Recommendation, (B) withdrawn the Parent Recommendation, or (C) modified the Parent Recommendation in a manner adverse to Shareholder;

10.1.6. by written notice from Parent to Target or Shareholder if (i) Parent receives an Acquisition Proposal (for the purposes of this Section 10.1.6, Acquisition Proposal shall have the meaning set forth in the definition of Acquisition Proposal herein, except that all references to 20% shall be deemed references to 50%) pursuant to which Parent is required to terminate this Agreement as a condition to the consummation of the transaction in connection with the Acquisition Proposal, (ii) by reason of such Acquisition Proposal, the Parent Board shall have (A) failed to make or reaffirm the Parent Recommendation, (B) withdrawn the Parent Recommendation, or (C) modified the Parent Recommendation in a manner adverse to Shareholder and (iii) after consultation with its attorneys and financial

advisors, the Parent Board determines in good faith that this Agreement must be terminated to satisfy the Parent Board's fiduciary duties to Parent shareholders;

Annex A - (1)

39

Table of Contents

10.1.7. by either of Parent, on the one hand, or Target or Shareholder, on the other hand, by written notice to the other, if the Parent Stockholders' Approval is not obtained at the Parent Stockholders' Meeting; or

10.1.8. by either of Parent, on the one hand, or Target or Shareholder, on the other hand, by written notice to the other, if any of the Facility Amendments are not executed by any of the respective Lenders of Parent and Target by April 19, 2007.

10.2 *Effect of Termination.*

10.2.1. Subject to the remainder of this Section 10.2, in the event of the termination of this Agreement pursuant to Section 10.1, this Agreement shall forthwith become null and void and have no effect, without any liability on the part of Parent, Shareholder, Target and each of their respective directors, trustee, officers, employees, partners, stockholders or shareholders and all rights obligations of any party hereto shall cease, except for the agreements contained in Section 4.25 (Brokers Fees), 5.25 (Brokers Fees), 6.4 (Investigation), 6.8 (Public Announcements), 10.2 (Effect of Termination) and 12.1 (Fees and Expenses); provided, however, that nothing contained in this Section 10.2.1 shall relieve any party from liabilities or damages arising out of any fraud or willful breach by such party of any of its representations, warranties, covenants or other agreements contained in this Agreement or a failure or refusal by such party to consummate the transactions contemplated hereby when such party was obligated to do so in accordance with the terms of this Agreement.

10.2.2. If this Agreement is terminated by Target or Shareholder pursuant to Section 10.1.4 or 10.1.5 or by Parent pursuant to 10.1.6, then Parent shall pay to Target an amount equal to \$15,000,000 (the Target Break-Up Fee). If this Agreement is terminated by Parent pursuant to Section 10.1.3, then Target shall pay to Parent an amount equal to \$15,000,000 (the Parent Break-Up Fee, and together with the Target Break-Up Fee, the Break-Up Fee), which Break-Up Fee shall be inclusive of all fees, costs and expenses incurred in connection with the preparation, execution and performance of this Agreement and the transactions contemplated hereby, including, without limitation, all fees, costs and expenses of agents, representatives, counsel and accountants.

10.2.3. If this Agreement is terminated by any party hereto pursuant to Section 10.1.7, then Parent shall pay to Target an amount equal to its actual out-of-pocket reasonable fees, costs and expenses incurred in connection with the preparation, execution and performance of this Agreement and the transactions contemplated hereby, including, without limitation, all fees, costs and expenses of agents, representatives, counsel and accountants, but excluding any fees, costs or expenses of any affiliates of Target or Shareholder or any investment banking or any other financial advisors of Target or Shareholder; (the Termination Expenses); provided, however, that Parent shall not be obligated to pay Target for its Termination Expenses in excess of \$3,000,000; provided further, however, that if, in addition to a termination pursuant to Section 10.1.7, both (A) an Acquisition Proposal with respect to Parent is publicly made prior to the Parent Stockholders' Meeting and (B) within six (6) months of the effective date of such termination Parent executes a definitive agreement in connection with an Acquisition Proposal (whether or not it was the same Acquisition Proposal referred to in clause (A)), then Parent shall pay to Target the Target Break-Up Fee (less the Termination Expenses already paid by Parent to Shareholder pursuant to this Section 10.2.3). For the purposes of this Section 10.2.3, Acquisition Proposal shall have the meaning set forth in the definition of Acquisition Proposal herein, except that all references to 20% shall be deemed references to 50%.

10.2.4. Notwithstanding anything to the contrary in this Agreement, each of the parties hereto hereby expressly acknowledges and agrees that, with respect to any termination of this Agreement pursuant to Sections 10.1.3, 10.1.4, 10.1.5, 10.1.6, or 10.1.7 (as applicable), the payment of any Break-Up Fee shall constitute liquidated damages with respect to any claim for damages or any other claim which such party would otherwise be entitled to assert against any other parties' respective assets, or against any of their respective trustees, officers, employees, partners, managers or

members, with respect to this Agreement and the transactions contemplated hereby and shall not be construed as a penalty and shall constitute the sole and exclusive remedy available to such party. The parties hereto expressly acknowledge

Annex A - (1)

40

Table of Contents

and agree that, in light of the difficulty of accurately determining actual damages with respect to the foregoing upon any termination of this Agreement pursuant to Sections 10.1.3, 10.1.4, 10.1.5, 10.1.6, or 10.1.7 (as applicable), the rights to payment under Section 10.2.2: (i) constitute a reasonable estimate of the damages that will be suffered by reason of any such proposed or actual termination of this Agreement pursuant to Sections 10.1.3, 10.1.4, 10.1.5, 10.1.6 or 10.1.7 (as applicable), and (ii) shall be in full and complete satisfaction of any and all damages arising as a result of the foregoing.

10.2.5. Any payment made pursuant to Section 10.2.2 or 10.2.3 (other than in the event a Break-Up Fee becomes due pursuant to Section 10.2.3, in which case payment shall be made no later than the two (2) Business Days after the execution by Parent of the definitive agreement in connection with the Acquisition Proposal) shall be made not later than two (2) Business Days after the date of termination. All payments under this Section 10.2 shall be made by wire transfer of immediately available funds to an account designated by Parent or Target, as the case may be. Parent and Target acknowledge that the agreements contained in this Section 10.2 are an integral part of the transactions contemplated by this Agreement and that, without these agreements, Parent and Target would not enter into this Agreement. Accordingly, if Parent or Target fail promptly to pay any amount due pursuant to this Section 10.2 and, in order to obtain such payment, Parent or Target commence a suit which results in a Judgment against the other party or parties for the fees set forth in this Section 10.2, the party or parties failing to make payment shall pay to the other party or parties their costs and expenses (including reasonable attorneys' fees and expenses) in connection with such suit, together with interest on the amount of the payment to be made at the prime rate in effect on the date such payment is required to be made as reported in *The Wall Street Journal*, as liquidated damages.

Section 11. *Indemnification*

11.1 *Shareholder*. Shareholder hereby indemnifies and holds harmless Parent, and its successors and assigns, and their respective directors, officers, employees, agents and representatives (Parent Indemnitees), from and against any and all actions, suits, claims, demands, debts, liabilities, obligations, losses, damages, costs and expenses including reasonable attorney's fees and court costs (collectively, Losses), arising out of or caused by, directly or indirectly, any of the following:

11.1.1. *Misrepresentation*. Any misrepresentation of a fact contained in any representation or warranty made by Shareholder in this Agreement;

11.1.2. *Nonperformance*. The breach by Shareholder of any covenant or agreement of Shareholder in this Agreement; or

11.1.3. *Scheduled Claims*. Any matter or item set forth on Schedule 4.22.

11.2 *Indemnification Procedures*. With respect to each event, occurrence or matter (an Indemnification Matter) as to which a Parent Indemnitee, as the case may be, is seeking indemnification hereunder to which the Parent Indemnitee is entitled to indemnification from Shareholder under Section 11.1:

11.2.1. Within ten (10) days after the Parent Indemnitee receives written documents underlying the Indemnification Matter or, if the Indemnification Matter does not involve a third party action, suit, claim or demand, promptly after the Parent Indemnitee first has actual knowledge of the Indemnification Matter, the Parent Indemnitee shall give written notice to Shareholder of the nature of the Indemnification Matter and the amount demanded or claimed in connection therewith (Indemnification Notice), together with copies of any such written documents.

11.2.2. If a third party action, suit, claim or demand is involved, then, upon receipt of the Indemnification Notice, Shareholder shall, at its expense and through counsel of its choice, promptly assume and have sole control over the

litigation, defense or settlement (the Defense) of the Indemnification Matter, except that (i) the Parent Indemnitee may, at its option and expense and through counsel of its choice, participate in (but not control) the Defense; (ii) Shareholder shall not consent to any Judgment, or agree to any settlement, without the Parent Indemnitee s prior written consent unless such Judgment or settlement includes a complete release of the Parent Indemnitee; and (iii) if Shareholder does not promptly assume control over the Defense or, after doing so, does not continue to prosecute the Defense

Table of Contents

in good faith, the Parent Indemnitee may, at its option and through counsel of its choice, but with respect to one firm of counsel reasonably approved by Shareholder at Shareholder's expense, assume control over the Defense. In any event, Shareholder and the Parent Indemnitee shall fully cooperate with each other in connection with the Defense, including by furnishing all available documentary or other evidence as is reasonably requested by the other.

11.2.3. All amounts owed by Shareholder to the Parent Indemnitee (if any) shall be paid in full within five (5) Business Days after a final Judgment (without further right of appeal) determining the amount owed is rendered, or after a final settlement or agreement as to the amount owed is executed.

11.3 *Survival of Representations, Warranties and Covenants.* Each of the parties hereto hereby agrees that representations and warranties made by or on behalf of Target or Shareholder in this Agreement or in any document or instrument delivered pursuant hereto shall survive the Closing Date for a period of twelve (12) months (the *Survival Period*), at which point they shall terminate and no claim for indemnification thereafter shall be brought in respect of them, except that a representation or warranty with respect to Section 4.1 (Authority), Section 4.3 (Ownership) and Section 4.11 (Taxes) shall survive the Closing Date for the maximum duration of the statute of limitations applicable with respect to such respective representation or warranty; provided, however, that from and after the third anniversary of the Closing, the Parent Indemnitees' sole recourse against Shareholder with respect to Section 4.11 (Taxes) shall be for Indemnification Proceeds recovered by Shareholder under the June Stock Purchase Agreement pursuant to Section 6.16. The covenants set forth in this Agreement or any agreements executed pursuant hereto shall survive the Closing until such covenants have been performed or waived by the party seeking enforcement thereof.

11.4 *Limits on Indemnification.* Shareholder's liability under this Section 11 shall be limited as follows:

11.4.1. *Basket.* Shareholder shall not be liable for any claim for indemnification pursuant to this Section 11 unless the amount of each claim involves Losses in excess of \$50,000 (nor shall such claim below \$50,000 be applied to or considered for purposes of calculating the deductible set forth in the next sentence). No amount shall be payable by Shareholder under this Section 11 unless and until the aggregate amount otherwise payable by Shareholder under this Section 11 exceeds \$4,000,000. At such time as the total amount payable by Shareholder exceeds \$4,000,000 in the aggregate, the Parent Indemnitees shall be entitled to be indemnified only for the amount of all damages that have been incurred or suffered by the Parent Indemnitees for which they are entitled to be indemnified under this Agreement that exceed \$4,000,000.

11.4.2. *Cap.* Subject to Section 6.16, Shareholder's total liability under this Section 11 shall not exceed the fair market value of the Escrow Shares remaining in the Escrow Account at the applicable time.

11.4.3. *Time Periods.* With respect to any Indemnification Matter under Section 11, Shareholder shall have no liability unless the Parent Indemnitee gives an Indemnification Notice with respect thereto within twelve (12) months after the Closing Date, provided that for all Losses for which an Indemnification Notice has been given prior to such date, the right to indemnification for any such Indemnification Matter shall survive until such claim for Losses has been resolved pursuant to the terms of this Agreement.

11.5 *Exceptions to Limitations.* None of the limitations set forth in Section 11.4 shall apply in the case of any Indemnification Matter involving (a) fraud, (b) Indemnification Proceeds under Section 6.16 or (c) Losses incurred due to a breach of the representations and warranties set forth in Section 4.1 (Authority), Section 4.3 (Ownership), and Section 4.25 (Brokers Fees).

11.5.1. *Additional Limitations on Losses.*

11.5.1.1. Any claim for indemnification under this Section 11 shall be limited to the amount of actual Losses sustained by the Parent Indemnitee by reason of such breach or nonperformance. Shareholder shall not have any liability under any provision of this Agreement for any punitive, incidental, consequential, special or indirect damages, including loss of future revenue or income, loss of

Table of Contents

business reputation or opportunity relating to the breach or alleged breach of this Agreement, or diminution of value or any damages based on any type of multiple, whether based on statute, contract, tort or otherwise.

11.5.1.2. Any indemnification claim under this Section 11 asserted by any Parent Indemnitee with respect to any matter for which a reserve is included in the Latest Balance Sheet shall be reduced by the amount of such reserve.

11.5.1.3. For all purposes of this Section 11, Losses shall be net of (i) any insurance, indemnification or other recoveries payable to the Parent Indemnitee or its affiliates under any insurance policy or any other Contract in connection with the facts giving rise to the right of indemnification and (ii) any Tax benefit available to the Parent Indemnitee or its affiliates arising in connection with the accrual, incurrence or payment of any such Losses. If Shareholder makes any payment on any claim, Shareholder shall be subrogated, to the extent of such payment, to all rights and remedies of the Parent Indemnitee to any insurance benefits or other claims of the Parent Indemnitee with respect to such claim.

11.5.1.4. The Parent Indemnitee shall cooperate with Shareholder with respect to resolving any claims or liabilities with respect to which Shareholder is obligated to indemnify such Parent Indemnitee, including by making commercially reasonable efforts to mitigate or resolve any such claims or liabilities.

11.6 *Satisfaction of Shareholder Losses.* Subject to Section 6.16, in the event that Shareholder is required to indemnify any Parent Indemnitee for any Losses under this Section 11, Shareholder shall have the option to elect to satisfy such Losses either (i) in cash or (ii) by the return of Escrow Shares. The number of the Escrow Shares to be returned to satisfy any such Losses shall be calculated as the quotient of (A) the dollar amount of such Losses divided by (B) the average closing sales price per share of Parent Common Stock for the five (5) trading days immediately prior to the date such Losses become due and payable hereto as reported on The NASDAQ Global Market. Any amounts recovered by Parent under the June Stock Purchase Agreement, paid to Parent by Shareholder pursuant to Section 6.16 or otherwise paid in cash to Parent pursuant to this Section 11.6 shall entitle Shareholder to the distribution of Escrow Shares from the Escrow Agreement (to the extent any Escrow Shares continue to be held in escrow pursuant to the Escrow Agreement) with a value equal to such cash recovery or payment based on the average closing sales price per share of Parent Common Stock for the five (5) trading days immediately prior to the date of such recovery by Parent or payment by Shareholder to Parent as reported on The NASDAQ Global Market.

11.7 *Tax Treatment.* The parties agree that any indemnification payments made pursuant to this Agreement shall be treated for tax purposes, as between Parent and Shareholder, as an adjustment to the Purchase Price, unless otherwise required by applicable Law or Taxing Authority interpretations thereof.

11.8 *Remedies Exclusive.* The remedies provided for in this Section 11 and elsewhere in this Agreement shall be exclusive and shall preclude assertion by any Parent Indemnitee of any other rights or the seeking of any and all other remedies against Shareholder for claims based on this Agreement or any other agreement, document or certificate delivered pursuant to this Agreement. Parent hereby waives any provision of Law to the extent that it would limit or restrict the agreement contained in this Section 11.7.

Section 12. *Other Provisions*

12.1 *Fees and Expenses.* All fees, costs and expenses incurred in connection with the preparation, execution and performance of this Agreement and the transactions contemplated hereby, including, without limitation, all fees, costs and expenses of agents, representatives, counsel, and accountants shall be paid by the party incurring such fees, costs or expenses; provided, however, that such fees, costs and expenses of Shareholder shall be paid by Target. Notwithstanding the forgoing, the payment of any consulting, investment banking or financial advisory fees of Shareholder or Target shall be borne by Shareholder.

12.2 *Amendment.* This Agreement may be amended by the parties hereto by an instrument in writing signed on behalf of each of the parties hereto at any time before or after any approval hereof by holders of Parent Shares; provided, however, that after any such approval, no amendment shall be made which by Law requires further approval by such shareholders without obtaining such approval.

Annex A - (1)

43

Table of Contents

12.3 *Extension; Waiver.* At any time prior to the Closing Date, the parties hereto may, to the extent legally allowed, (a) extend the time for the performance of any of the obligations or other acts of the other parties hereto, (b) waive any inaccuracies in the representations and warranties of the other parties contained herein or in any document delivered pursuant hereto and (c) waive compliance by the other parties with any of the agreements or conditions contained herein. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in a written instrument signed on behalf of the party against which such waiver or extension is to be enforced. Except as so waived, no action taken or omitted to be taken pursuant to this Agreement, including, without limitation, any investigation by or on behalf of any party, shall be deemed to constitute a waiver by the party taking such action of compliance with any representations, warranties, covenants or agreements contained in this Agreement. The waiver by any party hereto of a breach of any provision hereunder shall not operate or be construed as a waiver of any prior or subsequent breach of the same or any other provision hereunder. Except as otherwise expressly provided herein, no failure to exercise, delay in exercising, or single or partial exercise of any right, power or remedy by any party, and no course of dealing between or among any of the parties, shall constitute a waiver of, or shall preclude any other or further exercise of, any right, power or remedy.

12.4 *Publicity.* At all times after the Closing Date, except as required by Law, without the prior written consent of Parent, which consent shall not be unreasonably withheld or delayed, Shareholder shall not make any public announcement regarding the transactions contemplated by this Agreement, nor shall Shareholder in any manner disseminate any information regarding Target, Parent or the transactions contemplated by this Agreement.

12.5 *Notices.* All notices, consents or other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given when delivered personally or one Business Day after being sent by a nationally recognized overnight delivery service, postage or delivery charges prepaid or five Business Days after being sent by registered or certified mail, return receipt requested, postage charges prepaid. Notices also may be given by facsimile and shall be effective on the Business Day transmitted if transmitted before 5:00 p.m. Central Time, and the next Business Day if transmitted after 5:00 p.m. confirmed in either case within 48 hours thereafter by a signed original sent in one of the manners provided in the preceding sentence; a Business Day as used in this Agreement means any day other than Saturday, Sunday or a day on which banking institutions are not required to be open in the United States or Denmark, as the case may be. Notices shall be sent to:

If to Target:

Dangaard Telecom A/S
Transitvej 12
6330 Padborg
Denmark
Attn: Hans Peter Alnor
Fax No: +45 7330 3135

With copy to:

Latham & Watkins LLP
885 Third Avenue, Suite 1000
New York, NY 1022
Attention: Charles Nathan
Fax No: 212-751-4864

If to Shareholder:

Dangaard Holding A/S
c/o Nordic Capital
Sankt Annae Plads 11
1250 Copenhagen K
Denmark
Attn: Christian Dyvig
Fax No: 45 3344 7755

Annex A - (1)

44

Table of Contents

With copy to:

Latham & Watkins LLP
885 Third Avenue, Suite 1000
New York, NY 1022
Attention: Charles Nathan
Fax No: 212-751-4864

If to Parent:

Brightpoint, Inc.
2601 Metropolis Parkway, Suite 210
Plainfield, Indiana 46168
Attn: Steven E. Fivel, General Counsel
Fax No: (317) 707-2514

With copy to:

Blank Rome LLP
405 Lexington Avenue
New York, NY 10174
Attention: Robert J. Mittman
Fax No: 212-885-5001

If to Nordic (for purposes of Sections 6.16 and 12.14 only):

Nordic Capital Fund VI
22 Grenville Street
St. Helier Jersey JE4 8PX
Channel Islands
Attention: Donna Preece
Fax No: +44 1534 635 855

Any party may change its address for notice and the address to which copies must be sent by giving notice of the new addresses to the other parties in accordance with this Section 12.5, provided that any such change of address notice shall not be effective unless and until received.

12.6 Interpretation of Representations. Each representation and warranty made in this Agreement or pursuant hereto is independent of all other representations and warranties made by the same parties, whether or not covering related or similar matters, and must be independently and separately satisfied. Exceptions or qualifications to any such representation or warranty shall not be construed as exceptions or qualifications to any other representation or warranty except to the extent such exception s or qualification s relevance to such other representation or warranty is reasonably apparent.

12.7 Entire Understanding. This Agreement, together with the exhibits and schedules hereto and the Confidentiality Agreement, state the entire understanding among the parties with respect to the subject matter hereof, and supersede all prior oral and written communications and agreements, and all contemporaneous oral communications and agreements, with respect to the subject matter hereof including all letters of intent previously entered into among some

or all of the parties hereto. No amendment or modification of this Agreement shall be effective unless in writing and signed by the party against whom enforcement is sought. Nothing contained in Section 12 or elsewhere in this Agreement shall be deemed to limit (or adversely affect) in any manner any right or remedy of any Parent Indemnitee under any of the agreements contemplated by this Agreement.

12.8 *Assignment.* This Agreement shall bind, benefit, and be enforceable by and against Parent, Target, Shareholder and their respective successors and consented-to assigns. No party shall in any manner assign any of its rights or obligations under this Agreement without the express prior written consent of the other parties, provided, however, Parent shall not be required to obtain the express prior written consent of the other parties in connection with its assignment of this Agreement or any of its rights or obligations hereunder in connection with any reorganization of Parent or its Subsidiaries, or transfer of the Target Shares to any of Parent's direct or indirect

Table of Contents

Subsidiaries and/or affiliates, but only if any such assignment complies with the Danish Tax Order and Section 6.8.2.

12.9 *Severability*. If any provision of this Agreement is construed to be invalid, illegal or unenforceable, then the remaining provisions hereof shall not be affected thereby and shall be enforceable without regard thereto; provided that the essential terms and conditions of this Agreement for the parties remain valid, binding and enforceable; provided, further, that the economic and legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to any party. In event of any such determination, the parties agree to negotiate in good faith to modify this Agreement to fulfill as closely as possible the original intents and purposes hereof. To the extent permitted by Law, the parties hereby to the same extent waive any provision of Law that renders any provision hereof prohibited or unenforceable in any respect.

12.10 *Counterparts*. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original hereof, and it shall not be necessary in making proof of this Agreement to produce or account for more than one counterpart hereof.

12.11 *Section Headings*. Section and subsection headings in this Agreement are for convenience of reference only, do not constitute a part of this Agreement, and shall not affect its interpretation.

12.12 *References*. All words used in this Agreement shall be construed to be of such number and gender as the context requires or permits.

12.13 *Controlling Law*. THIS AGREEMENT IS MADE UNDER, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED SOLELY THEREIN, WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAW.

12.14 *Jurisdiction and Process*. In any action between or among any of the parties, whether arising out of this Agreement, any of the agreements contemplated hereby or otherwise, (a) each of the parties irrevocably consents to the exclusive jurisdiction and venue of the federal and state courts located in New York, New York, (b) if any such action is commenced in a state court, then, subject to applicable law, no party shall object to the removal of such action to any federal court located in New York, New York, (c) each of the parties irrevocably waives the right to trial by jury, (d) each of the parties irrevocably agrees to designate a service company located in the United States as its agent for service of process and consents to service of process by first class certified mail, return receipt requested, postage prepaid, to the address at which such party is located, and (e) the prevailing parties shall be entitled to recover their reasonable attorneys' fees, costs and disbursements from the other parties (in addition to any other relief to which the prevailing parties may be entitled).

12.15 *No Third-Party Beneficiaries*. Except as set forth in Section 6.8.2, no provision of this Agreement is intended to or shall be construed to grant or confer any right to enforce this Agreement, or any remedy for breach of this Agreement, to or upon any Person other than the parties hereto including any customer, prospect, supplier, employee, contractor, salesman, agent or representative of Target.

12.16 *Neutral Construction*. In view of the fact that each of the parties hereto have been represented by their own counsel and this Agreement has been fully negotiated by all parties, the legal principle that ambiguities in a document are construed against the draftsman of that document shall not apply to this Agreement.

12.17 *Specific Performance*. Each of the parties acknowledges and agrees that the other parties would be damaged irreparably in the event any of the provisions of this Agreement are not performed in accordance with their specific terms or otherwise are breached. Accordingly, each of the parties agrees that any other party shall be entitled to an

injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof in any action instituted in any court of the United States or any state thereof having jurisdiction over the parties and the matter in addition to any other remedy to which it may be entitled, at Law or in equity. Notwithstanding the foregoing, in the event that Parent terminates this Agreement pursuant to Section 10.1.6 or 10.1.8, this Section 12.17 shall in no way obligate Parent to comply with its obligations under Section 6.1 hereof.

- Signature Page Follows -

Annex A - (1)

46

Table of Contents

Witness the due execution and delivery hereof as of the date first stated above.

Brightpoint, Inc.:

By:
/s/ Steven E. Fivel

Name: Steven E. Fivel
Title: Executive Vice President, General Counsel and
Secretary

Dangaard Telecom A/S:

By:
/s/ Christian Dyvig

/s/ Michael Haaning

/s/ Kim Gulstad

Names: Christian Dyvig
Michael Haaning
Kim Gulstad
Titles: Board Members

Dangaard Holding A/S:

By:
/s/ Christian Dyvig

/s/ Michael Haaning

Names: Christian Dyvig
Michael Haaning
Titles: Board Members

Nordic Capital VI Alpha, L.P. acting by its general partner Nordic Capital VI Limited (for the purposes of Sections 6.16 and 12.14 only):

By:
/s/ Sarah Rayson

Name: Sarah Rayson
Title: Director

Nordic Capital VI Beta, L.P. acting by its general partner Nordic Capital VI Limited (for purposes of Sections 6.16 and 12.14 only):

By:
/s/ Sarah Rayson

Name: Sarah Rayson

Title: Director

NC VI Limited (for purposes of Sections 6.16 and 12.14 only):

By:
/s/ Sarah Rayson

Name: Sarah Rayson

Title: Director

Nordic Industries Limited (for purposes of Sections 6.16 and 12.14 only):

By:

/s/ Sarah Rayson

Name: Sarah Rayson

Title: Director

Table of Contents

TABLE OF CONTENTS

	Page
Section 1. Defined Terms	2
Section 2. The Transaction	8
2.1 Sale and Purchase of Target Stock	8
Section 3. Purchase Price and Escrow Shares	8
3.1 Purchase Price	8
3.2 Escrow Shares	8
Section 4. Representations of Shareholder	9
4.1 Authority	9
4.2 Noncontravention	9
4.3 Ownership	9
4.4 Organization, Standing and Power	9
4.5 Capitalization	10
4.6 Options and Other Rights	10
4.7 Financial Statements; Internal Controls	10
4.8 Accounts Receivable	11
4.9 Inventory	11
4.10 Operations Since The Latest Balance Sheet Date	11
4.11 Taxes	11
4.12 Intellectual Property	12
4.13 Employees and Independent Contractors	13
4.14 Employee Benefit Plans	13
4.15 Real Property	14
4.16 Insolvency	14
4.17 Material Contracts	14
4.18 Related Party Transactions	15
4.19 Environmental Matters	15
4.20 Insurance	16
4.21 Compliance with Laws; Permits	16
4.22 Proceedings and Judgments	16
4.23 Customers, Prospects and Suppliers	16
4.24 Brokers Fees	17
4.25 Full Disclosure	17
Section 5. Representations of Parent	17
5.1 Authority	17
5.2 Noncontravention	17
5.3 Organization, Standing and Power	17
5.4 Capitalization	18
5.5 Interests in Other Entities	18
5.6 Regulatory Compliance; Information Supplied; Parent Internal Controls	18
5.7 The Parent Shares	20
5.8 Accounts Receivable	20
5.9 Inventory	20
5.10 Operations Since The Parent Latest Balance Sheet Date	20
5.11 Taxes	20

Table of Contents

	Page
5.12 Intellectual Property	21
5.13 Employees and Independent Contractors	21
5.14 Employee Benefit Plans	22
5.15 Real Property	23
5.16 Insolvency	23
5.17 Material Contracts	23
5.18 Related Party Transactions	24
5.19 Environmental Matters	24
5.20 Insurance	25
5.21 Compliance with Laws; Permits	25
5.22 Proceedings and Judgments	25
5.23 Customers, Prospects and Suppliers	25
5.24 Brokers Fees	26
5.25 Vote Required	26
5.26 Board Approval	26
5.27 Listing and Maintenance Requirements	26
5.28 Opinion of Financial Advisor	26
5.29 Full Disclosure	26
Section 6. Covenants	26
6.1 Parent Stockholders' Approval; Proxy Statement	26
6.2 Conduct of Target's Business	27
6.3 Conduct of Parent's Business	29
6.4 No Solicitation of Transactions	30
6.5 Investigation	31
6.6 Certain Filings; Consents	31
6.7 Commercially Reasonable Efforts; Further Assurance	31
6.8 Cooperation on Tax Matters	32
6.9 Public Announcements	33
6.10 Notices of Certain Events	33
6.11 Information Supplied	33
6.12 Shareholder Agreement	33
6.13 Registration Rights Agreement	33
6.14 Director and Officer Liability	33
6.15 Employee Matters	34
6.16 Shareholder's Indemnification Rights under the June Stock Purchase Agreement	34
6.17 Form 8-K Obligations	35
Section 7. Conditions of Closing	35
7.1 Conditions to Obligations of Parent to Consummate the Transaction	35
7.2 Conditions to Obligations of Shareholder to Consummate the Transaction	36
Section 8. Closing	37
8.1 Closing	37
8.2 Shareholder's Deliveries at the Closing	37
8.3 Parent's Deliveries at Closing	38
Section 9. [Intentionally Omitted]	39
Section 10. Termination; Amendment; Waiver	39

Table of Contents

	Page
10.1 Termination	39
10.2 Effect of Termination	40
Section 11. Indemnification	41
11.1 Shareholder	41
11.2 Indemnification Procedures	41
11.3 Survival of Representations, Warranties and Covenants	42
11.4 Limits on Indemnification	42
11.5 Exceptions to Limitations	42
11.6 Satisfaction of Shareholder Losses	43
11.7 Tax Treatment	43
11.8 Remedies Exclusive	43
Section 12. Other Provisions	43
12.1 Fees and Expenses	43
12.2 Amendment	43
12.3 Extension; Waiver	44
12.4 Publicity	44
12.5 Notices	44
12.6 Interpretation of Representations	45
12.7 Entire Understanding	45
12.8 Assignment	45
12.9 Severability	46
12.10 Counterparts	46
12.11 Section Headings	46
12.12 References	46
12.13 Controlling Law	46
12.14 Jurisdiction and Process	46
12.15 No Third-Party Beneficiaries	46
12.16 Neutral Construction	46
12.17 Specific Performance	46
<u>Exhibits:</u>	
Exhibit A Form of Escrow Agreement	
Exhibit B Form of Shareholder Agreement	
Exhibit C Form of Registration Rights Agreement	
 Annex A - (1)	 50

Table of Contents**LIST OF OMITTED SCHEDULES**

Schedule	Description
Schedule 1.48	Parent Knowledge Individuals
Schedule 1.49	Shareholder s Knowledge Individuals
Schedule 4.2	Noncontravention
Schedule 4.4	Organization, Standing and Power
Schedule 4.5	Capitalization
Schedule 4.7	Financial Statements; Internal Controls
Schedule 4.8	Accounts Receivable
Schedule 4.9	Inventory
Schedule 4.10	Operations Since the Last Balance Sheet Date
Schedule 4.11	Taxes
Schedule 4.12	Intellectual Property
Schedule 4.13	Employee and Independent Contractors
Schedule 4.14	Employee Benefit Plans
Schedule 4.15	Real Property owned by Target and Subsidiaries
Schedule 4.17	Material Contracts
Schedule 4.18	Related Party Transactions
Schedule 4.20	Insurance
Schedule 4.21	Compliance with Laws; Permits
Schedule 4.22	Proceedings and Judgments
Schedule 4.23	Customers, Prospects and Suppliers
Schedule 5.2	Noncontravention
Schedule 5.3	Organization, Standing and Power
Schedule 5.4	Capitalization
Schedule 5.5	Interests in Other Entities
Schedule 5.6	Parent Obligations
Schedule 5.8	Accounts Receivable
Schedule 5.9	Inventory
Schedule 5.10	Operations Since the Last Balance Sheet Date
Schedule 5.11	Taxes
Schedule 5.12	Intellectual Property
Schedule 5.13	Employee and Independent Contractors
Schedule 5.14	Parent Employee Benefit Plans
Schedule 5.15	Real Property
Schedule 5.17	Material Contracts

Table of Contents

Schedule	Description
Schedule 5.18	Related Party Transactions
Schedule 5.19	Environmental Matters
Schedule 5.20	Insurance
Schedule 5.21	Compliance with Laws; Permits
Schedule 5.22	Proceedings and Judgments
Schedule 5.23	Customers, Prospects and Suppliers
Schedule 6.2	Conduct of Target's Business
Schedule 6.3	Conduct of Parent's Business
Schedule 6.15	Officers of Parent, Target and their Subsidiaries
Schedule 7.1.6	Consents and Approvals
Schedule 7.2.6	Consents and Approvals

Annex A - (1)

52

Table of Contents

Exhibit A

ESCROW AGREEMENT

ESCROW AGREEMENT, dated as of _____, 2007, by and among Brightpoint, Inc., an Indiana corporation (**Parent**), Dangaard Holding A/S, a Danish company (**Shareholder**), and [_____], as escrow agent (the **Escrow Agent**).

RECITALS

A. WHEREAS, Parent, Target, Shareholder and Nordic Capital Fund VI (for purposes of Sections 6.16 and 12.14 only), consisting of: Nordic Capital VI Alpha, L.P. and Nordic Capital Beta, L.P., Jersey limited partnerships acting through their general partner Nordic Capital VI Limited, a Jersey company, NC VI Limited, a Jersey company, and Nordic Industries Limited, a Jersey company, entered into a Stock Purchase Agreement dated February 19, 2007 (the **Purchase Agreement**), pursuant to which Parent agreed to acquire all of the issued and outstanding shares of capital stock of Target, all of which is held by Shareholder (the **Target Stock**), in exchange for \$100,000 cash and thirty million (30,000,000) shares of common stock, \$.01 par value, of Parent (the **Parent Shares**). Capitalized terms used but not defined herein in this Escrow Agreement shall have the meanings given such terms in the Purchase Agreement; and

B. WHEREAS, Section 3.2 of the Purchase Agreement provides that Parent will deliver and deposit Three Million (3,000,000) of the Parent Shares (the **Escrow Shares**) in an **Escrow Account** with the Escrow Agent as security for the indemnification obligations of Shareholder in accordance with the terms and conditions of Section 11 of the Purchase Agreement.

C. In order to provide for the appropriate administration of the Escrow Shares, each of Parent, Target and Shareholder desires to establish the Escrow Account with the Escrow Agent subject to the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. **Appointment.** Each of Parent, Target and Shareholder does hereby appoint and designate the Escrow Agent as escrow agent for the purposes set forth herein, and the Escrow Agent does hereby accept such appointment subject to the terms and conditions set forth herein.

2. **Establishment of Escrow.**

(a) Simultaneously with the execution and delivery hereof, Parent is depositing stock certificates representing the Escrow Shares with the Escrow Agent, together with stock powers executed in blank related thereto.

(b) The Escrow Agent shall hold and disburse the Escrow Shares deposited with the Escrow Agent under this Escrow Agreement pursuant to and in accordance with this Escrow Agreement.

Table of Contents**3. Release from Escrow: Escrow Period.**

(a) Parent may at any time, and from time to time, prior to the Expiration Date, deliver written instructions to the Escrow Agent and to Shareholder directing the Escrow Agent to disburse all or a portion of the Escrow Shares to Parent in the amounts specified therein for the purpose of satisfying any obligation based on, arising from or in connection with all claims for indemnification for Losses asserted in writing by Parent pursuant to the Purchase Agreement. Such written instruction shall be sent to Shareholder and the Escrow Agent and shall specifically identify the nature of the Losses for which Parent seeks indemnification and the dollar amount thereof. The calculation of the number of Escrow Shares shall be the quotient of (A) the dollar amount of the Losses to be indemnified divided by (B) the average closing sales price per share of Parent Common Stock for the five (5) trading days immediately prior to the date such Losses become due and payable as reported on the NASDAQ Global Market. On or promptly after the twentieth (20th) day after delivery of such instructions to the Escrow Agent and Shareholder, and provided that Shareholder has not objected to such notice in writing delivered to Parent and the Escrow Agent, the Escrow Agent shall release to Parent all or part of the Escrow Shares in accordance with such instructions. If the Escrow Agent receives such a written objection, the Escrow Agent shall not disburse and shall continue to hold such Escrow Shares until:

(i) the Escrow Agent receives joint written instructions signed by both Parent and Shareholder; or

(ii) the Escrow Agent receives a Final Order directing payment of such amount. For this purpose, a **Final Order** shall mean the final decision of any court of competent jurisdiction from which no appeal may be taken, whether because of lapsed time or otherwise.

(b) On or promptly after the first anniversary of the date hereof (the **First Anniversary Disbursement Date**), the Escrow Agent shall disburse to Shareholder One Million (1,000,000) of the Escrow Shares then held by it (or all of the Escrow Shares if less than One Million (1,000,000) of the Escrow Shares remain in the Escrow Account on the First Anniversary Disbursement Date) less (i) such number of Escrow Shares with a value (as calculated in accordance with Section 3(a) above) equal to the amount which it shall have been previously instructed to disburse pursuant to Section 3(a) above but shall not have disbursed for any reason and (ii) such number of Escrow Shares equal to the value of the Losses (as calculated in accordance with Section 3(a) above), if any, claimed by Parent before the First Anniversary Disbursement Date.

(c) On or promptly after the second anniversary of the date hereof (the **Second Anniversary Disbursement Date**), the Escrow Agent shall disburse to Shareholder One Million (1,000,000) of the Escrow Shares then held by it (or all of the Escrow Shares if less than One Million (1,000,000) of the Escrow Shares remain in the Escrow Account on the Second Anniversary Disbursement Date) less (i) such number of Escrow Shares with a value (as calculated in accordance with Section 3(a) above) equal to the amount which it shall have been previously instructed to disburse pursuant to Section 3(a) above but shall not have disbursed for

Table of Contents

any reason and (ii) such number of Escrow Shares equal to the value of the Losses (as calculated in accordance with Section 3(a) above), if any, claimed by Parent before the Second Anniversary Disbursement Date.

(d) On or promptly after the third anniversary of the date hereof (the **Expiration Date**), the Escrow Agent shall disburse to Shareholder all of the Escrow Shares, if any, then held by it less (i) such number of Escrow Shares with a value (as calculated in accordance with Section 3(a) above) equal to the amount which it shall have been previously instructed to disburse pursuant to Section 3(a) above but shall not have disbursed for any reason and (ii) such number of Escrow Shares equal to the value of the Losses (as calculated in accordance with Section 3(a) above), if any, claimed by Parent before the Expiration Date.

(e) To the extent the Escrow Agent does not distribute Escrow Shares (**Withheld Shares**) to Shareholder pursuant to clause (ii) of Section 3(b), (c) or (d) above and it is subsequently determined in accordance with the Purchase Agreement that Parent is not entitled to such Withheld Shares, then the Escrow Agent shall promptly disburse to Shareholder such Withheld Shares after such determination upon either: (i) receipt of joint written instructions signed by both Parent and Shareholder or (ii) receipt of a Final Order directing the disbursement of such Withheld Share to Shareholder.

(f) Upon delivery by the Escrow Agent of all of the Escrow Shares, in accordance with the provisions of this Escrow Agreement, this Escrow Agreement shall terminate, subject to the provisions of Section 6 hereof, which Section shall survive such termination.

(g) Any amounts recovered by Parent under the April Stock Purchase Agreement, paid to Parent by Shareholder pursuant to Section 6.16 of the Purchase Agreement or otherwise paid in cash to Parent pursuant to Section 11.6 of the Purchase Agreement shall entitle Shareholder to the distribution of, and the Escrow Agent shall so distribute promptly to Shareholder, Escrow Shares from this Escrow Agreement (to the extent any Escrow Shares continue to be held in escrow pursuant to this Escrow Agreement) with a value equal to such cash recovery or payment based on the average closing sales price per share of Parent Common Stock for the five (5) trading days immediately prior to the date of such recovery by Parent or payment by Shareholder to Parent as reported on The NASDAQ Global Market.

4. Dividends and Proxies with Respect to the Escrow Shares; Sale of Escrow Shares.

(a) The Shareholder shall be entitled to exercise any and all voting and consensual rights and powers accruing to an owner of the Escrow Shares or any part thereof for any purposes not inconsistent with the terms of this Escrow Agreement; provided, however, that Shareholder shall give the Escrow Agent at least five (5) days prior written notice of the manner in which it intends to exercise any such right or power; and further provided that Shareholder's voting rights with respect to the Parent Shares shall be governed exclusively and at all times by Section 3.2 of that certain Shareholder Agreement dated as of the date hereof by and between Parent and Shareholder (the **Shareholder Agreement**).

Table of Contents

(b) Until such time as a claim for indemnification is given with respect to any of the Escrow Shares, Shareholder shall be entitled to receive and retain any and all dividends or distributions payable in respect of the Escrow Shares. All such dividends or distributions proceeds in respect of the Escrow Shares shall be distributed promptly after receipt by the Escrow Agent to Shareholder.

(c) The Escrow Agent and Parent shall execute and deliver to Shareholder, or cause to be executed and delivered to Shareholder, all such proxies, powers of attorney, dividend orders and other instruments for the purpose of enabling Shareholder to exercise the voting or consensual rights and powers which it is entitled to exercise pursuant to Section 4(a) and to receiving the dividends which it is authorized to retain pursuant to Section 4(b).

(d) Notwithstanding anything herein to the contrary, Shareholder shall be entitled to include any Escrow Shares in a registration under the Securities Act of 1933, as amended, pursuant to its registration rights under that certain Registration Rights Agreement dated as of the date hereof (the **Registration Rights Agreement**) entered into with Parent in connection with the acquisition by Parent of all of the issued and outstanding shares of capital stock of Target and to sell such Escrow Shares under such registration, so long as the proceeds from the sale are immediately delivered to the Escrow Agent to be held pursuant to the terms of this Escrow Agreement. In the event that such Escrow Shares are sold under such registration, this Escrow Agreement shall be amended in order to reflect the mechanism for the release from the escrow of the proceeds from such sale.

(e) The Escrow Agent and Parent shall execute and deliver to Shareholder or cause to be executed and delivered to Shareholder, all documents reasonably necessary for the purpose of enabling Shareholder to deliver the Escrow Shares in settlement of a sale of Escrow Shares pursuant to Section 4(d).

5. Fractional Shares. Should any fractional share result from the calculations described in this Escrow Agreement, the number of Escrow Shares shall be rounded up to the next greater whole number if the fraction is greater or equal to one-half and rounded down to the next lesser whole number if the fraction is less than one-half; provided, however, that the number of Escrow Shares after giving effect to such rounding shall not exceed the total number of Escrow Shares available and held by the Escrow Agent.

6. Duties and Responsibilities of the Escrow Agent.

(a) The duties and responsibilities of the Escrow Agent hereunder shall be determined solely by the express provisions of this Escrow Agreement and no other or further duties or responsibilities shall be implied. The Escrow Agent shall be under no obligation to refer to the Purchase Agreement or any other documents between or among the parties related in any way to this Escrow Agreement.

(b) The Escrow Agent may rely and shall be protected in acting or refraining from acting upon any written instructions by Parent or Shareholder furnished to it hereunder and

Table of Contents

reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties.

(c) In the event that the Escrow Agent (i) shall be uncertain as to its duties or rights hereunder, (ii) shall receive instructions, claims or demands from any party hereto which conflict with any of the provisions of this Escrow Agreement, (iii) shall receive an objection from any party hereto with respect to the instructions given by any other party for the distribution of any of the Escrow Shares, or (iv) shall resign pursuant to Section 9 hereof and it does not receive joint written instructions regarding the disposition of the Escrow Shares, as provided therein, then the Escrow Agent shall refrain from taking any action and its sole obligation shall be (x) to keep safely all Escrow Shares held in escrow until it shall be directed otherwise by an order or judgment of a court of competent jurisdiction or (y) to deliver the Escrow Shares to a court of competent jurisdiction and commence an action for interpleader or its equivalent. The costs of the foregoing shall be borne by whichever of Parent or Shareholder is the losing party.

(d) The Escrow Agent shall not be liable for any action taken or omitted by it in good faith unless a court of competent jurisdiction determines that the Escrow Agent's willful misconduct or gross negligence was the cause of any loss to Parent or Target or Shareholder. The Escrow Agent may consult with counsel of its own choice and, at its option, may act as its own counsel in connection herewith.

7. Compensation of Escrow Agent. Each of Parent, on the one hand, and Shareholder, on the other hand, shall pay the Escrow Agent fifty percent of its fee for the performance of services by the Escrow Agent hereunder, as set forth on Schedule 1 hereto, for each year or a portion thereof that any Escrow Shares remain in escrow and each shall reimburse the Escrow Agent for fifty percent of the reasonable costs and expenses incurred by it in connection with the performance of such services.

8. Stock Transfer Taxes. Any stock transfer taxes incurred in connection with the release and delivery of the Escrow Shares by the Escrow Agent hereunder shall be borne by the recipient of the Escrow Shares.

9. Discharge and Resignation of the Escrow Agent. The Escrow Agent may resign and be discharged from its duties and obligations hereunder by giving notice in writing of such resignation specifying a date at least thirty (30) days after such notice when such resignation shall take effect. It is understood and agreed that the Escrow Agent's resignation shall not be effective until a successor escrow agent agrees to act hereunder; provided, that if no successor is appointed and acting hereunder within sixty (60) days after such notice is given, the Escrow Agent may, in its sole discretion, apply to a court of competent jurisdiction for the appointment of a successor escrow agent or for other appropriate relief. The Escrow Agent shall, upon the effectiveness of such resignation, dispose of the Escrow Shares in accordance with the joint written instructions of Parent and Shareholder.

10. Indemnification. Parent and Shareholder hereby agree to indemnify the Escrow Agent for, and to hold it harmless against, any loss, liability or expense, arising out of or in connection with this Escrow Agreement and carrying out its duties hereunder, including, without

Table of Contents

limitation, reasonable attorneys' fees and other costs and expenses of defending itself against any claim of liability, except to the extent such loss, liability or expense is the result of the Escrow Agent's willful misconduct or gross negligence; provided, however, that the foregoing provisions of this Section 10 shall not affect the rights and remedies of Parent and Shareholder as against each other. Anything in this Escrow Agreement to the contrary notwithstanding, in no event shall the Escrow Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including, but not limited to, lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

11. Notices. All notices and communications hereunder shall be in writing and shall be sent by personal or overnight delivery as follows:

If to the Escrow Agent:

If to Parent:

Brightpoint, Inc.
2601 Metropolis Parkway, Suite 210
Plainfield, Indiana 46168
Attn: Steven E. Fivel, General Counsel
Fax No: (317) 805-4139

with copy to:

Blank Rome LLP
405 Lexington Avenue
New York, New York 10174
Attn: Robert J. Mittman, Esq.
Facsimile: (212) 885-5001

If to Shareholder:

Dangaard Holding A/S
c/o Nordic Capital
Sankt Annæ Plads 11
1250 Copenhagen K
Denmark
Attn: Christian Dyvig
Fax No: +45 3344 7755

With a copy to:

Latham & Watkins LLP
885 Third Avenue, Suite 1000
New York, NY 10022
Attention: Charles Nathan, Esq.

Table of Contents

or to such other address as any of the above may have furnished to the other parties in writing by certified or registered mail, return receipt requested, air courier, personal delivery, or verified facsimile, and any such notice or communication given in the manner specified in this Section 11 shall be deemed to have been duly given on the date received by the recipient party. In the event that the Escrow Agent, in its sole discretion, shall determine that any emergency exists, the Escrow Agent may use such other means of communications, as the Escrow Agent reasonably deems advisable.

12. **Expenses.** Except as otherwise provided herein, each party shall pay its own fees and expenses incident to the negotiation, preparation, execution, delivery and performance hereof and thereof, including, without limitation, the fees and expenses of its counsel, accountants and other experts.

13. **Entire Agreement.** This Escrow Agreement, the Purchase Agreement, the Shareholder Agreement and the Registration Rights Agreement contain the entire agreement among the parties with respect to the subject matter hereof and supersede all prior agreements, written or oral, with respect thereto.

14. **Amendment.** The provisions of this Escrow Agreement may be waived, altered, amended or supplemented, in whole or in part, only by a writing signed by all of the parties to be charged with such waiver, alteration, amendment or supplement.

15. **Severability.** If any provision of this Escrow Agreement is construed to be invalid, illegal or unenforceable, then the remaining provisions hereof shall not be affected thereby and shall be enforceable without regard thereto; **provided** that the essential terms and conditions of this Agreement for the parties remain valid, binding and enforceable; **provided, further,** that the economic and legal substance of the transactions contemplated by this Escrow Agreement is not affected in any manner materially adverse to any party. In event of any such determination, the parties agree to negotiate in good faith to modify this Escrow Agreement to fulfill as closely as possible the original intents and purposes hereof. To the extent permitted by Law, the parties hereby to the same extent waive any provision of Law that renders any provision hereof prohibited or unenforceable in any respect.

16. **Binding Agreement.** This Escrow Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and assigns.

17. **No Third Party Beneficiaries.** Nothing in this Escrow Agreement is intended or shall be construed to give any Person, other than the parties, their successors and permitted assigns any legal or equitable right, remedy or claim under or in respect of this Escrow Agreement or any provision contained herein.

Annex A-(1) (Ex. A)

7

Table of Contents

18. Counterparts. This Escrow Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

19. Conflict Waiver. The parties hereto acknowledge and agree that the Escrow Agent currently represents and may continue to represent Parent. The parties hereto waive the right to raise any claim of conflict or any claim of a similar nature in connection with such representation.

20. Controlling Law. THIS ESCROW AGREEMENT IS MADE UNDER, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED SOLELY THEREIN, WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAW.

21. Jurisdiction and Process. In any action between or among any of the parties, whether arising out of this Escrow Agreement, any of the agreements contemplated hereby or otherwise, (a) each of the parties irrevocably consents to the exclusive jurisdiction and venue of the federal and state courts located in New York, New York, (b) if any such action is commenced in a state court, then, subject to applicable law, no party shall object to the removal of such action to any federal court located in New York, New York, (c) each of the parties irrevocably waives the right to trial by jury, (d) each of the parties irrevocably agrees to designate a service company located in the United States as its agent for service of process and consents to service of process by first class certified mail, return receipt requested, postage prepaid, to the address at which such party is located, and (e) the prevailing parties shall be entitled to recover their reasonable attorneys' fees, costs and disbursements from the other parties (in addition to any other relief to which the prevailing parties may be entitled).

- Signature Page Follows -

Annex A-(1) (Ex. A)

8

Table of Contents

IN WITNESS WHEREOF, the parties hereto have executed this Escrow Agreement as of the day and year first above written.

BRIGHTPOINT, INC.

By:

Name:

Title:

DANGAARD HOLDING A/S

By:

Name:

Title:

ESCROW AGENT:

[]

By:

Table of Contents

Exhibit B

SHAREHOLDER AGREEMENT

Dated as of [], 2007

Annex A-(1) (Ex. B)

1

Table of Contents

TABLE OF CONTENTS

	Page
ARTICLE I DEFINITIONS	3
1.1. Certain Defined Terms	3
1.2. Other Capitalized Terms	7
ARTICLE II CORPORATE GOVERNANCE AND INFORMATION RIGHTS	7
2.1. Board Representation	7
2.2. Shareholder Director Fees and Expenses	9
2.3. Vacancies	10
ARTICLE III STANDSTILL AND TRANSFERS	10
3.1. Standstill Agreement	10
3.2. Voting	11
3.3. Transfer Restrictions	12
3.4. Investment Matters; Legends	13
ARTICLE IV MISCELLANEOUS	14
4.1. Termination	14
4.2. Expenses	14
4.3. Assignment; Benefits	14
4.4. Entire Agreement	14
4.5. Severability	14
4.6. Amendments and Waivers	15
4.7. Notices	15
4.8. Governing Law	15
4.9. Submission to Jurisdiction; Waiver of Jury Trial	15
4.10. Counterparts	16
4.11. Further Assurances	16
4.12. Recapitalization, etc	16
4.13. Specific Performance	16
Annex A-(1) (Ex. B)	2

Table of Contents

SHAREHOLDER AGREEMENT

THIS SHAREHOLDER AGREEMENT (this Agreement) is entered as of [], 2007 between Brightpoint, Inc., an Indiana corporation (the Company), and Dangaard Holding A/S, a Danish company (the Shareholder).

RECITALS

WHEREAS, the Company, Dangaard Telecom A/S, a Danish company (Target), the Shareholder and Nordic Capital Fund VI (for purposes of Sections 6.16 and 12.14 only), consisting of: Nordic Capital VI Alpha, L.P. and Nordic Capital Beta, L.P., Jersey limited partnerships acting through their general partner Nordic Capital VI Limited, a Jersey company, NC VI Limited, a Jersey company, and Nordic Industries Limited, a Jersey company, have entered into a Stock Purchase Agreement, dated as of February 19, 2007 (the Purchase Agreement), pursuant to which the Company acquired all of the outstanding capital stock of Target (the Transaction), as consideration for which the Company issued to the Shareholder 30,000,000 shares (the Purchased Shares) of the Common Stock; and

WHEREAS, the parties hereto desire to enter into certain arrangements relating to the Company and the Purchased Shares.

NOW, THEREFORE, in consideration of the foregoing recitals and of the mutual promises hereinafter set forth, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

1.1. Certain Defined Terms. As used herein, the following terms shall have the following meanings:

Affiliate means, with respect to any Person, (i) a director or executive officer of such Person, (ii) a spouse, parent, sibling or descendant of such Person (or a spouse, parent, sibling or descendant of any director or executive officer of such Person), and (iii) any other Person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such Person.

Agreement has the meaning assigned to such term in the preamble.

beneficial owner(ship) and beneficially own shall be determined in accordance with Rule 13d-3 under the Exchange Act; provided, however, that a Person shall be deemed to beneficially own any securities that such Person or any of such Person's Affiliates has the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding (written or oral), or upon the exercise of conversion rights, exchange rights, rights, warrants or options, or otherwise (it being understood that such Person shall also be deemed to be the beneficial owner of the securities convertible into or exchangeable for such securities, and; provided further that any Purchased Shares subject to a call option or other right to buy granted by the Shareholder to a third party or

Table of Contents

a put option purchased by or granted to the Shareholder or other derivative transaction in which the Shareholder has transferred or hedged its economic interest in such Purchased Shares shall not be treated as beneficially owned.

Board means the Board of Directors of the Company.

Business Day means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by law to be closed in The City of New York.

Capital Stock means, with respect to any Person at any time, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of capital stock, partnership interests (whether general or limited) or equivalent ownership interests in or issued by such Person, and with respect to the Company includes, without limitation, any and all shares of Common Stock.

Change of Control means the occurrence of any of the following events:

(i) any Person or group is or becomes the beneficial owner of Voting Securities representing more than 50% of the Total Voting Power; or

(ii) a merger, consolidation, reorganization or similar transaction in which the shareholders of the Company immediately prior to the transaction possess less than 50% of the Voting Power of the surviving entity (or its parent) immediately after the transaction; or

(iii) during any one-year period, individuals who at the beginning of such period constituted the Board (together with any new Directors whose election by the Board or whose nomination for election by the shareholders of the Company was approved by a vote of a majority of the Directors then still in office who were either Directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board then in office.

Closing has the meaning assigned to such term in the Purchase Agreement.

Closing Date has the meaning assigned to such term in the Purchase Agreement.

Committee means each of the Corporate Governance and Nominating Committee of the Board, the Audit Committee and the Compensation and Human Resources Committee.

Common Stock means the Common Stock, par value \$0.01 per share, of the Company and any securities issued in respect thereof, or in substitution therefor, in connection with any stock split, dividend or combination, or any reclassification, recapitalization, merger, consolidation, exchange or other similar reorganization.

Company has the meaning assigned to such term in the preamble.

Annex A-(1) (Ex. B)

4

Table of Contents

Competitor shall mean any Person with a division, department or Subsidiary principally engaged in the distribution or logistical handling of wireless equipment.

control (including the terms controlled by and under common control with), with respect to the relationship between or among two or more Persons, means the possession, directly or indirectly, of the power to direct or cause the direction of the affairs or management of a Person, whether through the ownership of voting securities, as trustee or executor, by contract or otherwise.

Director means any member of the Board.

Equity Securities means (a) with respect to a corporation, any and all shares of Capital Stock and any securities of such corporation convertible into, or exchangeable or exercisable for, such shares of Capital Stock, and options, warrants or other rights to acquire such shares of Capital Stock, (b) with respect to a partnership, limited liability company, trust or similar Person, any and all units, interests or other partnership/limited liability company interests, and any units or interests of such partnership, limited liability company, trust or similar Person convertible into, or exchangeable or exercisable for, such units or interests, and options, warrants or other rights to acquire such units or interests, and (c) any other equity ownership or participation in a Person.

Exchange Act means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

Exempt Transactions means the Transfer of up to a maximum of an aggregate of 8,000,000 Purchased Shares.

Offer means a bona fide unsolicited tender offer or exchange offer that if successful would result in a Change of Control.

Permitted Transfer means a Transfer to (i) any partner of or member in the Shareholder in connection with a distribution to such partner or member of Shares or (ii) any Affiliate of the Shareholder, in each case, who agrees to be bound by the terms of this Agreement if, as a result of such Transfer, such partner or member or Affiliate would own at least 5% of the Total Voting Power.

Person means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, governmental authority or other entity.

Purchase Agreement has the meaning assigned to such term in the preamble.

Purchased Shares has the meaning assigned to such term in the recitals.

Registration Rights Agreement means the Registration Rights Agreement, dated as of the date hereof, between the Company and the Shareholder.

Table of Contents

SEC means the U.S. Securities and Exchange Commission or any other federal agency then administering the Securities Act or the Exchange Act and other federal securities laws.

Securities Act means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

Shareholder has the meaning assigned to such term in the preamble.

Shareholder Director means any Director nominee proposed to the Corporate Governance and Nominating Committee for election to the Board by the Shareholder pursuant to Section 2.1 of this Agreement.

Shareholder Standstill Period means the period beginning on the date of this Agreement and ending on the earlier of (i) the date on which the Shareholder beneficially owns a number of Purchased Shares which represents less than 7.5% of the then outstanding Common Stock, or (ii) (A) the date on which the Shareholder beneficially owns a number of Purchased Shares which represents less than 10% of the then outstanding Common Stock, (B) a Shareholder Director no longer serves as a Director of the Company and (C) the Shareholder delivers written notice to the Company that its rights under Article II of this Agreement are irrevocably terminated.

Subsidiary means, with respect to a party, any corporation, partnership, trust, limited liability company or other entity in which such party (and/or one or more Subsidiaries of such party) holds stock or other ownership interests representing (a) more than 50% of the voting power of all outstanding stock or ownership interests of such entity, (b) the right to receive more than 50% of the net assets of such entity available for distribution to the holders of outstanding stock or ownership interests upon a liquidation or dissolution of such entity or (c) a general or managing partnership interest or similar position in such entity.

13D Group means any group (within the meaning of Section 13(d) of the Exchange Act) formed for the purpose of acquiring, holding, voting or disposing of Voting Securities.

Total Voting Power means the aggregate number of votes which may be cast in an election of Directors or other members of the governing body of the Company by holders of Voting Securities in respect of Voting Securities.

Transaction has the meaning assigned to such term in the recitals.

Transfer means, directly or indirectly, to sell, transfer, assign, pledge, encumber, hypothecate or similarly dispose of, either voluntarily or involuntarily, or to enter into any contract, option, short sale, hedge, derivative transaction (including a registered hedge) or other arrangement or understanding with respect to the sale, transfer, assignment, pledge, encumbrance, hypothecation, or similar disposition of any shares of Equity Securities beneficially owned by a Person or any interest in any shares of Equity Securities beneficially owned by a Person.

Table of Contents

Voting Securities means, at any time, shares of any class of Equity Securities of the Company which are then entitled to vote in the election of Directors.

1.2. Other Capitalized Terms. Capitalized terms used but not defined herein shall have the meanings given to them in the Purchase Agreement.

ARTICLE II

CORPORATE GOVERNANCE AND INFORMATION RIGHTS

2.1. Board Representation. (a) At the Closing, the Company and the Board shall take all action to cause the Board to be comprised of nine Directors, which shall include three Directors proposed for nomination by the Shareholder for election by the Company's shareholders at the shareholders meeting called for the purpose of approving the issuance of the Purchased Shares to be issued pursuant to the Purchase Agreement. After the Closing Date, the Shareholder shall have the right to propose to the Corporate Governance and Nominating Committee nominees for election to the Board (for purposes of clarity such right shall be in lieu of, and not in addition to, the rights set forth in the preceding sentence) as set forth in Section 2.1(b); provided, however, that the final determination as to the appointment or recommendation to shareholders for election of any Director or any successor Director to the Board or any Committee thereof shall remain in the sole discretion of the Corporate Governance and Nominating Committee, and provided further that in making such determination, the Corporate Governance and Nominating Committee shall apply reasonably and uniform standards consistent with past practices and consistent with the Company's Corporate Governance Principles as in effect from time to time, and provided further that in the event the Corporate Governance and Nominating Committee determines not to appoint or recommend to shareholders the election of any Director, any successor Director or any alternative nominee proposed by the Shareholder, the Shareholder shall be entitled to nominate an alternative nominee for such directorship until the Corporate Governance and Nominating Committee shall so appoint and recommend to shareholders the election of an alternative nominee of the Shareholder. Each such Director or any successor Director shall also be required at the time of nomination to satisfy the independence requirements of Nasdaq Rule 4200(a) (or such similar rules of such other national securities exchange on which the Common Stock is then listed or quoted for trading).

(b) In accordance with Section 2.1(a), for so long as the Shareholder beneficially owns or owns of record a number of shares of Common Stock equal to:

(i) at least [27.5%]¹ of the then outstanding Common Stock, the Shareholder shall have the right to designate three Directors for election to the Board;

¹ On the Closing Date, the bracketed percentages set forth in this Section 2.1 shall be adjusted by multiplying each such percentage by a fraction, (x) the numerator of which is equal to the number of shares of Common Stock outstanding on the date the Purchase

Agreement is executed and (y) the denominator of which is equal to the sum of the number of shares of Common Stock outstanding on the date the Purchase Agreement is executed plus the number of shares of Common Stock issued in an Adjustment Transaction after the Purchase Agreement is executed and prior to the Closing Date.
Adjustment Transaction means the shares of Common Stock issued by the

Annex A-(1) (Ex. B)

7

Table of Contents

(ii) at least [17.5%], but less than [27.5%], of the then outstanding Common Stock, the Shareholder shall have the right to designate two Directors for election to the Board; and

(iii) at least [7.5%], but less than [17.5%], of the then outstanding Common Stock, the Shareholder shall have the right to designate one Director for election to the Board.

(c) The Company hereby agrees, subject to Section 2.1(a), to (i) include each of the Director nominees of the Shareholder on each slate of nominees for election to the Board proposed by the Company and/or the Board (or any Committee thereof), (ii) recommend the election of the Director nominees of the Shareholder to the shareholders of the Company, and (iii) without limiting the foregoing, to otherwise use commercially reasonable efforts to cause the Director nominees of the Shareholder to be elected to the Board.

(d) Subject to Section 2.1(a), each Shareholder Director shall serve as a member of a different class of Directors as any other Shareholder Director and shall serve in such class as determined by the Corporate Governance and Nominating Committee of the Board. For so long as the Shareholder beneficially owns or owns of record a number of shares of Common Stock equal to at least [27.5%] of the then outstanding Common Stock, each of the three Shareholder Directors shall be appointed by the Corporate Governance and Nominating Committee of the Board as a member of one of the three Committees of the Board; provided, however, that each Shareholder Director is qualified under the applicable rules and regulations of the SEC and the Nasdaq Stock Market (or such other national securities exchange on which the Common Stock is then listed or quoted for trading), including the independence requirements of Nasdaq Rule 4200(a) (or such similar rules of such other national securities exchange on which the Common Stock is then listed or quoted for trading), and the Company's Corporate Governance Principles (applied on a reasonable and uniform basis consistent with past practice) as in effect from time to time to serve as a member of such Committee to which the Shareholder Director is appointed. At each time as the number of Shareholder Directors which the Shareholder has a right to designate to the Board pursuant to this Section 2.1 is reduced (i) the Shareholder shall be entitled to designate which Shareholder Director shall resign from the Board at the next meeting of the Company's shareholders for the purpose of electing Directors and, in the event the Shareholder fails to make such designation within five Business Days after the Shareholder is no longer entitled to designate for election such number of Directors, the Shareholder Director that shall no longer serve as a Director shall be the Shareholder Director that serves in the class of Directors that is scheduled to be nominated for election by the Company's shareholders at the next annual meeting of the Company's shareholders and (ii) the Company between the date the Purchase Agreement is executed and the Closing Date in (i) a transaction, the primary purpose of which is to raise financing, or (ii) a merger, acquisition of all or substantially all of the assets or capital stock of another entity or a similar business combination, excluding the first 5% of the number of shares of Common Stock outstanding on the Closing Date.

Annex A-(1) (Ex. B)

8

Table of Contents

Shareholder shall no longer have the right to have the Shareholder Director(s) who resigns or is removed serve as a member of any Committee(s) of the Board; provided, however, subject to Section 2.1(a), that the Shareholder shall be entitled to have any remaining Shareholder Director replace the resigning or removed Shareholder Director on the Committee on which such resigning or removed Shareholder Director served if such remaining Shareholder Director resigns from the Committee on which such remaining Shareholder Director is then serving.

(e) If a number of Shareholder Directors serve as members of the Board at any time at which the Shareholder has the right to designate, in accordance with and subject to Section 2.1(a) and (b), a lesser number of Shareholder Directors, promptly following a written request by the Company, the Shareholders shall immediately cause such Shareholder Director(s) (the identity of such Shareholder Director(s) to be determined by the Shareholder) to resign. If one or more Shareholder Director(s) serve as members of the Board at a time when the Shareholder no longer has the right to designate Shareholder Directors for election, promptly following a written request by the Company, the Shareholder shall immediately cause the Shareholder Director(s) to resign, as so requested. Upon the removal of Shareholder Director(s), the Shareholder shall no longer have the right to have Shareholder Director(s) serve as a member of such one of the Committee(s) of the Board of Directors on which the removed Shareholder Director(s) served; provided, however, subject to Section 2.1(a), that the Shareholder shall be entitled to have any remaining Shareholder Director replace the resigning or removed Shareholder Director on the Committee on which such resigning or removed Shareholder Director served if such remaining Shareholder Director resigns from the Committee on which such remaining Shareholder Director is then serving but only to the extent that such remaining Shareholder Director is qualified serve on such Committee under the applicable rules and regulations of the SEC and the Nasdaq Stock Market (or such other national securities exchange on which the Common Stock is then listed or quoted for trading), including the independence requirements of Nasdaq Rule 4200(a) (or such similar rules of such other national securities exchange on which the Common Stock is then listed or quoted for trading), and the Company's Corporate Governance Principles (applied on a reasonable and uniform basis consistent with past practice) as in effect from time to time.

(f) In the event that the number of Directors shall be increased above nine Directors, the number of Directors the Shareholder shall have the right to designate for election, in accordance with and subject to Section 2.1(a) and (b), shall increase proportionately (rounded to the nearest whole number of Directors).

(g) During the term of this Agreement, the Company shall use its best efforts to prevent any amendment to the Company's articles of incorporation or bylaws that are inconsistent with this Article II.

2.2. Shareholder Director Fees and Expenses. The Company shall pay each Shareholder Director customary fees in accordance with the Company's director compensation policy as paid to other non-employee Directors, as in effect from time to time. The Company shall also reimburse each Shareholder Director for its reasonable out-of-pocket expenses incurred for the purpose of attending meetings of the Board or Committees thereof in accordance with the Company's current reimbursement policy.

Table of Contents

2.3. Vacancies. If any vacancy occurs in the Board because of death, disability, resignation, retirement or removal of a Shareholder Director, the Shareholder shall have the right to designate a successor (provided that the Shareholder shall at such time remain entitled to designate a Director pursuant to Section 2.1(b)), and the designation and approval of such successor designee shall be subject to Section 2.1(a). Any vacancy that occurs shall be filled as promptly as possible upon the request of the Shareholder.

2.4. Resignation of Shareholder Director. In connection with the appointment or nomination for election of a Shareholder Director, the Shareholder shall cause such proposed Shareholder Director to deliver to the Company an irrevocable letter of resignation (i) which states that it is automatically effective upon a request for the Shareholder Director to resign, if the Shareholder's right to designate for election, in accordance with and subject to Section 2.1(a) and (b), such Shareholder Director under this Article II has terminated, by (A) a majority of the members of the Board who are not Shareholder Directors or (B) the Shareholder and (ii) by which the Shareholder Director covenants to execute any other resignation letters in connection with any such resignation as reasonably requested by the Company or the Shareholder.

ARTICLE III
STANDSTILL AND TRANSFERS

3.1. Standstill Agreement.

(a) During the Shareholder Standstill Period, except as provided in this Section 3.1, the Shareholder will not directly or indirectly, nor will it authorize or direct any of its officers, employees, agents and other representatives to, in each case, unless specifically requested to do so in writing in advance by a resolution of the Board or a Committee:

(i) offer, seek or propose to acquire, ownership of any assets or businesses of the Company or any of its Subsidiaries having a fair market value in excess of 5% of the fair market value of all of the Company's and its Subsidiaries' assets, or any rights or options to acquire any such ownership (including from a third party);

(ii) acquire or agree, offer, seek or propose to acquire, or cause to be acquired, beneficial ownership of, or participate in an acquisition of, any securities of the Company or any of its Subsidiaries, or any options, warrants or other rights (including, without limitation, any convertible or exchangeable securities) to acquire any such securities (except (w) pursuant to a stock dividend, stock split, reclassification, recapitalization or other similar event by the Company, (x) as necessary following any dilution of the Total Voting Power beneficially owned by the Shareholder caused by a primary issuance of securities by the Company to restore (but not increase) such Total Voting Power to the level existing immediately prior to such primary issuance, (y) the return, purchase or transfer of securities to the Shareholder under any securities loan, or borrow, or similar arrangement as part of a registered hedging or similar transaction or (z) the acquisition or settlement of options as part of a registered hedging or similar

Table of Contents

transaction, provided, however, that any such acquisition or settlement of options shall not increase the aggregate number of shares of Common Stock beneficially owned by the Shareholder prior to the acquisition or settlement of such options);

(iii) make, or in any way participate in, any solicitation of proxies (as such terms are used in the proxy rules of the SEC) with respect to the voting of any securities of the Company or any of its Subsidiaries;

(iv) deposit any securities of the Company or any of its Subsidiaries in a voting trust or subject any securities of the Company to any arrangement or agreement with respect to the voting of such securities or enter into any other agreement having similar effect;

(v) form, join, or in any way become a member of a 13D Group with any other Person (other than its Affiliates) with respect to any voting securities of the Company or any of its Subsidiaries;

(vi) seek to propose or propose, whether alone or in concert with others, any tender offer, exchange offer, merger, business combination, restructuring, liquidation, dissolution, recapitalization or similar transaction involving the Company or any of its Subsidiaries;

(vii) nominate any person as a Director of the Company who is not nominated by the then incumbent Directors or seek the removal of any person as a Director of the Company, or propose any matter to be voted upon by the shareholders of the Company or seek to call a meeting of the shareholders of the Company; provided that the Shareholder may nominate one or more Shareholder Directors and seek the removal of such Shareholder Directors, in accordance with Section 2.1 and Section 2.3; or

(viii) take any action with respect to or publicly announce or disclose any intention, plan or arrangement inconsistent with the foregoing.

(b) Nothing contained in Section 3.1 shall be deemed in any way to prohibit or limit (i) the activities of the Shareholder Directors discharging their fiduciary duties as Directors or (ii) any transactions in the ordinary course of business and on arm's length terms between the Company and its Subsidiaries, on the one hand, and Shareholder and its Affiliates, on the other hand, which transactions, in the case of the Company, shall have been approved by a majority of the Directors who are not Shareholder Directors.

(c) If any Person shall commence and not withdraw a bona fide unsolicited tender offer or exchange offer that if successful would result in a Change of Control (an Offer), the Standstill Period shall terminate unless within ten (10) Business Days of the announcement of such Offer, the Company shall have publicly recommended that the Offer not be accepted.

3.2. Voting. During the Shareholder Standstill Period, the Shareholder shall vote (or execute a written consent in lieu thereof) in each stockholder vote (or written consent in

Table of Contents

lieu thereof) in the manner recommended by the Board or for which the Board has determined to seek stockholder approval (including in favor of each director nominee nominated by the Board and whether the Board recommends a vote in favor of or against the matter) or in the manner recommended by the Board in connection with any stockholder proposal seeking approval of the Company's shareholders, except in connection with a proposal seeking approval of the Company's shareholders to (i) authorize a merger, sale of all or substantially all of the Company's capital stock or assets or other similar business combination, (ii) authorize the creation or issuance of securities as consideration in a merger with or acquisition of any Person or business, or (iii) approve any matters related to the items in clauses (i) or (ii). The Shareholder hereby grants an irrevocable proxy to the Chairman and Chief Executive Officer of the Company to effectuate its obligations under this Section 3.2 and to, from time to time, execute such additional proxies to one or more designees of the Company as may be requested by the Chairman and Chief Executive Officer (including as a result of a change of designee by the Chairman and Chief Executive Officer) to effectuate its obligations under this Section 3.2.

3.3. Transfer Restrictions.

(a) Prior to the one year anniversary of the Closing Date, the Shareholder shall not Transfer any Purchased Shares other than (x) a Transfer in connection with an Exempt Transaction or (y) a Permitted Transfer. Commencing on the one year anniversary of the Closing Date and ending on the third year anniversary of the Closing Date, the Shareholder and any Person to which Purchased Shares were Transferred via a Permitted Transfer shall not transfer a number of Purchased Shares during any 90-day period in excess of the number of Purchased Shares which it would otherwise be permitted to Transfer under Rule 144 of the Securities Act, without regard to Rule 144(k), except for (1) Transfers pursuant to and in accordance with a Registration Statement (as defined in the Registration Rights Agreement) or (2) Permitted Transfers.

(b) Until the later of (i) the expiration of the Shareholder Standstill Period and (ii) the date on which no Shareholder Director serves as a Director, the Shareholder shall not Transfer any of the Purchased Shares to a Competitor and the Shareholder shall use its commercially reasonable efforts to cause any Person to which Purchased Shares were Transferred via a Permitted Transfer to not Transfer any of the Purchased Shares to a Competitor.

(c) Notwithstanding anything to the contrary, neither the Shareholder nor any Permitted Transferee shall effect any Transfer in violation of any applicable law or if such Transfer would affect the availability of the exemption from the registration requirements under the Securities Act relied upon by the Company in connection with the issuance of the Purchased Shares pursuant to the Purchase Agreement.

(d) Notwithstanding anything to the contrary herein, the Shareholder may at any time Transfer all or part of the Purchased Shares in response to an Offer for Common Stock (1) which is made by or on behalf of the Company or (2) which is made by another Person and is not opposed by the Board within the time the Board is required to advise the shareholders of the Company of its position on such offer.

Table of Contents

(e) Promptly following any Transfer or upon the reasonable request of the Company, the Shareholder shall promptly notify the Company of the number of Purchased Shares which the Shareholder owns of record or has the right to vote.

3.4. **Investment Matters: Legends.**

(a) The Shareholder represents and warrants that (i) the Purchased Shares being issued under the Purchase Agreement are being acquired for the Shareholder's own account and not on behalf of any other Person, and all such Purchased Shares are being acquired for investment purposes only and not with a view to, or for sale in connection with, any resale or distribution of such Purchased Shares; (ii) the Shareholder has received or examined the Company's Annual Report on Form 10-K for fiscal year ended December 31, 2005, the Company's Quarterly Reports on Form 10-Q for each of the quarters ended March 31, 2006, June 30, 2006 and September 30, 2006 and the Company's April 19, 2006 Proxy Statement **[to be updated to include Exchange Act filings made subsequent to the execution of the Purchase Agreement]**, (iii) the Shareholder has had the opportunity to ask questions and receive answers from the Company concerning the Company, and has been furnished with all other information about the Company which it has requested to its satisfaction, (iv) the Shareholder is an accredited investor as defined in Rule 501(a) of the Securities Act, (v) the Shareholder believes that it has been fully apprised of all facts and circumstances necessary to permit it to make an informed decision about acquiring the Purchased Shares, that it has sufficient knowledge and experience in business and financial matters that it is capable of evaluating the merits and risks of an investment in the Purchased Shares, and that it has the capacity to protect its own interests in connection with the transactions contemplated hereby, (vi) the Shareholder has been advised by the Company and understands that (x) the Purchased Shares to be issued hereunder will not be registered under any federal or state securities laws, (y) other than as provided by the Purchase Agreement and the Registration Rights Agreement, the Purchased Shares must be held indefinitely unless and until they are subsequently registered or an exemption from registration becomes available and (z) shall have the right to direct the transfer agent of the Common Stock to place a stop transfer order against such certificates. The Shareholder has not sold any shares of Common Stock at any time during the 30-day period ending on the Closing Date.

(b) Each certificate representing Purchased Shares will bear a legend conspicuously thereon to the following effect:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER STATE SECURITIES LAWS. THESE SECURITIES MAY NOT BE SOLD OR TRANSFERRED UNLESS REGISTERED OR EXEMPT FROM REGISTRATION UNDER SUCH ACT AND APPLICABLE STATE SECURITIES LAWS. IN ADDITION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE TERMS OF A SHAREHOLDER AGREEMENT AND MAY NOT BE SOLD OR

Table of Contents

TRANSFERRED EXCEPT IN ACCORDANCE WITH SUCH AGREEMENT.

(c) In the event (i) of an Exempt Transaction or (ii) if any Purchased Shares are Transferred after the one year anniversary of the Closing Date in accordance with Section 3.3 hereof, the Company shall, upon request, but in any event not later than is necessary in order to consummate such Transfer, remove the second paragraph of the legends set forth above in connection with such Transfer.

ARTICLE IV
MISCELLANEOUS

4.1. **Termination.**

(a) This Agreement shall terminate, except for this Article IV which shall survive such termination, upon: (i) the expiration of the Shareholder Standstill Period or (ii) the written consent of the parties hereto in such manner required for amendments hereto as provided in Section 4.6; **provided, however,** that in the case of a termination pursuant to clause (i) above, Sections 3.2 and 3.3(e) shall survive such termination and shall terminate at such time as the Shareholder no longer owns of record and no longer has the right to vote a number of shares of Common Stock equal to 10% of the then outstanding Common Stock.

(b) The termination of this Agreement will not relieve any party for any liability arising from a breach of representation, warranty, covenant or other agreement occurring prior to such termination.

4.2. **Expenses.** Except as otherwise provided in the Purchase Agreement, all expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expenses.

4.3. **Assignment; Benefits.** Unless expressly permitted pursuant to this Agreement, the Shareholder may not assign its rights hereunder without the prior written consent of the Company.

4.4. **Entire Agreement.** This Agreement (including any schedules or exhibits hereto), together with the Purchase Agreement, the Registration Rights Agreement and the Escrow Agreement (as defined in the Purchase Agreement), constitutes the full and entire understanding and agreement among the parties with respect to the subject matter hereof and supersedes and preempts any prior understandings, agreements or representations by or among the parties, written or oral, that may have related to the subject matter hereof in any way.

4.5. **Severability.** In case any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby; provided that the essential terms and conditions of this Agreement for the parties remain valid, binding and enforceable; **provided, further,** that the economic and legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to any party. In event of any such determination, the

Annex A-(1) (Ex. B)

14

Table of Contents

parties agree to negotiate in good faith to modify this Agreement to fulfill as closely as possible the original intents and purposes hereof. To the extent permitted by Law, the parties hereby to the same extent waive any provision of Law that renders any provision hereof prohibited or unenforceable in any respect.

4.6. Amendments and Waivers. This Agreement may not be amended, modified or supplemented without the written consent of the Company and the Shareholder, and waivers or consents to departures from the provisions hereof may be given in writing by the party granting such waiver, consent or departure.

4.7. Notices. All notices and other communications provided for or permitted hereunder shall be made in writing and duly given when delivered by hand or mailed by express, registered or certified mail, or any courier guaranteeing overnight delivery (a) if to the Shareholder, at the most current address given by the Shareholder in accordance with the provisions of this Section 4.7, which address initially is the address set forth in the Purchase Agreement with respect to the Shareholder, with a copy to Latham & Watkins LLP, 885 Third Avenue, Suite 1000, New York, NY 10022, attention, Charles Nathan, Esq.; and (b) if to the Company, to the attention of its General Counsel, initially at the Company's address set forth in the Purchase Agreement, and thereafter at such other address of which notice is given in accordance with the provisions of this Section 4.7, with a copy to Blank Rome LLP, 405 Lexington Avenue, New York, New York 10174, attention, Robert J. Mittman, Esq.

4.8. Governing Law. This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the State of New York, without giving effect to any choice of law or conflict of laws rules or provisions (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York; except to the extent that the Indiana Business Corporation Law is mandatorily applicable.

4.9. Submission to Jurisdiction; Waiver of Jury Trial. No proceeding related to this Agreement or the transactions contemplated hereby may be commenced, prosecuted or continued in any court other than the courts of the State of New York located in the City and County of New York or in the United States District Court for the Southern District of New York, which courts shall have jurisdiction over the adjudication of such matters, and the Company and the Shareholder hereby irrevocably and unconditionally consent to the jurisdiction of such courts and personal service with respect thereto, waive any objection to the laying of venue of any such litigation in such courts and agree not to plead or claim that such litigation brought in any courts has been brought in an inconvenient forum. Each of the Company and the Shareholder hereby waive all right to trial by jury in any proceeding (whether based upon contract, tort or otherwise) in any way arising out of or relating to this Agreement. Each of the Company and the Shareholder irrevocably agrees to designate a service company located in the United States as its agent for service of process and consents to service of process by first class certified mail, return receipt requested, postage prepaid, to the address at which such party is located. Each of the Company and the Shareholder agrees that a final judgment in any such proceeding brought in any such court shall be conclusive and binding upon the Company and may be enforced in any other courts in the jurisdiction of which the Company are or may be subject, by suit upon such judgment.

Table of Contents

4.10. Counterparts. This Agreement and any amendments, modifications or supplements hereto may be executed in any number of counterparts, each of which when so executed shall be deemed an original, and all of which together shall constitute one and the same agreement.

4.11. Further Assurances. Each party hereto shall do and perform or cause to be done and performed all such further acts and things and shall execute and deliver all such other agreements, certificates, instruments, and documents as any other party hereto reasonably may request in order to carry out the provisions of this Agreement and the consummation of the transactions contemplated hereby.

4.12. Recapitalization, etc. In the event that any capital stock or other securities are issued in respect of, in exchange for, or in substitution of, any Securities by reason of any reorganization, recapitalization, reclassification, merger, consolidation, spin-off, partial or complete liquidation, stock dividend, split-up, sale of assets, distribution to shareholders or combination of the Securities or any other change in capital structure of the Company, appropriate adjustments shall be made with respect to the relevant provisions of this Agreement so as to fairly and equitably preserve, as far as practicable, the original rights and obligations of the parties hereto under this Agreement.

4.13. Specific Performance. Each of the parties acknowledges and agrees that the other parties would be damaged irreparably in the event any of the provisions of this Agreement are not performed in accordance with their specific terms or otherwise are breached. Accordingly, each of the parties agrees that any other party shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof in any action instituted in any court of the United States or any state thereof having jurisdiction over the parties and the matter in addition to any other remedy to which it may be entitled, at Law or in equity.

[Remainder of Page Intentionally Left Blank]

Table of Contents

IN WITNESS WHEREOF, the parties hereto have executed this Shareholder Agreement as of the date first set forth above.

BRIGHTPOINT, INC.

By:

Name:

Title:

DANGAARD HOLDING A/S

By:

Name:

Title:

Annex A-(1) (Ex. B)

17

Table of Contents

Exhibit C

REGISTRATION RIGHTS AGREEMENT

Dated as of [], 2007

among

BRIGHTPOINT, INC.

and

DANGAARD HOLDING A/S

Annex A-(1) (Ex. C)

1

Table of Contents

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (the Agreement) is made and entered into this ___ day of _____ 2007 between Brightpoint, Inc., an Indiana corporation (the Company), and Dangaard Holding A/S, a Danish company (the Shareholder).

This Agreement is made pursuant to the Stock Purchase Agreement, dated February 19, 2007, by and among the Company, Dangaard Telecom A/S, a Danish company (Target), the Shareholder and Nordic Capital Fund VI (for purposes of Sections 6.16 and 12.14 only), consisting of: Nordic Capital VI Alpha, L.P. and Nordic Capital Beta, L.P., Jersey limited partnerships acting through their general partner Nordic Capital VI Limited, a Jersey company, NC VI Limited, a Jersey company, and Nordic Industries Limited, a Jersey company (the Purchase Agreement), which provides for the issuance by the Company to the Shareholder of an aggregate of 30,000,000 shares (the Shares) of the Company s Common Stock as consideration for the purchase of all of the outstanding capital stock of Target. The execution of this Agreement is a condition to the closing under the Purchase Agreement.

In consideration of the foregoing, the parties hereto agree as follows:

1. Definitions. As used in this Agreement, the following capitalized defined terms shall have the following meanings:

1933 Act shall mean the Securities Act of 1933, as amended from time to time.

1934 Act shall mean the Securities Exchange Act of 1934, as amended from time to time.

Affiliate shall mean, with respect to any Person, (i) a director or executive officer of such Person, (ii) a spouse, parent, sibling or descendant of such Person (or a spouse, parent, sibling or descendant of any director or executive officer of such Person), and (iii) any other Person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such Person.

Agreement shall have the meaning set forth in the preamble.

Automatic Registration shall mean a registration effected pursuant to Section 2.1(a) hereof.

Automatic Registration Statement shall mean a registration statement which covers 8,000,000 Registrable Securities (as adjusted for any stock split, reclassification, recapitalization or other similar event by the Company) on an appropriate Form under Rule 415 under the 1933 Act, or any similar rule that may be adopted by the SEC, and all amendments and supplements to such registration statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein pursuant to Section 2.1 hereof.

Annex A-(1) (Ex. C)

2

Table of Contents

beneficial owner(ship) and beneficially own shall be determined in accordance with Rule 13d-3 under the 1934 Act; *provided, however*, that a Person shall be deemed to beneficially own any securities that such Person or any of such Person's Affiliates has the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding (written or oral), or upon the exercise of conversion rights, exchange rights, rights, warrants or options, or otherwise (it being understood that such Person shall also be deemed to be the beneficial owner of the securities convertible into or exchangeable for such securities).

Black-out Periods shall mean suspensions of the effectiveness of the Demand Registration Statement as permitted by Section 3 hereof.

Block Trade shall mean the sale of Registrable Securities by the Holder to a single purchaser (or group of affiliated purchasers) in any given transaction.

Closing Date shall mean the Closing Date as defined in the Purchase Agreement.

Common Stock shall mean the common stock, par value \$0.01 per share, of the Company.

Company shall have the meaning set forth in the preamble and shall also include the Company's successors.

control (including the terms controlled by and under common control with), with respect to the relationship between or among two or more Persons, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the affairs or management of a Person, whether through the ownership of voting securities, as trustee or executor, by contract or otherwise.

Demand shall have the meaning set forth in Section 2.2(a) hereof.

Demand Registration shall mean a registration effected pursuant to Section 2.2(a) hereof.

Demand Registration Statement shall mean a registration statement which covers the Registrable Securities covered by a Demand on an appropriate form under Rule 415 under the 1933 Act, or any similar rule that may be adopted by the SEC, and all amendments and supplements to such registration statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein pursuant to Section 2.2 hereof.

Fair Market Value shall mean the closing sales price of the Common Stock on the date of determination.

Holder shall mean the Shareholder and its successors and permitted assigns, for so long as it owns any Registrable Securities (subject to and in accordance with Section 5.4,

Table of Contents

including any direct or indirect transferee of the Shareholder who has acquired Registrable Shares from the Shareholder).

Indemnified person shall have the meaning set forth in Section 4(c) hereof.

Indemnifying person shall have the meaning set forth in Section 4(c) hereof.

Losses shall have the meaning set forth in Section 4(a) hereof.

Notice shall have the meaning set forth in Section 2.3(a) hereof.

Person shall mean an individual, partnership (general or limited), corporation, limited liability company, trust or unincorporated organization, or a government or agency or political subdivision thereof.

Prospectus shall mean the prospectus included in a Registration Statement, including any preliminary prospectus, and any such prospectus as amended or supplemented by any prospectus supplement, and by all other amendments and supplements to a prospectus, including post-effective amendments, and in each case including all material incorporated by reference therein.

Purchase Agreement shall have the meaning set forth in the preamble.

Registered Hedge shall have the meaning set forth in Section 2.2(d) hereof

Registrable Securities shall mean the Shares and any Common Stock or other securities of the Company or any successor entity which may be issued or distributed in respect of the Registrable Securities by way of stock dividend or stock split or other distribution, recapitalization, merger, conversion or reclassification; *provided, however*, the Shares shall cease to be Registrable Securities when (i) a Registration Statement with respect to such Shares shall have been declared effective under the 1933 Act and such Shares shall have been disposed of pursuant to such Registration Statement, (ii) such Shares have been sold to the public pursuant to Rule 144 (or any similar provision then in force, but not Rule 144A) under the 1933 Act, (iii) such Shares are eligible for sale pursuant to Rule 144(k) (or any similar provision then in force, but not Rule 144A) without any limitation as to volume or (iv) such Shares shall have ceased to be outstanding.

Registration Expenses shall mean any and all expenses incident to performance of or compliance by the Company with this Agreement, including without limitation: (i) all SEC filing fees, (ii) all expenses of the Company in preparing or assisting in preparing and printing any Registration Statement, any Prospectus, any amendments or supplements thereto, and other documents relating to the performance of and compliance with this Agreement, (iii) the fees and disbursements of counsel for the Company and of the independent public accountants of the Company, (iv) registration and filing fees with the National Association of Securities Dealers, Inc., (v) fees and expenses of compliance with securities or blue sky laws (including reasonable fees and disbursements of counsel in connection with blue sky qualifications of the Registrable Securities), (vi) fees and expenses incurred in connection with the listing or quotation of the Registrable Securities, and (vii) fees and expenses of any additional experts retained by the

Annex A-(1) (Ex. C)

4

Table of Contents

Company in connection with such registration, but excluding fees, expenses and disbursements of counsel retained by the Holder and underwriting discounts and commissions and transfer taxes, if any, relating to the sale or disposition of Registrable Securities by the Holder.

Registration Statement shall mean an Automatic Registration Statement, a Demand Registration Statement or a Tag-along Registration Statement.

SEC shall mean the United States Securities and Exchange Commission or any successor agency or government body performing the functions currently performed by the United States Securities and Exchange Commission.

Shareholder shall have the meaning set forth in the preamble.

Shares shall have the meaning set forth in the preamble.

Tag-along Percentage shall have the meaning set forth in Section 2.3(b) hereof.

Tag-along Registration shall mean a registration effected pursuant to Section 2.3 hereof in which Registrable Securities are included.

Tag-along Registration Statement shall have the meaning set forth in Section 2.3(a) hereof.

Tag-along Securities shall have the meaning set forth in Section 2.3(b) hereof.

Take-Down shall have the meaning set forth in Section 2.1(a) hereof.

Target shall have the meaning set forth in the preamble.

2. Registration.

2.1 Automatic Registration. The Company shall, for the benefit of the Holder, at the Company's cost:

(a) Use its best efforts to (i) file, as soon as practicable following the Closing Date, with the SEC an Automatic Registration Statement relating to the offer and sale (including, without limitation, through a Registered Hedge) of 8,000,000 Registrable Securities by or on behalf of the Holder from time to time or, in the case of a Registered Hedge, on a continuous basis and (ii) file amendments thereto or supplements to the Prospectus included therein as reasonably requested by the Holder as soon as reasonably practicable following such request in order to reflect the plan of distribution of such Registrable Securities set forth in the Automatic Registration Statement; *provided, however*, that the Holder shall have the right to initiate, on only one occasion, an underwritten offering of securities (a Take-Down) pursuant to the Automatic Registration (but may sell the Registrable Securities registered in the Automatic Registration in connection with the Registered Hedge but not sold in a Registered Hedge pursuant to such Automatic Registration Statement in a non-underwritten offering).

Table of Contents

(b) Use its commercially reasonable efforts to keep the Automatic Registration Statement continuously effective, other than during Black-out Periods, in order to permit the Prospectus forming part thereof to be usable by Holder for a period of 365 days from the date the Automatic Registration Statement is declared effective by the SEC.

(c) Notwithstanding any other provisions hereof, use commercially reasonable efforts to ensure that (i) the Automatic Registration Statement and any amendment thereto and any Prospectus forming part thereof and any supplement thereto complies in all material respects with the 1933 Act and the rules and regulations thereunder, (ii) the Automatic Registration Statement and any amendment thereto does not, when it becomes effective, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (iii) any Prospectus forming part of the Automatic Registration Statement, and any supplement to such Prospectus (as amended or supplemented from time to time), does not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements, in light of the circumstances under which they were made, not misleading.

2.2 Demand Registration.

(a) The Company shall, for the benefit of the Holder, on up to three occasions:

(i) Following a demand (a Demand) by the Holder to register all or a portion of the Registrable Securities, use commercially reasonable efforts to file with the SEC a Demand Registration Statement relating to the offer and sale (including, without limitation, through a Registered Hedge) of such Registrable Securities by or on behalf of the Holder from time to time or, in the case of a Registered Hedge, on a continuous basis; *provided, however*, that, in the case of an underwritten offering, the Company shall not have an obligation to effect a Demand Registration unless (x) in the case of the first Demand Registration effected under this Section 2.2, such Demand relates to at least 10,000,000 Registrable Securities (as adjusted for any stock split, reclassification, recapitalization or other similar event by the Company), and (y) in the case of any subsequent Demand Registration effected under this Section 2.2, such Demand relates to the greater of (I) 5,000,000 Registrable Securities (as adjusted for any stock split, reclassification, recapitalization or other similar event by the Company) or (II) Registrable Securities having a market value (calculated by the last sale price on the date on which the Demand is made by the Holder) of at least \$60,000,000 and *provided, further*, that, in the case of a Block Trade, the Company shall not have an obligation to effect a Demand Registration unless such demand relates to at least 2,000,000 Registrable Securities (as adjusted for any stock split, reclassification, recapitalization or other similar event by the Company).

(ii) Use its commercially reasonable efforts to keep the Demand Registration Statement continuously effective, other than during Black-out Periods, in order to permit the Prospectus forming part thereof to be usable by

Table of Contents

Holder, in the case of an underwritten offering, for a period of 180 days or, in the case of a Block Trade, for a period of 30 days from the date the Demand Registration Statement is declared effective by the SEC. Notwithstanding anything to the contrary, in the case of a Demand Registration with respect to an underwritten offering, the Holder shall have the right to initiate, on only one occasion, a Take-Down pursuant to such Demand Registration (but may sell the Registrable Securities registered in the Demand Registration in connection with the Registered Hedge but not sold in a Registered Hedge pursuant to such Demand Registration Statement in a non-underwritten offering).

(iii) Notwithstanding any other provisions hereof, use commercially reasonable efforts to ensure that (i) any Demand Registration Statement and any amendment thereto and any Prospectus forming part thereof and any supplement thereto complies in all material respects with the 1933 Act and the rules and regulations thereunder, (ii) any Demand Registration Statement and any amendment thereto does not, when it becomes effective, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (iii) any Prospectus forming part of any Demand Registration Statement, and any supplement to such Prospectus (as amended or supplemented from time to time), does not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements, in light of the circumstances under which they were made, not misleading.

(b) The Holder may not make a Demand (i) prior to the one year anniversary of the Closing Date, (ii) in the case of an underwritten offering (and in the case of a Block Trade, if requested by the managing underwriter of an underwritten offering), within 180 days after the date a Demand Registration Statement relating to a previous Demand for an underwritten offering was declared effective by the SEC or (iii) with respect to Registrable Securities covered by a then effective Registration Statement.

(c) A registration will not count as a Demand Registration unless it has become effective, except if it has been withdrawn at the request of the Holder, in which case, it shall count as a Demand Registration. In the event that the Holder withdraws a request for a Demand Registration, the Holder may reacquire such Demand Registration (such that the withdrawal will not count as a Demand hereunder) if the Holder reimburses the Company for any and all Registration Expenses actually incurred by the Company in connection with such request for a Demand Registration.

(d) The offering of Registrable Securities pursuant to an Automatic Registration or a Demand Registration shall be, in the sole discretion of the Holder, in the form of a firm commitment underwritten offering, pursuant to a Block Trade or, in the case of a Registered Hedge, in the manner set forth in the Automatic Registration Statement or Demand Registration Statement. The Holder shall have the right to select the managing underwriters to be used in connection with any underwritten offering under this Section 2.2(d), subject to the approval of the Company, which approval shall not be unreasonably withheld. As used in this Agreement, the term underwritten offering shall include a transaction in which an

Table of Contents

investment bank or Affiliate thereof sells shares (including, without limitation, short sales) of Common Stock pursuant to a Registration Statement in order to hedge its economic exposure to a derivative transaction entered into between the Holder and such investment bank or Affiliate thereof (a Registered Hedge).

2.3 Tag-along Registration.

(a) If, at any time during the period commencing on the one year anniversary of the Closing Date and for so long as the Holder beneficially owns at least 7.5% of the Common Stock, the Company proposes to prepare and file a registration statement relating to the sale by the Company of Common Stock in an underwritten public offering, other than pursuant to Form S-4 or Form S-8 or a successor form (collectively, a Tag-along Registration Statement), it will give written notice of its intention to do so by registered mail (Notice), at least ten (10) business days prior to the filing of each such Registration Statement, to the Holder.

(b) Upon the written request of the Holder made within ten (10) business days after receipt of the Notice that the Company include all or a portion of the Registrable Securities held by the Holder in the proposed Tag-along Registration Statement, the Company shall permit the Holder to include in the Tag-along Registration as part of the underwritten public offering a number of Registrable Securities (the Tag-along Securities) up to the Tag-along Percentage. The Tag-along Percentage shall mean the percentage of shares of Common Stock to be sold in the underwritten offering (after inclusion of the Tag-along Securities) equal to the Holder s beneficial ownership percentage of the Common Stock on the date of the Notice, subject to reduction in accordance with the last sentence of this Section 2.3(b). If, in the opinion of the Company s managing underwriter for the offering evidenced by such Tag-along Registration Statement, the inclusion of all or a portion of the Tag-along Securities, when added to the securities being registered, will either (i) exceed the maximum amount of the Company s securities which can be marketed at a price reasonably related to their then-current market value or (ii) otherwise materially adversely affect the entire offering, then the Company may exclude from such offering all or a portion of the Tag-along Securities.

(c) If securities are proposed to be offered for sale pursuant to such Tag-along Registration Statement by other security holders of the Company and the total number of securities to be offered by the Holder and such other selling security holders is required to be reduced pursuant to a request from the managing underwriter (which request shall be made only for the reasons and in the manner set forth above), after inclusion of all of the securities being offered by the Company, the number of Tag-along Securities to be offered by the Holder pursuant to such Tag-along Registration Statement shall equal the number which bears the same ratio to the maximum number of securities that the underwriter believes may be included for all the selling security holders (including the Holder) as the original number of Tag-along Securities proposed to be sold by the Holder bears to the total original number of securities proposed to be offered by the Holder and the other selling security holders. If, as a result of the provisions of this Section 2.3(c), the Holder shall not be entitled to include all Registrable Securities in a registration that the Holder has requested to be so included, the Holder may withdraw its request to include Registrable Securities in such Tag-along Registration Statement prior to its effectiveness.

Table of Contents

(d) Notwithstanding the provisions of this Section 2.3, the Company shall have the right at any time after it shall have given written notice pursuant to this Section 2.3 (irrespective of whether any written request for inclusion of Tag-along Securities shall have already been made) to elect not to file any such proposed Tag-along Registration Statement or to withdraw the same after its filing but prior to the effective date thereof.

(e) The Holder shall, as a condition to the inclusion of any Tag-along Securities in a Tag-along Registration Statement, execute and deliver an underwriting agreement in form and substance satisfactory to the managing underwriter of the underwritten offering, as well as such other agreements, certificates or documents reasonably requested to be executed and delivered by the Company, its legal counsel or the managing underwriter in connection with such offering; *provided, however*, that the Holder shall not be required to make any representations or warranties in connection with any Tag-along Registration other than representations and warranties as to (i) the Holder's ownership of its Registrable Securities to be sold or transferred free and clear of all liens, claims and encumbrances, (ii) the Holder's power and authority to effect such transfer and (iii) such matters pertaining to compliance with securities laws as may be reasonably requested; *provided, further*, that the obligation of the Holder to indemnify pursuant to any such underwriting agreements shall be several, not joint and several, and the liability of the Holder will be in proportion to, and limited to, the net amount received by the Holder from the sale of the Holder's Registrable Securities pursuant to such Tag-along Registration.

2.4 Expenses.

(a) The Company shall pay all Registration Expenses in connection with (i) the Automatic Registration pursuant to Section 2.1 hereof, (ii) one Demand Registration pursuant to Section 2.2 hereof, and (iii) any registrations pursuant to Section 2.3 hereof; *provided, however*, the Company shall not be required to pay Registration Expenses pursuant to the foregoing clauses (i) or (ii) in excess of an aggregate of \$300,000 and may require the Holder to advance or reimburse it for any additional expenses incurred in connection with such registration prior to proceeding with the registration.

(b) The Holder shall pay (i) the fees, expenses and disbursements of counsel and other experts retained by it, (ii) any and all actual out-of-pocket expenses of the Company incident to the performance of or compliance by the Company in excess of the expenses payable by the Company set forth in Section 2.4(a) hereof, (iii) all actual out-of-pocket expenses in connection with any Demand Registrations, including Registration Expenses and other expenses of the Company in connection with any Demand Registrations under Section 2.2 hereof, following the first Demand Registration, (iv) in the case of a firm commitment underwritten offering, any and all fees and expenses of the underwriters for the offering not paid by the underwriters, and (v) all underwriting discounts and commissions and transfer taxes, if any, relating to the sale or disposition of Registrable Securities pursuant to a Registration Statement.

2.5 Additional Securities. Notwithstanding anything in this Agreement to the contrary, except as provided in Section 2.3 hereof, the Company shall be permitted to include any other debt or equity securities on its own behalf and on behalf of other

Table of Contents

selling security holders in any Registration Statement filed pursuant to this Agreement; *provided, however*, in connection with a Registration Statement relating to a firm commitment underwritten offering, if, in the opinion of the managing underwriter for such offering, the inclusion of all or any other securities to be sold by the Company or other selling securityholders would either (i) reduce the maximum amount of the Shareholder's securities which could be marketed at a price reasonably related to their then-current market value or (ii) otherwise materially adversely affect the entire offering, then all or a portion of such securities requested to be marketed by the Company or other selling securityholders shall be excluded from such offering.

3. Registration Procedures. In connection with the obligations of the Company with respect to a Registration Statement pursuant to Section 2.1 or 2.2, the Company shall:

(a) Use its best efforts to prepare and file as promptly as practicable with the SEC a Registration Statement on the appropriate form under the 1933 Act, which form (i) shall be selected by the Company, (ii) shall be available for the sale of the Registrable Securities covered by such Registration Statement by the Holder, (iii) shall comply as to form in all material respects with the requirements of the applicable form and include or incorporate by reference all financial statements required by the SEC to be filed therewith or incorporated by reference therein, and (iv) in the case of a Demand Registration, use commercially reasonable efforts to cause such Registration Statement to become effective and remain effective in accordance with Section 2 hereof;

(b) in the case of a Demand Registration, use commercially reasonable efforts to prepare and file with the SEC such amendments and post-effective amendments to the Registration Statement as may be necessary under applicable law to keep such Registration Statement effective for the applicable period; and use commercially reasonable efforts to cause each Prospectus to be supplemented by any required Prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 (or any similar provision then in force) under the 1933 Act and comply with the provisions of the 1933 Act, the 1934 Act and the rules and regulations thereunder applicable to them with respect to the disposition of all securities covered by the Registration Statement during the applicable period set forth in Section 2;

(c) (i) furnish or make available to the Holder, without charge, as many copies of each Prospectus, and any amendment or supplement thereto and such other documents as the Holder may reasonably request, including financial statements and schedules and, if the Holder so requests, all exhibits in order to facilitate the public sale or other disposition of the Registrable Securities; and (ii) hereby consent to the use of the Prospectus or any amendment or supplement thereto by the Holder in connection with the offering and sale of the Registrable Securities covered by the Prospectus or any amendment or supplement thereto;

(d) use commercially reasonable efforts to register or qualify the Registrable Securities under all applicable state securities or blue sky laws of such jurisdictions as the Holder may reasonably request, and do any and all other acts and things which may be reasonably necessary or advisable to enable the Holder to consummate the disposition in each such jurisdiction of such Registrable Securities owned by the Holder;

Table of Contents

provided, however, that the Company shall not be required to (i) qualify as a foreign corporation or as a dealer in securities in any jurisdiction where it would not otherwise be required to qualify but for this Section 3(d), or (ii) take any action which would subject it to general service of process or taxation in any such jurisdiction where it is not then so subject;

(e) notify promptly the Holder and, if requested by the Holder, confirm such advice in writing promptly (i) when a Registration Statement has become effective and when any post-effective amendments and supplements thereto become effective, (ii) of any request by the SEC or any state securities authority for post-effective amendments and supplements to a Registration Statement and Prospectus or for additional information after the Registration Statement has become effective, (iii) of the issuance by the SEC or any state securities authority of any stop order suspending the effectiveness of a Registration Statement or the initiation of any proceedings for that purpose, (iv) of the happening of any event or the discovery of any facts during the period a Registration Statement is effective which makes any statement of a material fact made in such Registration Statement or the related Prospectus untrue in any material respect or which requires the making of any changes in such Registration Statement or Prospectus in order to make the statements therein not misleading, (v) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose and (vi) of any determination by the Company that a post-effective amendment to such Registration Statement would be appropriate;

(f) use commercially reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of a Registration Statement at the earliest possible moment;

(g) upon the occurrence of any event or the discovery of any facts, each as contemplated by Section 3(e)(ii), (iii), (iv), (v) or (vi) hereof, as promptly as practicable after the occurrence of such an event, use commercially reasonable efforts to prepare a supplement or post-effective amendment to the Registration Statement or the related Prospectus or any document incorporated therein by reference or file any other required document so that, as thereafter delivered to the purchasers of the Registrable Securities, such Prospectus (x) will not contain at the time of such delivery any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading or (y) will remain so qualified. At such time as such public disclosure is otherwise made or the Company determines that such disclosure is not necessary, in each case to correct any misstatement of a material fact or to include any omitted material fact, the Company agrees promptly to notify the Holder of such determination and to furnish or make available to the Holder such number of copies of the Prospectus as amended or supplemented, as the Holder may reasonably request;

(h) a reasonable time prior to the filing of any Registration Statement, any Prospectus, any amendment to a Registration Statement or amendment or supplement to a Prospectus or any document which is to be incorporated by reference into a Registration Statement or a Prospectus after initial filing of a Registration Statement, provide copies of such document to the Holder, which documents will be subject to the reasonable

Table of Contents

review of the Holder and the Company will not file any Automatic Registration Statement or Demand Registration Statement to which the Holder shall reasonably object;

(i) use commercially reasonable efforts to cause all Registrable Securities to be listed or quoted on any securities exchange or inter-dealer quotation system on which similar securities issued by the Company are then listed or quoted if requested by the Holder, if any;

(j) otherwise comply with all applicable rules and regulations of the SEC and make available to its security holders, as soon as reasonably practicable, an earnings statement covering at least 12 months which shall satisfy the provisions of Section 11(a) of the 1933 Act and Rule 158 thereunder;

(k) in connection with an Automatic Registration under Section 2.2 hereof or a Demand Registration under Section 2.3 hereof that is conducted as an underwritten offering:

(i) enter into customary agreements (including an underwriting agreement in customary form, including customary representations, warranties, covenants, conditions and indemnities) and take such other actions as are required or reasonably requested by the Holder or the managing underwriters in order to expedite or facilitate the sale of such Registrable Securities; *provided, however*, that the Company's participation in a road show or other marketing efforts shall be limited to one overnight road show for each underwritten offering and shall not exceed a twenty-four (24) hour period or otherwise be disruptive to the Company's business, except in the case of a Demand Registration that covers at least 20,000,000 Registrable Securities, in which case the Company's participation in a road show or other marketing efforts shall be extended to cover a seventy-two (72) hour period and, if reasonably requested by the managing underwriter shall be further extended for an additional forty-eight (48) hour period;

(ii) at the request of the managing underwriters in connection with an underwritten offering, furnish to the underwriters (i) an opinion of counsel, addressed to the underwriters, covering such customary matters as the managing underwriters may reasonably request and (ii) a comfort letter or comfort letters (and updates thereof) from the Company's independent public accountants covering such customary matters as the managing underwriters may reasonably request; and

(iii) if requested by the managing underwriters or the Holder, promptly incorporate in a prospectus supplement or post effective amendment such information as the managing underwriters or the Holder reasonably requests to be included therein, including, without limitation, with respect to the Registrable Securities being sold by the Holder, the purchase price being paid therefor by the underwriters and with respect to any other items of the underwritten offering of the Registrable Securities to be sold in such offering, and

Annex A-(1) (Ex. C)

12

Table of Contents

promptly make all require filings of such prospectus supplement or post effective amendment;

(l) promptly make available for inspection by the Holder participating in any disposition pursuant to any Registration Statement, the managing underwriters, and any attorney, accountant or other agent or representative retained by the Holder or the managing underwriters, all financial and other records, pertinent corporate documents and properties of the Company as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and cause the Company's officers, directors and employees to supply all information reasonably requested by the Holder or the managing underwriters in connection with such Registration Statement; *provided* that the Holder and each of the managing underwriters shall enter into a confidentiality agreement in a form reasonably acceptable to the Company and the Company shall have no obligation to publicly disclose any material non-public information supplied to the Holder or the managing underwriters pursuant to the confidentiality agreement;

(m) to the extent required, provide a CUSIP number, registrar and transfer agent for the Registrable Securities included in any Registration Statement not later than the effective date of such registration statement and shall timely deliver certificates for the Registrable Securities (not bearing any restrictive legends) to the transfer agent;

(n) cooperate with the Holder and each managing underwriter participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with the national Association of Securities Dealers, Inc.; and

(o) during the period when the Prospectus is required to be delivered under the 1933 Act, promptly file all documents required to be filed with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the 1934 Act.

The Company may (as a condition to the preparation of, or otherwise proceeding with, a Demand Registration or Tag-along Registration) require the Holder to furnish to the Company such information regarding the Holder and the proposed distribution by the Holder as the Company (and the managing underwriter in the case of a Tag-along Registration) may from time to time reasonably request in writing. Notwithstanding anything herein to the contrary, the Holder may not include any of its Registrable Securities in any Registration Statement pursuant to this Agreement unless it (i) furnishes to the Company any such information reasonably requested by the Company, (ii) agrees to promptly furnish additional information required to be disclosed in order to make the information previously furnished to the Company by the Holder not materially misleading and (iii) in the case of a Tag-along Registration, agrees to execute and deliver the agreements, documents and certificates required under and in accordance with Section 2.3(e) hereof.

The Holder agrees that, upon receipt of any notice from the Company of the happening of any event or the discovery of any facts, each of the kind described in Section 3(e)(iii), (iv), (v) and (vi) hereof, the Holder will forthwith discontinue disposition of Registrable Securities pursuant to a Registration Statement until the Holder's receipt of the

Table of Contents

copies of the supplemented or amended Prospectus contemplated by Section 3(g) hereof, and, if so directed by the Company, the Holder will deliver to the Company (at its expense) all copies in the Holder's possession, other than permanent file copies then in the Holder's possession, of the Prospectus covering Registrable Securities current at the time of receipt of such notice. In addition, if the Company shall furnish to the Holder a certificate signed by the Company's Chairman or Chief Executive Officer stating that the Company's Board of Directors has determined in good faith the disclosure of information in any Registration Statement or related Prospectus would materially interfere with any acquisition, divestiture, financing or other material event or transaction which is then intended or the public disclosure of which at the time would be materially prejudicial to the Company, the Company may postpone the filing or effectiveness of a Registration Statement or suspend the use of a Prospectus for a period of not more than ninety (90) days; *provided, however*, that the Company shall not exercise its right to postpone or suspend any registration pursuant to this sentence for more than one hundred and twenty (120) days in the aggregate during any period of three hundred sixty (360) consecutive days. If the Company shall give any such notice to postpone, suspend or discontinue the disposition of Registrable Securities pursuant to the Registration Statement as set forth in this paragraph, the Company shall extend the period during which a Registration Statement shall be maintained effective pursuant to this Agreement by the number of days during the period from and including the date of giving such notice to and including the date when the Holder shall have received copies of the supplemented or amended Prospectus necessary to resume such dispositions. Any such suspension shall be referred to as a Black-out Period. The Company shall not be entitled to initiate a Black-out Period unless it shall, in accordance with its policies then in effect, forbid purchases and sales in the open market by its senior executives.

4. **Indemnification and Contribution.**

(a) The Company agrees to indemnify and hold harmless the Holder and its directors, officers and employees, each person, if any, who controls any Holder within the meaning of either Section 15 of the 1933 Act or Section 20 of the 1934 Act, and each Affiliate of any Holder within the meaning of Rule 405 under the 1933 Act from and against any and all losses, claims, damages, liabilities, judgments and expenses (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) (collectively, Losses) caused by, arising out of, or based upon (i) any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement or any amendment thereof, any preliminary prospectus or the Prospectus (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto), or (ii) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except that the Company shall not be liable to indemnify the Holder insofar as such Losses are (i) caused by any such untrue statement or omission or alleged untrue statement or omission based upon information relating to the Holder furnished to the Company in writing by the Holder expressly for use therein (which was not subsequently corrected in writing prior to the sale of Registrable Securities to the person asserting the Loss in sufficient time to permit the Company to amend or supplement the Registration Statement or such Prospectus appropriately), (ii) based upon the Holder's failure to provide the Company with a material fact relating to the Holder which is required to be included in the Registration Statement or necessary to make a statement in the Registration Statement not be misleading, or (iii) arising out of or based upon sales of

Table of Contents

Registrable Securities by the Holder to the person asserting any such Losses, if such person was not sent or given a Prospectus by or on behalf of the Holder, if required by law so to have been delivered, at or prior to the written confirmation of the sale of the Registrable Securities to such person, and if the Prospectus (as so amended or supplemented) had been provided to the Holder and would have cured the defect giving rise to such Losses.

(b) The Holder agrees severally and not jointly to indemnify and hold harmless the Company and its directors, officers and each person, if any, who controls the Company (within the meaning of either Section 15 of the 1933 Act or Section 20 of the 1934 Act) and any of their Affiliates, to the same extent as the foregoing indemnity from the Company to the Holder, but only (i) with reference to information relating to the Holder furnished to the Company in writing by or on behalf of the Holder expressly for use in such Registration Statement or Prospectus or amendment or supplement thereto (which was not subsequently corrected in writing prior to the sale of Registrable Securities to the Person asserting the Loss in sufficient time to permit the Company to amend or supplement the Registration Statement or such Prospectus appropriately, (ii) with reference to information relating to the Holder which the Holder fails to provide in writing for use in the Registration Statement or Prospectus resulting in an omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, or in connection with a sale of Registrable Securities or (iii) arising out of or based upon sales of Registrable Securities by the Holder to the person asserting any such Losses if such person was not sent or given a Prospectus by or on behalf of the Holder, if required by law so to have been delivered, at or prior to the written confirmation of the sale of the Registrable Securities to such person, and if the Prospectus (as so amended or supplemented) had been provided to the Holder and would have cured the defect giving rise to such Losses. Notwithstanding the foregoing, the Holder shall have no obligation to indemnify under this Section 4 to the extent that any such Losses have been finally and non-appealably determined by a court of competent jurisdiction to have resulted from the Company's willful misconduct or gross negligence.

(c) In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to Section 4(a) or 4(b) hereof, such person (the indemnified party) shall promptly notify the person against whom such indemnity may be sought (the indemnifying party) in writing and the indemnifying party shall assume the defense of such proceedings and retain counsel reasonably satisfactory to the indemnified party to represent the indemnified party and any others the indemnifying party may designate in such proceeding and shall pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel, (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate under applicable ethical legal standards due to actual or potential differing interests between them based upon the indemnified party's reasonable judgment upon advice of counsel to the indemnified party or (iii) the indemnifying person fails to assume the defense of such proceeding within twenty (20) business days after receipt of written notice thereof from the indemnified person. It is understood that the indemnifying party shall not, in respect of the legal

Table of Contents

expenses of any indemnified party in connection with any proceeding or related proceedings, be liable for the fees and expenses of more than one separate firm (plus one local counsel in each jurisdiction) for all such indemnified parties. Such firm shall be reasonably acceptable to the indemnifying person and shall be designated in writing by, in the case of parties indemnified pursuant to Section 4(a) the Holder and, in the case of parties indemnified pursuant to 4(b), the Company. The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any Loss by reason of such settlement or judgment that is indemnifiable pursuant to Section 4(a) or 4(b), as the case may be. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding and does not require the indemnified person to admit culpability or fault.

(d) To the extent that the indemnification provided for in Section 4(a) or 4(b) is unavailable to an indemnified party or insufficient in respect of any Losses referred to therein, then each indemnifying party under such section, in lieu of indemnifying such indemnified party thereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such Losses in such proportion as is appropriate to reflect the relative fault of the indemnifying party or parties on the one hand and of the indemnified party or parties on the other hand in connection with the statements or omissions that resulted in such Losses, as well as any other relevant equitable considerations. The relative fault of the Holder on the one hand and the Company on the other hand shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Holder or by the Company or the failure of such party to provide information, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 4(d) were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an indemnified party as a result of the Losses referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(e) The remedies provided for in this Section 4 are not exclusive and shall not limit any rights or remedies which may otherwise be available to an indemnified party at law or in equity, hereunder, under the Purchase Agreement or otherwise.

Table of Contents

(f) The indemnity and contribution provisions contained in this Section 4 shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of the Holder or its directors, officers or employees, any person controlling the Holder or any Affiliate of the Holder or by or on behalf of the Company, its officers or directors or any person controlling the Company and (iii) the sale of any Registrable Securities by the Holder.

(g) Notwithstanding the provisions of this Section 4, the Holder shall not be required to indemnify or contribute any amount in excess of the amount of the net proceeds of the offering received by the Holder.

For purposes of this Section 4, each Person, if any, who controls the Holder within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Holder or its directors, officers or employees, and each director of the Company, and each Person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Company.

5. Miscellaneous.

5.1 Rule 144. For so long as the Company is subject to the reporting requirements of Section 13 or 15 of the 1934 Act, the Company covenants that it will file the reports required to be filed by it under the 1933 Act and Section 13(a) or 15(d) of the 1934 Act and the rules and regulations adopted by the SEC thereunder and that it will take such further action as the Holder may reasonably request to the extent required from time to time to enable the Holder to sell Registrable Securities without registration under the 1933 Act within the limitations of the exemptions provided by Rule 144 under the 1933 Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC. Upon the reasonable request of the Holder, the Company will deliver to the Holder a written statement as to whether it has complied with such reporting requirements.

5.2 Amendments and Waivers. This Agreement may not be amended, modified or supplemented without the written consent of the Company and the Holder, and waivers or consents to departures from the provisions hereof may only be given in writing by the party granting such waiver, consent or departure.

5.3 Notices. All notices and other communications provided for or permitted hereunder shall be made in writing and duly given when delivered by hand or mailed by express, registered or certified mail, or any courier guaranteeing overnight delivery (a) if to the Holder, at the most current address given by the Holder to the Company by means of a notice given in accordance with the provisions of this Section 5.3, which address initially is the address set forth in the Purchase Agreement with respect to the Holder, with a copy to Latham & Watkins LLP, 885 Third Avenue, New York, New York 10022, attention, Charles M. Nathan, Esq.; and (b) if to the Company, to the attention of its General Counsel, initially at the Company's address set forth in the Purchase Agreement, and thereafter at such other address of which notice is given in accordance with the provisions of this Section 5.3, with a copy to Blank

Table of Contents

Rome LLP, 405 Lexington Avenue, New York, New York 10174, attention, Robert J. Mittman, Esq.

5.4 **Assignment; Benefits.** The Holder may assign all or any part of its rights under this Agreement to (i) any partner of or member in the Shareholder in connection with a distribution to such partner or member of Registrable Securities regardless of the number of Registrable Securities so distributed or (ii) any Affiliate of the Shareholder. In the event that the Holder shall assign its rights pursuant to this Agreement in connection with the transfer of less than all its Registrable Securities, the Holder shall also retain its rights with respect to its remaining Registrable Securities. Notwithstanding the foregoing, in the event of any such assignment, no Demand may be made hereunder without the approval of Holders of more than 50% of the Registrable Securities.

5.5 **Entire Agreement.** This Agreement (including any schedules or exhibits hereto), together with the Purchase Agreement and the Shareholder Agreement (as defined in the Purchase Agreement) constitutes the full and entire understanding and agreement among the parties with respect to the subject matter hereof and supersedes and preempts any prior understandings, agreements or representations by or among the parties, written or oral, that may have related to the subject matter hereof in any way.

5.6 **Governing Law.** This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the State of New York, without giving effect to any choice of law or conflict of laws rules or provisions (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York.

5.7 **Submission to Jurisdiction; Waiver of Jury Trial.** No proceeding related to this Agreement or the transactions contemplated hereby may be commenced, prosecuted or continued in any court other than the courts of the State of New York located in the City and County of New York or in the United States District Court for the Southern District of New York, which courts shall have jurisdiction over the adjudication of such matters, and each of the Company and the Holder hereby irrevocably and unconditionally consent to the jurisdiction of such courts and personal service with respect thereto, waive any objection to the laying of venue of any such litigation in such courts and agree not to plead or claim that such litigation brought in any courts has been brought in an inconvenient forum. Each of the Company and the Holder hereby waive all right to trial by jury in any proceeding (whether based upon contract, tort or otherwise) in any way arising out of or relating to this Agreement. The Holder irrevocably agrees to designate a service company located in the United States as its agent for service of process and consents to service of process by first class certified mail, return receipt requested, postage prepaid, to the address at which such party is located.

5.8 **Severability.** In case any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby provided that the essential terms and conditions of this Agreement for the parties remain valid, binding and enforceable; *provided, further*, that the economic and legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to any party. In event of any such

Table of Contents

determination, the parties agree to negotiate in good faith to modify this Agreement to fulfill as closely as possible the original intents and purposes hereof. To the extent permitted by law, the parties hereby to the same extent waive any provision of law that renders any provision hereof prohibited or unenforceable in any respect.

5.9 Counterparts. This Agreement and any amendments, modifications and supplements hereto may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

5.10 Specific Performance. Each party hereto acknowledges and agrees that the other party would be damaged irreparably in the event any of the provisions of this Agreement are not performed in accordance with their specific terms or otherwise are breached. Accordingly, each party hereto agrees that any other party shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof in any action instituted in any court of the United States or any state thereof having jurisdiction over the parties and the matter in addition to any other remedy to which it may be entitled, at law or in equity.

5.11 Third Party Beneficiaries. The indemnified persons pursuant to Section 4 are intended to be third party beneficiaries of this Agreement, and this Agreement shall inure to the benefit of, and be enforceable by, such indemnified persons.

[Remainder of Page Intentionally Left Blank]

Table of Contents

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

BRIGHTPOINT, INC.

By:

Name:

Title:

DANGAARD HOLDING A/S

By:

Name:

Title:

Annex A-(1) (Ex. C)

20

Table of Contents

**FIRST AMENDMENT
to the
STOCK PURCHASE AGREEMENT
by and among
DANGAARD HOLDING A/S, DANGAARD TELECOM A/S,
BRIGHTPOINT, INC.
and
NORDIC CAPITAL FUND VI (CONSISTING OF:
NORDIC CAPITAL VI ALPHA, L.P., NORDIC CAPITAL BETA, L.P.,
NC VI LIMITED AND NORDIC INDUSTRIES LIMITED)**

This First Amendment (the *Amendment*) dated April 19, 2007 to the Stock Purchase Agreement dated as of February 19, 2007 is being entered into by and among Brightpoint, Inc. (*Parent*), Dangaard Telecom A/S, a Danish company (*Target*), Dangaard Holding A/S, a Danish company (*Shareholder*), and Nordic Capital Fund VI (for purposes of Sections 6.16 and 12.14 only), consisting of: Nordic Capital VI Alpha, L.P. and Nordic Capital Beta, L.P., Jersey limited partnerships acting through their general partner Nordic Capital VI Limited, a Jersey company, NC VI Limited, a Jersey company, and Nordic Industries Limited, a Jersey company.

WHEREAS, the parties hereto (the *Parties*) have entered into that certain Stock Purchase Agreement dated as of February 19, 2007 (the *Agreement*), and in connection therewith, the Parties desire to amend the Agreement as set forth below, and

WHEREAS this Amendment is intended to constitute an integral part of and be effective as of the date of the Agreement. Any capitalized terms utilized but not defined herein shall have the meaning ascribed to such terms as set forth in the Agreement.

NOW, THEREFORE, in consideration of the foregoing and mutual covenants contained in the Agreement and as set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

1. Section 10.1.8 of the Agreement is hereby amended to read in its entirety as follows:

by either of Parent, on the one hand, or Target or Shareholder, on the other hand, by written notice to the other, if any of the Facility Amendments are not executed by any of the respective Lenders of Parent and Target by May 21, 2007.

2. Except as modified by this Amendment, all of the terms of the Agreement shall remain unchanged and in full force and effect, and shall be the valid and binding agreement of the Parties in accordance with its terms. From and after the effective date hereof, any reference to the Agreement shall mean the Agreement as modified by this Amendment.

3. This Amendment is made under, and shall be construed and enforced in accordance with, the laws of the State of New York, applicable to agreements made and to be performed solely therein, without giving effect to principles of conflicts of law. In any action between or among any of the parties, whether arising out of this Amendment, any of the agreements contemplated hereby or otherwise, (a) each of the parties irrevocably consents to the exclusive jurisdiction and venue of the federal and state courts located in New York, New York, (b) if any such action is commenced in a state court, then, subject to applicable law, no party shall object to the removal of such action to any federal court located in New York, New York, (c) each of the parties irrevocably waives the right to trial by jury, (d) each of the parties irrevocably agrees to designate a service company located in the United States as its agent for service of process and consents to service of process by first class certified mail, return receipt requested, postage prepaid, to the address at which such party is located, and (e) the prevailing parties shall be entitled to recover their reasonable

attorneys' fees, costs and disbursements from the other parties (in addition to any other relief to which the prevailing parties may be entitled).

4. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. Any counterpart may be executed by facsimile signature and such facsimile signature shall be deemed an original.

Annex A - (2)

1

Table of Contents

IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed this Amendment as of the day and year first written above.

Brightpoint, Inc.:

By:
/s/ Steven E. Fivel

Name: Steven E. Fivel
Title: Executive Vice President, General Counsel and Secretary

Dangaard Telecom A/S:

By:
/s/ Christian Dyvig

/s/ Michael Haaning

Names: Christian Dyvig
Michael Haaning
Titles: Board Members

Dangaard Holding A/S:

By:
/s/ Christian Dyvig

/s/ Michael Haaning

Names: Christian Dyvig
Michael Haaning
Titles: Board Members

Nordic Capital VI Alpha, L.P. acting by its general partner Nordic Capital VI Limited:

By:
/s/ Sarah Rayson

Name: Sarah Rayson
Title: Director

Nordic Capital VI Beta, L.P. acting by its general partner Nordic Capital VI Limited:

By:
/s/ Sarah Rayson

Name: Sarah Rayson
Title: Director

NC VI Limited:

By:
/s/ Sarah Rayson

Name: Sarah Rayson
Title: Director

Nordic Industries Limited:

By:
/s/ Sarah Rayson

Name: Sarah Rayson
Title: Director

Table of Contents

**SECOND AMENDMENT
to the
STOCK PURCHASE AGREEMENT
by and among
DANGAARD HOLDING A/S, DANGAARD TELECOM A/S,
BRIGHTPOINT, INC.
and
NORDIC CAPITAL FUND VI (CONSISTING OF:
NORDIC CAPITAL VI ALPHA, L.P., NORDIC CAPITAL BETA, L.P.,
NC VI LIMITED AND NORDIC INDUSTRIES LIMITED)**

This Second Amendment (the *Amendment*) dated May 17, 2007 to the Stock Purchase Agreement dated as of February 19, 2007, as amended on April 19, 2007, is being entered into by and among Brightpoint, Inc. (*Parent*), Dangaard Telecom A/S, a Danish company (*Target*), Dangaard Holding A/S, a Danish company (*Shareholder*), and Nordic Capital Fund VI (for purposes of Sections 6.16 and 12.14 only), consisting of: Nordic Capital VI Alpha, L.P. and Nordic Capital Beta, L.P., Jersey limited partnerships acting through their general partner Nordic Capital VI Limited, a Jersey company, NC VI Limited, a Jersey company, and Nordic Industries Limited, a Jersey company.

WHEREAS, the parties hereto (the *Parties*) have entered into that certain Stock Purchase Agreement dated as of February 19, 2007 and a First Amendment thereto dated as of April 19, 2007 (collectively, the *Agreement*), and in connection therewith, the Parties desire to amend the Agreement as set forth below, and

WHEREAS this Amendment is intended to constitute an integral part of and be effective as of the date of the Agreement. Any capitalized terms utilized but not defined herein shall have the meaning ascribed to such terms as set forth in the Agreement.

NOW, THEREFORE, in consideration of the foregoing and mutual covenants contained in the Agreement and as set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

1. Section 10.1.8 of the Agreement is hereby amended to read in its entirety as follows:

by either Parent, on the one hand, or Target or Shareholder, on the other hand, by written notice to the other, if any of the Facility Amendments are not executed by any of the respective Lenders of Parent and Target by June 15, 2007.

2. Except as modified by this Amendment, all of the terms of the Agreement shall remain unchanged and in full force and effect, and shall be the valid and binding agreement of the Parties in accordance with its terms. From and after the effective date hereof, any reference to the Agreement shall mean the Agreement as modified by this Amendment.

Annex A - (3)

1

Table of Contents

3. This Amendment is made under, and shall be construed and enforced in accordance with, the laws of the State of New York, applicable to agreements made and to be performed solely therein, without giving effect to principles of conflicts of law. In any action between or among any of the parties, whether arising out of this Amendment, any of the agreements contemplated hereby or otherwise, (a) each of the parties irrevocably consents to the exclusive jurisdiction and venue of the federal and state courts located in New York, New York, (b) if any such action is commenced in a state court, then, subject to applicable law, no party shall object to the removal of such action to any federal court located in New York, New York, (c) each of the parties irrevocably waives the right to trial by jury, (d) each of the parties irrevocably agrees to designate a service company located in the United States as its agent for service of process and consents to service of process by first class certified mail, return receipt requested, postage prepaid, to the address at which such party is located, and (e) the prevailing parties shall be entitled to recover their reasonable attorneys' fees, costs and disbursements from the other parties (in addition to any other relief to which the prevailing parties may be entitled).

4. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. Any counterpart may be executed by facsimile signature and such facsimile signature shall be deemed an original.

-Signature Page Follows-

Table of Contents

IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed this Amendment as of the day and year first written above.

Brightpoint, Inc.:

By:
/s/ Steven E. Fivel

Name: Steven E. Fivel
Title: Executive Vice President, General Counsel and Secretary

Dangaard Telecom A/S:

By:
/s/ Christian Dyvig

/s/ Michael Haaning

Names: Christian Dyvig
Michael Haaning
Titles: Board Members

Dangaard Holding A/S:

By:
/s/ Christian Dyvig

/s/ Michael Haaning

Names: Christian Dyvig
Michael Haaning
Titles: Board Members

Nordic Capital VI Alpha, L.P. acting by its general partner Nordic Capital VI Limited:

By:
/s/ Sarah Rayson

Name: Sarah Rayson
Title: Director

Nordic Capital VI Beta, L.P. acting by its general partner Nordic Capital VI Limited:

By:
/s/ Sarah Rayson

Name: Sarah Rayson
Title: Director

NC VI Limited:

By:
/s/ Sarah Rayson

Name: Sarah Rayson
Title: Director

Nordic Industries Limited:

By:
/s/ Sarah Rayson

Name: Sarah Rayson
Title: Director

Table of Contents

**THIRD AMENDMENT
to the
STOCK PURCHASE AGREEMENT
by and among
DANGAARD HOLDING A/S, DANGAARD TELECOM A/S,
BRIGHTPOINT, INC.
and
NORDIC CAPITAL FUND VI (CONSISTING OF:
NORDIC CAPITAL VI ALPHA, L.P., NORDIC CAPITAL BETA, L.P.,
NC VI LIMITED AND NORDIC INDUSTRIES LIMITED)**

This Third Amendment (the Amendment) dated June 15, 2007 to the Stock Purchase Agreement dated as of February 19, 2007, as amended on April 19, 2007 and May 17, 2007, is being entered into by and among Brightpoint, Inc. (Parent), Dangaard Telecom A/S, a Danish company (Target), Dangaard Holding A/S, a Danish company (Shareholder), and Nordic Capital Fund VI (for purposes of Sections 6.16 and 12.14 only), consisting of: Nordic Capital VI Alpha, L.P. and Nordic Capital Beta, L.P., Jersey limited partnerships acting through their general partner Nordic Capital VI Limited, a Jersey company, NC VI Limited, a Jersey company, and Nordic Industries Limited, a Jersey company.

WHEREAS, the parties hereto (the Parties) have entered into that certain Stock Purchase Agreement dated as of February 19, 2007, a First Amendment thereto dated as of April 19, 2007 and a Second Amendment thereto dated as of May 17, 2007 (collectively, the Agreement), and in connection therewith, the Parties desire to amend the Agreement as set forth below, and

WHEREAS this Amendment is intended to constitute an integral part of and be effective as of the date of the Agreement. Any capitalized terms utilized but not defined herein shall have the meaning ascribed to such terms as set forth in the Agreement.

NOW, THEREFORE, in consideration of the foregoing and mutual covenants contained in the Agreement and as set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

1. Section 10.1.8 of the Agreement is hereby amended to read in its entirety as follows:

by either Parent, on the one hand, or Target or Shareholder, on the other hand, by written notice to the other, if any of the Facility Amendments are not executed by any of the respective Lenders of Parent and Target by July 31, 2007.

2. Except as modified by this Amendment, all of the terms of the Agreement shall remain unchanged and in full force and effect, and shall be the valid and binding agreement of the Parties in accordance with its terms. From and after the effective date hereof, any reference to the Agreement shall mean the Agreement as modified by this Amendment.

3. This Amendment is made under, and shall be construed and enforced in accordance with, the laws of the State of New York, applicable to agreements made and to be performed solely therein, without giving effect to principles of conflicts of law. In any action between or among any of the parties, whether arising out of this Amendment, any of the agreements contemplated hereby or otherwise, (a) each of the parties irrevocably consents to the exclusive jurisdiction and venue of the federal and state courts located in New York, New York, (b) if any such action is commenced in a state court, then, subject to applicable law, no party shall object to the removal of such action to any federal court located in New York, New York, (c) each of the parties irrevocably waives the right to trial by jury, (d) each of the parties irrevocably agrees to designate a service company located in the United States as its agent for service of process and consents to service of process by first class certified mail, return receipt requested, postage prepaid, to the address at which such party is located, and (e) the prevailing parties shall be entitled to recover their reasonable attorneys fees, costs and disbursements from the other parties (in addition to any other relief to which the prevailing parties may be entitled).

Table of Contents

4. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. Any counterpart may be executed by facsimile signature and such facsimile signature shall be deemed an original.

-Signature Page Follows-

Annex A-(4)

2

Table of Contents

IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed this Amendment as of the day and year first written above.

Brightpoint, Inc.:

Nordic Capital VI Alpha, L.P. acting by its general partner Nordic Capital VI Limited:

By: /s/ Steven E. Fivel

By: /s/ Sarah Rayson

Name: Steven E. Fivel

Name: Sarah Rayson

Title: Executive Vice President, General Counsel and Secretary

Title: Director

Dangaard Telecom A/S:

Nordic Capital VI Beta, L.P. acting by its general partner Nordic Capital VI Limited

By: /s/ Christian Dyvig

By: /s/ Sarah Rayson

/s/ Michael Haaning

Name: Sarah Rayson

Name: Christian Dyvig

Title: Director

Michael Haaning

Title: : Board Members

Dangaard Holding A/S:

NC VI Limited

By: /s/ Christian Dyvig

By: /s/ Sarah Rayson

/s/ Michael Haaning

Name: Sarah Rayson

Name: Christian Dyvig

Title: Director

Michael Haaning

Title: : Board Members

Nordic Industries Limited:

By: /s/ Sarah Rayson

Name: Sarah Rayson

Title: Director

Annex A-(4)

3

Table of Contents

Annex B

FAIRNESS OPINION OF DEUTSCHE BANK SECURITIES INC.,

FINANCIAL ADVISOR TO BRIGHTPOINT, INC.

Table of Contents

Deutsche Bank

**Deutsche Bank Securities Inc.
Global Corporate Finance
101 California Street, 48th Floor
San Francisco, CA 94111
Tel: 415-617-2800**

February 16, 2007

Board of Directors
Brightpoint, Inc.
2601 Metropolis Parkway,
Suite, 210 Plainfield, Indiana 46168

Ladies and Gentlemen:

Deutsche Bank Securities Inc. (**Deutsche Bank**) has acted as financial advisor to the Board of Directors of Brightpoint, Inc., an Indiana corporation (**Brightpoint**) in connection with the proposed acquisition by Brightpoint of all of the issued and outstanding capital stock (**Target Stock**) of Dangaard Telecom A/S, a Danish company (the **Company**), all of which Target Stock is owned by Dangaard Holding A/S, a Danish company (**Shareholder**), pursuant to the Stock Purchase Agreement to be entered into by and among the Company, Brightpoint, Shareholder and Nordic Capital VI Limited, the majority owner of Shareholder (**Nordic**) (the **Purchase Agreement**). The proposed acquisition of the Target Stock by Brightpoint pursuant to the Purchase Agreement is referred to herein as the **Transaction**. As set forth more fully in the Purchase Agreement and subject to the terms and conditions described therein, as a result of the Transaction, at closing Brightpoint shall issue 30,000,000 shares of its common stock, par value \$.01 per share, and pay \$100,000 in cash (collectively, the **Consideration**), in exchange for the Target Stock.

You have requested Deutsche Bank's opinion, as investment bankers, as to the fairness, from a financial point of view, to Brightpoint of the Consideration.

In connection with Deutsche Bank's role as financial advisor to the Board of Directors of Brightpoint, and in arriving at its opinion, Deutsche Bank has reviewed a draft dated February 15, 2007 of the Purchase Agreement, certain publicly available financial and other information concerning the Company and Brightpoint and certain internal analyses and other information furnished to it by the Company, Shareholder, Nordic and Brightpoint. Deutsche Bank has also held discussions with members of the senior managements of the Company, Shareholder, Nordic and Brightpoint regarding the businesses and prospects of the Company and Brightpoint and the joint prospects of the Company and Brightpoint. In addition, Deutsche Bank has (i) compared certain financial information for the Company with similar information for certain companies whose securities are publicly traded, (ii) reviewed the financial terms of certain recent business combinations, (iii) reviewed the terms of the Purchase Agreement and certain related documents, and (iv) performed such other studies and analyses and considered such other factors as it deemed appropriate.

Deutsche Bank has not assumed responsibility for independent verification of, and has not independently verified, any information, whether publicly available or furnished to it, concerning the Company or Brightpoint, including, without limitation, any financial information, forecasts, synergies or projections considered in connection with the rendering of its opinion. Accordingly, for purposes of its opinion, Deutsche Bank has assumed and relied upon the accuracy and completeness of all such information and Deutsche Bank has not conducted a physical inspection of any of the properties or assets, and has not prepared or obtained any independent evaluation or appraisal of any of the assets or

liabilities, of the Company or Brightpoint. With respect to the financial forecasts and projections, including the analyses and forecasts of certain cost savings, operating efficiencies and financial synergies expected by Brightpoint and the Company to be achieved as a result of the Transaction (collectively, the Synergies), made available to Deutsche Bank and used in its analyses, Deutsche Bank has assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of the Company, Brightpoint, Shareholder or

Annex B

1

Table of Contents

Nordic, as the case may be, as to the matters covered thereby. In rendering its opinion, Deutsche Bank expresses no view as to the reasonableness of such forecasts and projections, including the Synergies, or the assumptions on which they are based. Deutsche Bank's opinion is necessarily based upon economic, market and other conditions as in effect on, and the information made available to it as of, the date hereof.

For purposes of rendering its opinion, Deutsche Bank has assumed that, in all respects material to its analysis, the definitive version of the Purchase Agreement will be duly executed by the parties thereto, and that the definitive version of the Purchase Agreement will be in the same form as, and will contain the same terms and provisions without material change from, the draft previously furnished to Deutsche Bank on February 15, 2007, the representations and warranties of Brightpoint and Shareholder contained in the Purchase Agreement are true and correct, Brightpoint, the Company, Shareholder and Nordic will each perform all of the covenants and agreements to be performed by it under the Purchase Agreement and all conditions to the obligations of each of Brightpoint and Shareholder to consummate the Transaction will be satisfied without any waiver thereof. Deutsche Bank has also assumed that all material governmental, regulatory or other approvals and consents required in connection with the consummation of the Transaction will be obtained and that in connection with obtaining any necessary governmental, regulatory or other approvals and consents, or any amendments, modifications or waivers to any agreements, instruments or orders to which either Brightpoint, the Company, Shareholder or Nordic is a party or is subject or by which it is bound, no limitations, restrictions or conditions will be imposed or amendments, modifications or waivers made that would have a material adverse effect on Brightpoint or the Company or materially reduce the contemplated benefits of the Transaction to Brightpoint. In addition, you have informed Deutsche Bank, and accordingly for purposes of rendering its opinion Deutsche Bank has assumed, that the Transaction will be tax-free to each of Brightpoint and Shareholder.

This opinion is addressed to, and for the use and benefit of, the Board of Directors of Brightpoint and is not a recommendation to the stockholders of Brightpoint to approve the Transaction, or to approve the payment of the Consideration, including the issuance by Brightpoint of its common stock, in the Transaction. This opinion is limited to the fairness, from a financial point of view, to Brightpoint of the Consideration, and Deutsche Bank expresses no opinion as to the merits of the underlying decision by Brightpoint to engage in the Transaction.

Annex B

2

Table of Contents

Deutsche Bank will be paid a fee for its services as financial advisor to the Board of Directors of Brightpoint in connection with the Transaction, a substantial portion of which is contingent upon consummation of the Transaction. We are an affiliate of Deutsche Bank AG (together with its affiliates, the DB Group). One or more members of the DB Group have provided, and may in the future provide, investment banking or other financial services to Brightpoint, Nordic or their respective affiliates for which it has received, or may receive, compensation, including acting as the financial advisor to the Board of Directors of Brightpoint in connection with Brightpoint's pending acquisition of CellStar Corporation, which was announced on December 18, 2006, acting as a lender under Brightpoint's \$165 million credit facility due February 16, 2012, which closed on February 16, 2007, and acting as the financial advisor to the Board of Directors of Nordic in connection with Nordic's joint cash offer for Capió AB, which closed in November 2006. In the ordinary course of business, members of the DB Group may actively trade in the securities and other instruments and obligations of Brightpoint for their own accounts and for the accounts of their customers. Accordingly, the DB Group may at any time hold a long or short position in such securities, instruments and obligations. Based upon and subject to the foregoing, it is Deutsche Bank's opinion as investment bankers that, as of the date hereof, the Consideration to be paid by Brightpoint in the Transaction is fair, from a financial point of view, to Brightpoint.

Very truly yours,

/s/ Deutsche Bank Securities Inc.

DEUTSCHE BANK SECURITIES INC.

Annex B

3

Table of Contents

Annex C

FINANCIAL STATEMENTS OF DANGAARD TELECOM A/S

- (1) As of September 30, 2006 and 2005 and for the three years ended September 30, 2006
 - (2) As of March 31, 2007 and September 30, 2006 and for the six months ended March 31, 2007 and 2006
(Unaudited)
-

Table of Contents

**Consolidated Financial Statements
of
Dangaard Telecom A/S
As of September 30, 2006 and 2005
and
For the three years ended September 30, 2006**

Annex
C-(1)

1

Dangaard Telecom A/S
INDEX TO FINANCIAL STATEMENTS

<u>Statement by the Executive and Supervisory Boards</u>	3
<u>Independent Auditors Report</u>	4
<u>Accounting Policies</u>	5
<u>Income Statement</u>	15
<u>Balance Sheet</u>	16
<u>Change in Equity</u>	18
<u>Cash Flow Statement</u>	19
<u>Notes</u>	20
Annex	2
C-(1)	

Table of Contents

STATEMENT BY THE EXECUTIVE AND SUPERVISORY BOARDS

The Executive and Supervisory Boards have today discussed and adopted the consolidated balance sheets of Dangaard Telecom A/S and its subsidiaries as of September 30, 2006 and 2005, the related consolidated income statements and the consolidated cash flow statements for each of the years in the three year period ended September 30, 2006, and the consolidated statements of change in equity for the years then ended.

The consolidated financial statements referred to above have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. We consider the accounting policies used to be appropriate. Accordingly, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Dangaard Telecom A/S and subsidiaries as of September 30, 2006 and 2005 and the results of their operations and their cash flows for each of the years in the three year period ended September 30, 2006 in accordance with IFRS as adopted by the EU.

As discussed in Note 35, the accompanying consolidated financial statements as of September 30, 2006 and September 30, 2005 and for the year ended September 30, 2006 have been restated.

The accounting principles of International Financial Reporting Standards as adopted by the EU vary in certain significant respects from U.S. generally accepted accounting principles. Information relating to the nature and effect of such differences is presented in Note 33 to the consolidated financial statements.

Padborg, 30 May 2007

Executive Board:

/s/ Steen Folmer Pedersen
Steen Folmer Pedersen

/s/ Hans Peter Alnor
Hans Peter Alnor

/s/ Michaél Køehn Milland
Michaél Køehn Milland

Supervisory Board:

/s/ Thorleif Krarup
Thorleif Krarup
Chairman

/s/ Christian Dyvig
Christian Dyvig
Vice Chairman

/s/ Jan Gesmar-Larsen
Jan Gesmar-Larsen

/s/ Michael Haaning
Michael Haaning

Annex
C-(1)

3

Table of Contents

INDEPENDENT AUDITORS REPORT

To the Board of Directors and Shareholders of Dangaard Telecom A/S:

We have audited the accompanying consolidated balance sheets of Dangaard Telecom A/S and its subsidiaries as of September 30, 2006 and 2005, the related consolidated income statements and the consolidated cash flow statements for each of the years in the three year period ended September 30 2006, and the consolidated statements of change in equity for the years then ended, prepared in accordance with International Financial Reporting Standards as adopted by the EU. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Dangaard Telecom A/S and subsidiaries as of September 30, 2006 and 2005 and the results of their operations and their cash flows for each of the years in the three year period ended September 30 2006, in accordance with International Financial Reporting Standards as adopted by the EU.

As discussed in Note 35, the accompanying consolidated financial statements as of September 30, 2006 and September 30, 2005 and for the year ended September 30, 2006 have been restated.

The accounting principles of International Financial Reporting Standards as adopted by the EU vary in certain significant respects from US generally accepted accounting principles. Information relating to the nature and effect of such differences is presented in Note 33 to the consolidated financial statements.

Aabenraa, 30 May 2007

KPMG C. Jespersen
Statsautoriseret Revisionsinteressentskab
(Partnership of State Authorised Public Accountants)

/s/ Leif Meyhoff
Leif Meyhoff
State Authorised Public Accountant

/s/ Per Gunslev
Per Gunslev
State Authorised Public Accountant

Annex
C-(1)

4

Table of Contents

Dangaard Telecom A/S

ACCOUNTING POLICIES

Basis of preparation

The Consolidated Balance Sheets of the Dangaard Telecom Group as of 30 September 2006 and 2005, and the related consolidated income statements and the consolidated cash flow statements for each of the years in the three year period ended 30 September 2006 and the consolidated statements of changes in equity for each of the two years ended 30 September 2006 and 2005 have been prepared in accordance with the International Financial Reporting Standards (IAS/IFRS) approved by the EU. IAS/IFRS-standards effective for the financial year 2005/06 have been implemented. The Financial Statements are prepared based on the Danish statutory annual reports for 2005/06 and 2004/05 which have been submitted and registered with the Danish Commerce and Companies Agency.

The Danish statutory annual reports for 2005/06 and 2004/05 have been translated into an English version. The attached financial statements are based on the English translation of the annual report.

Compared to Danish Statutory annual reports that have been filed with the Danish Commerce and Companies Agency the following changes have been made to the financial statements that are attached:

Other distributions amounting to EUR 2.2 million that has been recognised in equity in the annual report for 2005/06 have in the attached financial statements been recognised as staff costs, due to that the amount has been considered compensation costs as opposed to dividends.

In the annual report factoring receivables, amounting EUR 18.0 million and EUR 18.0 as of 30 September 2005 and 2006 respectively, had been derecognised from the balance sheet. In the attached financial statements these receivables and payables have been recognised in the balance sheet, due to that the criteria for derecognition has not been fulfilled. The factoring agreements that the receivables and payables are related to became effective in the financial year 2004/05.

Management's Review that is included in the annual report has not been included as part of these financial statements. The description of risks in Management's review has been moved to the financial statement's footnotes.

The parent company financial statements that are included in the annual report have been omitted from the attached financial statements. The footnotes have been updated so that they only reflect information related to the consolidated financial statements.

The financial statements contain three years of comparative figures in regards to the Income Statement and Notes to the Income Statement, and the Cash flow statement and Notes to the Cash flow statement. The annual report only contains two years of comparative figures.

Footnote 33 has been added to the financial statements, this footnote includes a reconciliation of profit for the period and equity from IFRS to US GAAP.

Footnote 34 has been added to the financial statements, this footnote includes IFRS disclosures regarding employee incentive plan.

Correction of errors

Other distributions of EUR 2.2 million that in the annual report for 2005/06 has been recognised against equity, has in the attached financial statements been recognised as staff costs. The effect hereof is that Dangaard Telecom A/S share of profit for the period has been reduced from EUR 20.2 million to 18.0

Table of Contents

Dangaard Telecom A/S

million in the financial year 2005/06. The correction has no effect on the income statement for previous periods and equity.

Factoring receivables that had been derecognized from the balance sheet in the annual report for 2005/06 have been recognised with an amount of EUR 18.0 million as of 30 September 2005 and 2006. The recognition of factoring receivables has no effect to the income statement nor equity.

Note disclosures regarding employee incentive plan that are required to be presented in accordance with IFRS have been presented in footnote 34 to the financial statements. The employee incentive plan has not had any effect on the income statement nor equity.

See also note 35 regarding correction of errors for a summary of the financial implications of the errors corrected. The summary comprises the effects on both the income statement, equity and total assets.

Presentation currency

The functional currency of Dangaard Telecom A/S is EURO and the financial statements have been presented in EURO as Dangaard Telecom A/S main activities are in EURO-based countries.

Consolidation

The consolidated financial statements comprise the parent company Dangaard Telecom A/S and subsidiaries in which Dangaard Telecom A/S has the power to govern the financial and operating policies of the entity to obtain benefits from its activities. Control exists when Dangaard Telecom A/S owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity or in any other way exercises control.

Entities in which the Group exercises a significant, but not control, influence are considered associates. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting rights.

Potential voting rights exercisable at the balance sheet date are considered when assessing whether an entity has the power to govern, or participate in, the financial and operating policies of another entity.

The consolidated financial statements are prepared by consolidating the financial statements of the parent company and the individual subsidiaries prepared according to the accounting policy of the group. On consolidation, intra-group income and expenses, share ownerships, intra-group balances, dividends, and realised and unrealised profits and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries fair value of the identifiable net assets and recognised contingent liabilities at the acquisition date.

In the consolidated financial statements for the Group items from the financial statements of the subsidiaries are recognised 100%. The minority interest's share of the profit and equity in subsidiaries not owned 100% are recognised as a part of the Group result and equity respectively but are shown separately.

Business combinations

Entities, which are acquired or formed during the year, are recognised in the consolidated financial statements as from the date of acquisition or formation. Entities disposed of are recognised in the consolidated income statement until the date of disposal. The comparative figures have not been adjusted for mergers and acquisitions. Discontinued operations are presented separately as described below.

Annex
C-(1)

6

Table of Contents

Dangaard Telecom A/S

On acquisition of entities where the parent company will exercise control over the acquired entity the purchase method is applied. The acquired subsidiaries' identifiable assets and liabilities and contingent liabilities assumed are measured at fair value at the date of acquisition. Identifiable intangible assets are recognised if they are separable or arise from contractual or other legal rights and the fair value can be estimated reliably. Deferred tax of the made revaluations are recognised.

The acquisition date is the date on which the parent company effectively obtains control of the entity acquired. For business combinations for which the agreement date is on or after 31 March 2004 any excess of the acquirer's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities over the cost of the business combination is recognised as goodwill under intangible assets. Goodwill is not amortised but tested at least once a year for impairment. The first impairment tests are performed before the end of the year of acquisition. By acquisition goodwill is allocated to the cash-generating units that subsequently are the basis for impairment tests. Goodwill and fair value adjustments due to business combinations involving a foreign entity with a functional currency different from the presentation currency applied by the Dangaard Telecom Group are recognised as assets and liabilities associated with the foreign entity are translated into the functional currency of the foreign entity with the exchange rates ruling at the transaction date. Negative differences in value (negative goodwill) are recognised in the income statement at the acquisition date.

The classification of business combinations for which the agreement date is before 31 March 2004 is in accordance with the accounting policy applied previously. Goodwill is recognised on the basis of the cost price that was recognised in accordance with the previously applied accounting policy reduced by amortisations and write-downs up till 30 September 2004. Goodwill is not amortised after 1 October 2004.

The cost of a business combination is the aggregate of the fair value of the price agreed and any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the amount of that adjustment is included in the cost of the combination if the adjustment is probable and can be measured reliably.

If the initial accounting for a business combination can be determined only provisionally because either the fair values to be assigned to the identifiable assets, liabilities or contingent liabilities can be determined only provisionally, the business combination is accounted for using these provisional values. If the fair values assigned to the identifiable assets, liabilities or contingent liabilities at the initial accounting subsequently can be measured at another fair value than assumed at, the initial accounting goodwill is regulated up till twelve months after the acquisition date.

Comparative figures are restated as well. The effect of the adjustments is recognised under equity at the beginning of the year with restatement of the comparative figures. Hereafter goodwill is only adjusted as a result of changes in estimates of the cost of the combination that are contingent on one or more future events except for errors due to material misstatements.

Profit or loss from sale of subsidiaries are calculated as the difference between the sales price or the costs to dispose of the subsidiary and the carrying amount of net assets including goodwill at the time of sale or disposal and costs to sell or dispose of.

Foreign currency translation

For each of the reporting entities in the group a functional currency is determined. The functional currency is the currency of the primary economic environment in which the entity operates. Transactions in currencies other than the functional currency are transactions in foreign currency.

Table of Contents

Dangaard Telecom A/S

Transactions denominated in foreign currencies are translated into the functional currency at the exchange rates ruling at the transaction date. Foreign exchange differences resulting from differences between the exchange rates ruling at the transaction date and the exchange rate ruling at the date of payment are recognised in the income statement under financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated to the functional currency at the exchange rates ruling at the balance sheet date. Foreign exchange differences between the exchange rates ruling at the balance sheet date and the rates ruling at the dates the receivables or payables incurred or the exchange rate applied in the latest annual report are recognised in the income statement under financial income or financial expenses.

At recognition in the annual report of the group of entities with a functional currency different from the presentation currency of Dangaard Telecom A/S the income statements are translated at the exchange rates ruling at the transaction date and the balance sheet items are translated at the exchange rates ruling at the balance sheet date. As the exchange rates ruling at the transaction date average exchange rates are applied when they do not differ significantly from the exchange rates ruling at the transaction date. Foreign exchange rate differences arising on translation of the opening equity of the foreign entities to the exchange rates ruling at the balance sheet date and on translation of the income statements from average exchange rates to the exchange rates ruling at the balance sheet date are recognised directly under equity as a separate reserve for foreign exchange adjustments.

Derivative financial instruments

Derivative financial instruments are recognised from the trade date and are measured in the balance sheet at fair value. Positive and negative fair values of derivative financial instruments are recognised under other receivables or other liabilities and set off of positive and negative values are effected only if the entity has the right and intention to settle more financial instruments net. Fair values of derivative financial instruments are calculated on the basis of current market data and accepted valuation methods.

Changes in fair value of derivative financial instruments classified and meeting the conditions for being a fair value hedge are recognised in the income statement together with changes in the value of the hedged asset or the hedged liability. Hedging of future cash flows according to an agreement made, except for currency hedging, are accounted for as hedging at fair value of a recognised asset or liability.

Changes in the part of the fair value of derivative financial instruments classified and meeting the conditions for being a cash flow hedge and efficiently hedges the changes in the value of the hedged items are recognised under equity as a separate item for hedging reserves until the hedged transaction is realised. When the hedged transaction is realised, gain or loss of these hedging transactions are transferred from equity to the same item as the hedged item. When hedging future loan raisings profit or loss from hedging transactions are transferred from equity reserves over the term to maturity.

Changes in fair value of derivative financial instruments that do not meet the conditions for being a hedging instrument are recognised as financial income or financial expense in the income statement.

Certain contracts imply conditions equivalent to derivative financial instruments. Such embedded derivative financial instruments are recognised separately and are measured at fair value on a continuing basis if they differ significantly from the contract in question unless the relevant contract has been recognised and are measured at fair value on a continuing basis in full.

Table of Contents

Dangaard Telecom A/S

Income statement

Revenue

Sales of goods for resale are recognised in the income statement provided that delivery and the significant risks and rewards of ownership of the goods have been transferred to the buyer before the end of the financial year, and the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transactions will be received.

Revenue is measured at the fair value of the consideration agreed exclusive of VAT and other charges levied on behalf of a third party. The amount of any trade discounts and volume rebates allowed are taken into account.

Interest income and expense and similar items

Interest income and expense and similar items comprise interest income and expenses, market value gains and losses and write-downs in respect of securities, foreign exchange gains and losses regarding payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities and surcharges and refunds under the on account taxation system. Realised and unrealised gains and losses concerning deferred financial instruments not meeting the criteria for being a hedging instrument are recognised under these items.

Tax

Tax on profit on ordinary activities comprise current and deferred taxes for the year and are recognised in the income statement, except for tax concerning amounts recognised in equity.

Balance sheet

Intangible assets

Goodwill

At the initial recognition goodwill is recognised at cost in the balance sheet as described under *Business combinations*. Subsequently goodwill is measured at cost less accumulated write-downs. Goodwill is not amortised.

The carrying amount of goodwill is allocated to the cash-generating units of the Group at the acquisition date.

Determination of the cash-generating units are in accordance with the management structure and internal financial control.

Development Projects, Licenses, Software

Development projects are recognised as intangible assets when they can be identified, the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset can be demonstrated, and where the development projects are intended to be completed and used or sold respectively.

Moreover the expenditure attributable to the intangible asset during its development is measured reliably and it is demonstrated that the intangible asset will generate probable future economic benefits. Other development costs are recognised in the income statement as costs are incurred.

Annex

9

C-(1)

Table of Contents

Dangaard Telecom A/S

Recognised development projects are measured at cost less accumulated amortisation and write-downs. The cost price includes salaries, amortisations and other costs attributable to development projects.

After completion of the development project including internally generated software the recognised development project is amortised on a systematic basis over its useful life from the time the asset is ready for use. The amortisation period is typically 3 years and does not exceed 20 years. The amortisation base is reduced with write-downs.

Software and licenses are measured at cost less the amount of accumulated amortisations and write-downs. Software and licenses are amortised on a straight-line basis over the license period, but the amortisation period does not exceed 5 years. The amortisation base is reduced with write-downs.

Property, plant and equipment

Leasehold improvement and equipment are measured at cost less accumulated depreciation and write-downs.

Cost comprises cost of acquisition and costs directly associated to the acquisition until the point in time where the asset is ready for use.

Subsequent costs (e.g. replacement of parts of a tangible asset) are recognised in the carrying amount of the asset when it is probable that the expenditure will imply future economic benefits for the group. The carrying amount of the replaced parts is derecognised in the balance sheet and is transferred to the income statement. Other costs for ordinary repairs and maintenance are recognised in the income statement when incurred.

Depreciation is provided for on a straight-line basis over the expected useful lives of the assets.

The expected useful lives are 3-5 years for leasehold improvement and equipment.

The depreciation base is calculated considering the residual value of the asset and reduced with write-downs. The residual value is set at the acquisition date and revaluated annually. If the residual value exceeds the carrying amount of the asset no depreciations are made.

If the period of depreciation or the residual value are changed the effect for the future depreciations are recognised as a change in an accounting estimate.

Other securities

Other securities are measured at fair value.

Impairment of non-current assets

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually with the first impairment test performed before the end of the year of acquisition. Development projects in progress are tested for impairment annually as well.

The carrying amount of goodwill is tested for impairment together with the other non-current assets in the cash-generating units to which goodwill have been allocated and are written down to the recoverable amount over the income statement if the carrying amount is higher. The recoverable amount is usually calculated as the net present value of the expected future net cash flows from the entity or activity (cash-

Table of Contents

Dangaard Telecom A/S

generating unit) that goodwill is associated with. Impairment of goodwill is recognised as a separate item in the income statement.

Deferred tax assets are assessed annually and are only recognised to the extent it is probable that they will be used. The carrying amount of other non-current assets is assessed annually to determine if there is any indication of impairment. If an indication exists the recoverable amount of the asset is estimated. The recoverable amount is the higher of the fair value of the asset less costs to sell and its value in use. Value in use is estimated as the present value of the future cash flows expected to be derived from the asset or the cash-generating unit that the asset is a part of. An impairment loss is recognised when the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount of the asset or the recoverable amount of the asset's cash-generating unit. Impairment losses are recognised in the income statement. Impairment of goodwill is recognised as a separate item in the income statement. Impairment losses recognised in prior periods for goodwill are not reversed. Impairment losses for other assets are reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. Impairment losses are only reversed if the increased carrying amount of an asset attributable to a reversal of an impairment loss do not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

Inventories

Goods for resale are measured at cost based on weighted average prices. Goods for resale are measured at the lower of cost and net realisable value.

The cost of goods for resale comprises the purchase price and other costs directly attributable to the acquisition of the goods.

The net realisable value for inventories are calculated as the estimated selling price less the estimated costs to be incurred to make the sale and are determined considering marketability, obsolescence and the development in the expected sales price.

Receivables

Receivables are valued at amortised cost. Write-downs to meet losses are made.

Equity Dividends. Dividends are recognised as a liability in the period in which they are declared. Proposed dividends are recognised as a separate item under equity.

Equity Reserve for exchange rate adjustments. Reserve for exchange rate adjustments in the annual report for the group comprises exchange rate adjustments due to conversion of the annual reports for foreign entities from their functional currencies to the presentation currency (EURO) of the Dangaard Telecom group.

If the net investments are realised in full or in part the exchange rate adjustments are recognised in the income statement.

Annex

C-(1)

Table of Contents

Dangaard Telecom A/S

Pension commitments

The Dangaard Telecom Group has entered into pension schemes and similar agreements with the majority of the employees of the Dangaard Telecom Group.

Commitments concerning defined contribution plans are funded through payments of periodical premiums to third-party pension funds and recognised in the income statement in the periods where the amounts are contributed and due payments are recognised in the balance sheet under other liabilities.

For defined benefit plans a yearly actuarial valuation (Projected Unit Credit-method) of the present value of the future contributions to be paid out according to the pension schemes are performed. The present value is calculated on the basis of assumptions concerning the future development in e.g. salary levels, interests, inflation and mortality. The present value is calculated only for those services the employees have rendered through their previous employment in the Group. The actuarial calculated present value less the fair value of assets associated with the pension scheme are recognised in the balance sheet under other liabilities.

In the income statement the pension costs of the year are recognised based on actuarial estimates and financial expectations at the beginning of the year. Differences between the expected development of plan assets and liabilities and the realised values estimated at year-end are described as actuarial gains or losses and are recognised directly in equity.

In case of a change in contributions concerning the previous employment of employees in the company a change in the actuarial estimated present value appears which are described as a historic cost. Historic costs are recognised in the income statement immediately if the employees already have obtained the right to the changed contribution. If not they are recognised in the income statement over the period in which the employees obtain the right to the changed contribution.

If a pension plan net is an asset the asset will be recognised to the extent it equals future repayments from the plan or it will lead to reduced future payments to the plan.

Income tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet at the computed tax on the taxable income for the year adjusted for tax of taxable income concerning previous years and taxes paid on account.

Deferred tax is accounted for using the balance sheet liability method on all temporary differences between carrying amount and tax value of assets and liabilities. However, Dangaard Telecom A/S does not recognise deferred tax relating to temporary differences on items not deductible for tax purposes and where the temporary differences except for business combinations occurred at the date of acquisition with no effect on profit or taxable income. Where different tax rules can be applied in computing the taxable value deferred tax is measured according to the Executive and Supervisory Boards planned use of the asset or settlement of the liability.

Deferred tax assets including the taxable value of tax losses carried forward are recognised as a non-current asset at their expected realisable values; either as a setoff against tax on future income or as a setoff against deferred tax liabilities under the same legal tax unit and jurisdiction.

Regulation of deferred tax concerning eliminations of unrealised intra-group profit and loss is made.

Deferred tax is recognised according to the tax rules and tax rates applicable at the balance sheet date when the deferred tax is expected to result in current tax. Changes in deferred tax due to changes in tax rates are recognised in the income statement.

Annex C-(1)

Table of Contents

Dangaard Telecom A/S

Provisions

Provisions comprise mainly warranties.

Provisions are recognised when the Group as a result of a past event has a legal or constructive obligation, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at the Executive and Supervisory Boards' best estimate of the amount at which the obligation is expected to be settled.

At measurement of provisions costs necessary to settle the liability are discounted if this have a significant effect on the measurement of the liability. A pre-tax discount rate that reflects the general interest level and the concrete risks related to the provision is applied. The change in net present values is recognised as a financial expense.

Warranties are recognised concurrently with the sale of goods and services based on paid warranties in previous years.

Financial liabilities

Bank loans are recognised when obtaining a loan at the received proceeds adjusted for incurred transaction costs. In subsequent periods financial liabilities are measured at amortised cost by use of the effective rate of interest method in order for the difference between the proceeds and the nominal value to be recognised in the income statement under financial expenses over the loan period.

Other liabilities are measured at amortised cost.

Non-current assets held for sale

Non-current assets held for sale comprise non-current assets and disposal groups as held for sale. Disposal groups are a group of assets to be disposed of, by sale or otherwise, together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction. Assets are classified as held for sale when their carrying amounts primarily will be recovered through sale within 12 months according to a formal plan of sale and not through continued use.

Non-current assets or disposal groups classified as held for sale are measured at the lower of its carrying amount at the time of classification as held for sale and fair value less costs to sell. No depreciations and amortisations are provided for from the time the assets are classified as held for sale.

Impairment losses occurring at the first classification as held for sale and profit or loss at the subsequent measurement at the lower of the carrying amount or fair value less costs to sell are presented in the income statement under the items they concern. Profit and loss are disclosed in the notes.

Assets and liabilities directly associated with those assets are recognised in separate items in the balance sheet and main items are specified in the notes.

Presentation of discontinued operations

Discontinued operations comprise a component of an entity which operations and cash flows can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity and where the component of the entity either has been disposed of, or is classified as held for sale, and the sale is expected

Annex C-(1)

Table of Contents

Dangaard Telecom A/S

to be realised within twelve months according to a formal plan of sale. Furthermore discontinued operations comprise entities classified as held for sale in connection with the acquisition.

Profit or loss after tax concerning discontinued operations and value adjustments after tax of related assets and liabilities and profit or loss from sales are presented as a separate item in the income statement with comparative figures. Revenue, cost of goods, value adjustments and tax for the discontinued operations are disclosed in the notes. Accordingly assets and liabilities directly associated with those assets are presented as separate items in the balance sheet without modification of the comparative figures according to the section Non-current assets held for sale and the main items are specified in the notes.

Cash flows from operating, investing and financing activities concerning the discontinued operations are disclosed in the notes.

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the changes in cash and cash equivalents during the year and the Group's cash and cash equivalents at the beginning and end of the year.

Cash generated on acquisition and disposal of enterprises is shown separately under cash flows from investing activities. Cash flows from acquisitions of entities are recognised in the cash flow statement at the date of acquisition. Cash flows from disposals of entities are recognised up to the date of disposal.

Cash flows from operating activities are presented indirectly as profit or loss before tax adjusted for non-cash operating items, changes to the working capital, net interest expenses paid, dividends received, and income tax paid. Cash flows from investing activities include payments in connection with acquisitions and disposals of entities and activities as well as acquisitions and disposals of intangible, tangible and other non-current assets and bought and sold securities not recognised as cash and cash equivalents.

Cash flows from financing activities include changes in the size or composition of the share capital and costs associated with such changes, raising and repayment of mortgage loans and other long-term and short-term bank loans and payment of dividends to shareholders.

Cash and cash equivalents include cash at bank and in hand and securities with maturity of three months or less and, no restrictions when transferred into cash and which are only subject to an insignificant risk of changes in value.

Annex C-(1)

Table of Contents

Dangaard Telecom A/S

INCOME STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER

EUR million	Note	Consolidated Income Statement		
		2005/06	2004/05	2003/04
Revenue	(3)	1,715.2	1,550.4	1,265.2
Cost of goods		-1,586.0	-1,445.1	-1,174.0
Gross profit		129.2	105.3	91.2
Other external charges	(4)	-26.5	-22.6	-21.4
Staff costs	(5)	-54.7	-47.9	-42.1
Amortisation and depreciation	(6)	-3.9	-2.8	-5.2
Operating profit		44.1	32.0	22.5
Profit from disposal of subsidiaries			0	0.1
Profit from other securities			0	2.6
Interest income and similar items	(7)	1.3	0.8	1.0
Interest expenses and similar items	(8)	-9.4	-6.5	-5.6
Profit before tax		36.0	26.3	20.6
Tax on ordinary activities from continuing operations	(9)	-13.2	-8.8	-8.0
Profit from continuing operations		22.8	17.5	12.6
Profit from discontinued operations	(2)	0	1.7	-8.9
Profit for the period		22.8	19.2	3.7
Minority interests		-4.8	-4.3	-4.3
Dangaard Telecom A/S's share of profit for the period		18.0	14.9	-0.6

Annex C-(1)

Table of Contents

Dangaard Telecom A/S

BALANCE SHEET AS AT 30 SEPTEMBER

EUR million	Note	Consolidated	
		2006	2005
Assets			
Non-current assets			
Intangible assets			
	(10)		
Goodwill		31.1	31.6
Software under implementation		1.4	0
Software		0.8	1.0
		33.3	32.6
Property, plant and equipment			
	(11)		
Leasehold improvement and equipment		4.1	4.7
		4.1	4.7
Investments			
Other securities	(12)	0.4	0.2
Deposits	(13)	0.5	0.3
Deferred tax	(14)	5.4	7.4
		6.3	7.9
Total non-current assets		43.7	45.2
Current assets			
Inventories			
Goods for resale	(15)	126.6	91.7
		126.6	91.7
Receivables			
Trade receivables	(16)	150.5	135.4
Factoring receivables		18.0	18.0
Amounts owed by associates		0	2.4
Income tax receivable		0.6	0.6
Other receivables		7.0	12.1
Prepayments		1.4	1.3
		177.5	169.8
Cash and cash equivalents		1.4	3.5
Total current assets		305.5	265.0

Total assets	349.2	310.2
Annex C-(1)		16

Table of Contents

Dangaard Telecom A/S

BALANCE SHEET AS AT 30 SEPTEMBER

EUR million	Note	Consolidated	
		2006	2005
Equity			
Share capital	(17)	13.7	13.7
Hedging reserve		0	-0.2
Reserve for exchange rate adjustments		-0.3	0
Retained earnings		19.5	31.5
Total equity attributable to equity holders of the company		32.9	45.0
Minority interests		5.0	10.1
Total equity		37.9	55.1
Liabilities			
Non-current liabilities			
Bank loans	(20)	76.9	0
Loan shareholders		3.8	68.2
Deferred tax	(18)	0.5	0.2
Warranties	(19)	0.4	1.0
Total non-current liabilities		81.6	69.4
Current liabilities			
Bank loans	(20)	86.5	45.2
Trade payables		93.8	65.4
Factoring payables		18.0	18.0
Amounts owed to associates		0	14.5
Income tax		6.8	11.1
Other liabilities		21.5	29.3
Deferred income		0.7	1.3
Warranties	(19)	2.4	0.9
Total current liabilities		229.7	185.7
Total liabilities		311.3	255.1
Total equity and liabilities		349.2	310.2
Group entities	(26)		
Pension commitments	(27)		
Incentive schemes	(28)		

Financial instruments	(29)
Related parties	(30)
Contingent liabilities and securities	(31)
Government grants	(32)
Reconciliation to United States Generally Accepted Accounting Policies (US GAAP)	(33)
Employee incentive plan	(34)
Correction of errors	(35)
New accounting regulation	(36)
Members of The Executive and Supervisory Boards	(37)
Annex C-(1)	

Table of Contents

Dangaard Telecom A/S

CHANGE IN EQUITY

Reconciliation of movement in equity

EUR million	Consolidated The shareholders of Dangaard Telecom A/S						Total
	Share capital	Hedging reserve	Reserve for exchange rate adjustments	Retained earnings	Minority interests		
Balance at 1 October 2004	13.7	-0.5	-0.3	16.6	29.5	9.0	38.5
Changes in equity for 2004/05:							
Foreign exchange adjustments in subsidiaries	0	0	0.3	0	0.3	0.4	0.7
Contributions	0	0	0	0	0	0.2	0.2
Hedging reserve, year-end	0	-0.2	0	0	-0.2	0	-0.2
Hedging reserve, beginning of the year	0	0.5	0	0	0.5	0	0.5
Net income recognised directly in equity	0	0.3	0.3	0	0.6	0.6	1.2
Profit for the period	0	0	0	14.9	14.9	4.3	19.2
Total recognised income and expense for the period	0	0.3	0.3	14.9	15.5	4.9	20.4
Dividends to shareholders	0	0	0	0	0	-3.8	-3.8
Changes in equity for 2004/05 in total	0	0.3	0.3	14.9	15.5	1.1	16.6
Balance at 30 September 2005	13.7	-0.2	0	31.5	45.0	10.1	55.1
Balance at 1 October 2005	13.7	-0.2	0	31.5	45.0	10.1	55.1
Changes in equity for 2005/06:							
	0	0	-0.3	0	-0.3	-0.3	-0.6

Foreign exchange adjustments in subsidiaries							
Disposals	0	0	0	0	0	-5.4	-5.4
Hedging reserve, year-end	0	0	0	0	0	0	0
Hedging reserve, beginning of the year	0	0.2	0	0	0.2	0	0.2
Net income recognised directly in equity	0	0.2	-0.3	0	-0.1	-5.7	-5.8
Profit for the period	0	0	0	18.0	18.0	4.8	22.8
Total recognised income and expense for period	0	0.2	-0.3	18.0	17.9	-0.9	17.0
Dividends to shareholders	0	0	0	-30.0	-30.0	-4.2	-34.2
Changes in equity for 2005/06 in total	0	0.2	-0.3	-12.0	-12.1	-5.1	-17.2
Balance at 30 September 2006	13.7	0	-0.3	19.5	32.9	5.0	37.9

Annex C-(1)

18

Table of Contents

Dangaard Telecom A/S

CASH FLOW STATEMENT

EUR million	Note	2005/06	Consolidated 2004/05	2003/04
Net cash flows from primary activities before changes in working capital	(21)	47.4	37.7	23.7
Changes in working capital	(22)	-36.5	6.3	-17.5
Cash flows from primary activities		10.9	44.0	6.2
Interest income and similar items		1.3	0.8	1.0
Interest expense and similar items		-9.4	-6.5	-5.6
Cash flows from ordinary activities		2.8	38.3	1.6
Income tax paid	(23)	-15.3	-4.9	-0.2
Cash flows from operating activities		-12.5	33.4	1.4
Acquisition of intangible assets		-2.1	-0.1	-0.4
Acquisition of property, plant and equipment		-3.3	-2.7	-2.8
Acquisition of subsidiaries and activities	(24)	-4.8	0	-2.2
Acquisition of deposits		-0.2	0	0
Acquisition of other securities		-0.2	0	-1.2
Disposal of deposits		0	0.4	-0.5
Disposal of property, plant and equipment		0.9	1.3	1.2
Disposal of subsidiaries and activities	(25)	0	4.6	0
Disposal of other securities		0.1	0.3	4.6
Cash flows from investing activities		-9.6	3.8	-1.3
External financing:				
Change in bank loans		118.4	-32.3	-4.1
Dividend received		0.1	0	0
Shareholders:				
Loan shareholders		-64.4	0.8	9.5
Dividend paid		-34.1	-4.1	-10.3
Cash flows from financing activities		20.0	-35.6	-4.9
Net cash flows from operating, investing and financing activities		-2.1	1.6	-4.8

Cash and cash equivalents at the beginning of the year	3.5	1.9	6.7
Cash and cash equivalents at year-end	1.4	3.5	1.9
Annex C-(1)			19

Table of Contents

Dangaard Telecom A/S

NOTES

(1) Use of estimates and judgments

Estimation uncertainty and critical judgments

The estimation of the carrying amount of some assets and liabilities requires management to make judgments, estimates and assumptions concerning future events.

The estimates and judgments made are based on historic data and other factors that management estimates to be reasonable. These estimates and judgments are naturally uncertain and unpredictable. The assumptions can be incomplete or inaccurate and unexpected events or circumstances can occur. Furthermore the group is exposed to risks and uncertainties that can lead to that the actual financial outcomes deviates from the judgments made. Specific risks concerning the Dangaard Telecom Group are mentioned below.

It can be necessary to change previously made judgments due to changes in the circumstances underlying the previously made judgments or due to new knowledge or subsequent events.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are depreciations, amortisations and write-downs, provisions and contingencies.

Impairment test of goodwill

In connection to the yearly impairment test of goodwill estimates of how the elements of the company (cash-generating units) that goodwill relates to will be capable of generating sufficient positive net cash flows in the future to support the value of goodwill and other net assets in the relevant part of the company.

Due to the character of the business estimates are made concerning expected future cash flows which naturally implies some uncertainty. The uncertainty is reflected in the chosen capitalization rate.

The impairment test and most sensitive factors inherent in this test are further described in note 10.

Risks

Business-related risks

The most significant business-related risks of the Group relate to the ability to be strongly and widely positioned in the markets where the Group is represented and where the other players of the value chain are represented. The business is designed to interact with players in a market structure. The organisation is in close contact with stakeholders in the individual markets with a view to being able to monitor developments and adjust activities to any changes in the market conditions.

Moreover product technologies are subject to continuous development. Over time, new trends may change the need for Dangaard Telecom A/S products and services. We monitor these trends in all product areas.

Table of Contents

Dangaard Telecom A/S

NOTES

At Dangaard Telecom A/S, our innovation capabilities are secured and enhanced through close contact with the other stakeholders through a systematic approach to screening of market needs, idea generation and development of products and services.

Financial risks and risk management

Dangaard Telecom has centralised the financial risk management of the Group. The general objectives and principles of the financial risk management of the Group are stated in the financial policy of the Group. The financial policy has been approved by the Executive and Supervisory Boards.

The financial policy comprises the adopted policies of currency and interest rate management and a description of permitted financial instruments and limits of risk exposure. Control of exposure to credit risk is described in the adopted credit policy.

The Group does not incur risk from speculative financial positions and consequently only uses financial instruments when commercial risks are hedged.

Control of currency risk. Dangaard Telecom's international operations imply that profit or loss, cash flows and equity are affected by fluctuations in foreign exchange rates. Currency risk constitutes a material financial risk for the Group and could have a significant influence on profit or loss and the balance sheet.

The majority of Group revenues are realised in the domestic currencies of the different Group companies, primarily EUR and to a smaller extent DKK, NOK, SEK and CHF. The major part of purchases made by the Group takes place in EUR and USD. The Group realised an increased cash flow of USD in 2005/06 compared to 2004/05. This development is expected to continue further, implying that Group profit or loss and the balance sheet in coming years will be influenced even more by a number of financial risks.

The primary currency risk exposure of the Group is in USD. The currency risk concerning EUR/DKK is considered low due to the Danish fixed exchange rate policy in relation to EUR and is therefore not hedged.

The overall objective of controlling the currency risk is to reduce the negative implications of the currency risk on profit or loss and cash flows in the short term in order to increase predictability of the financial result.

The Group hedges the existing assets and liabilities in the most significant currencies as well as purchase and sales orders entered into. Hedging primarily takes place via foreign exchange forward contracts matching the due dates of the commercial positions hedged.

The currency risks are minimised by balancing revenue and expenses as well as assets and liabilities (including sales and purchase orders). The Group's exposure to currency risk is as a result of this only of a commercial character and the Group does not obtain loans or make investments of excess liquidity in foreign currencies unless this will reduce the overall Group exposure to currency risk. Forward foreign exchange contracts and currency options are used to control the currency risk.

Currency risks related to investments in subsidiaries are considered long-term investments and therefore not covered.

Table of Contents

Dangaard Telecom A/S

NOTES

Control of interest rate risk. Fluctuations in interest rate levels affect profit or loss and the balance sheet of the Group. The Group is primarily exposed to interest rate risk through interest-bearing liabilities.

The overall objective of controlling the interest rate risk is to reduce the negative implications of interest rate fluctuations on profit or loss and the balance sheet with due consideration to expectations of future interest rates, interest rate baskets etc. Hedging is normally carried out by converting floating interest rates to fixed interest rates.

Control of liquidity risk. Cash and cash equivalents at 30 September 2006 amounted to EUR 1.4 million compared to EUR 3.5 million at 30 September 2005. Besides cash and cash equivalents, Dangaard Telecom had unutilized credit facilities amounting to EUR 116.2 million compared to EUR 121.7 million at 30 September 2005.

Control of credit risk. The credit risk is defined as the risk of realising losses if the counterpart of an agreement is not able to fulfil the contractual obligations. The credit risks of the Group are primarily related to trade receivables and minimised through group policy of insuring trade receivables.

Losses on receivables concerning individual customers and other collaboration partners have been low.

(2) Key figures concerning discontinued operations

Dangaard Telecom A/S reached per 30 June 2005 an agreement with arvato logistics services AG concerning the sale of the shares in the Teleservice Group.

No discontinued operations in 2005/06.

EUR million	2005/06	Consolidated 2004/05	2003/04
Revenue	0	45.7	49.2
Cost of goods	0	-23.9	-26.5
Other costs	0	-20.8	-35.6
Profit before tax	0	1.0	-12.9
Tax on ordinary activities	0	-0.3	4.0
Profit for the year after tax	0	0.7	-8.9
Profit from disposal of the shares in the Teleservice Group	0	1.0	0
Profit for the period	0	1.7	-8.9
Cash flows from operating activities	0	-2.8	-2.4
Cash flows from investing activities	0	10.5	4.5
Cash flows from financing activities	0	-8.3	-2.3

Net cash flows from operating, investing and financing activities	0	-0.6	-0.2
Annex C-(1)			22

Table of Contents

Dangaard Telecom A/S

NOTES

EUR million	2005/06	Consolidated 2004/05	2003/04
(3) Revenue			
Sale of goods	1,597.4	1,478.8	1,196.8
Sale of services	117.8	71.6	68.4
	1,715.2	1,550.4	1,265.2
(4) Auditors remuneration			
Total remuneration for auditors appointed at the general meetings:			
KPMG	0.5	0.6	0.4
Others	0.3	0.3	0.3
	0.8	0.9	0.7
Here of for audit:			
KPMG	0.4	0.4	0.3
Others	0.1	0.3	0.2
	0.5	0.7	0.5
(5) Staff costs			
Average number of employees	978	946	888
Total payroll costs:			
Wages and salaries	44.4	41.0	36.1
Pensions	3.3	2.0	1.5
Other social security costs	4.3	3.2	3.0
Other costs	2.7	1.7	1.5
	54.7	47.9	42.1

See note 34 for disclosures concerning the employee incentive plan.

Table of Contents

Dangaard Telecom A/s

NOTES

Remuneration for the parent company's Supervisory Board, Executive Board and other members of the managing staff:

Consolidated 2003/04

	Supervisory Board of the parent company	Executive Board of the parent company	Other members of the managing staff
Wages and salaries	0	0.9	2.7
Bonus	0	0	0.4
Pensions	0	0.1	0.1
	0	1.0	3.2

Consolidated 2004/05

	Supervisory Board of the parent company	Executive Board of the parent company	Other members of the managing staff
Wages and salaries	0	0.8	2.9
Bonus	0	1.0	0.2
Pensions	0	0.1	0.1
	0	1.9	3.2

Consolidated 2005/06

	Supervisory Board of the parent company	Executive Board of the parent company	Other members of the managing staff
Wages and salaries	0	0.8	3.8
Bonus	0	3.3	1.0
Pensions	0	0.1	0.3
	0	4.2	5.1

Annex C-(1)

24

Table of Contents

Dangaard Telecom A/S

NOTES

EUR million	2005/06	Consolidated 2004/05	2003/04
(6) Amortisation and depreciation			
Amortisation on goodwill	0	0	2.3
Amortisation on software	0.9	0.9	0.9
Depreciation on property, plant and equipment	2.6	1.9	1.9
Loss on sale of property, plant and equipment	0.4	0	0.1
	3.9	2.8	5.2
(7) Interest income and similar items			
Interest income from banks and investments	0.3	0.1	0.4
Interest trade receivables	0.4	0.1	0.2
Exchange rate gain	0	0.4	0.2
Cash discounts	0	0	0.1
Others	0.6	0.2	0.1
	1.3	0.8	1.0
(8) Interest expenses and similar items			
Interest expense to banks and Investments	6.0	4.0	3.4
Interest loans shareholders	1.8	1.3	1.6
Interest trade payables	0.2	0.4	0
Exchange rate loss	1.2	0.4	0.6
Others	0.2	0.4	0
	9.4	6.5	5.6

Annex C-(1)

25

Table of Contents

Dangaard Telecom A/S

NOTES

EUR million	2005/06	Consolidated 2004/05	2003/04
(9) Tax on ordinary activities from continuing operations			
Estimated tax payable for the year	9.9	8.5	8.9
Adjustment regarding previous years	0.7	0.6	-0.4
Deferred tax for the year	0.3	-0.1	-0.2
Deferred tax assets for the year	2.0	-0.2	-0.3
Withholding tax	0.3	0	0
	13.2	8.8	8.0
Reconciliation of tax rate			
Danish tax rate	28.0%	28.0%	30.0%
Non-deductible amortisation/ write-down on goodwill	0%	0%	14.1%
Tax deviation in non-Danish subsidiaries compared to 28%	5.8%	6.2%	-2.7%
No income liable to taxation and non- deductible expenses	2.1%	-1.2%	-0.2%
Adjustment regarding tax previous years	0.6%	0.7%	-0.6%
Others	0.2%	-0.2%	-1.8%
Effective tax rate	36.7%	33.5%	38.8%

Annex C-(1)

26

Table of Contents

Dangaard Telecom A/S

NOTES

EUR million	Goodwill	Software	Consolidated Software under implemen- tation	Total
Cost at 1 October 2004	47.6	4.7	0	52.3
Cost at 1 October 2004 assets sold	-6.3	0	0	-6.3
Foreign exchange adjustment of opening value	0	0	0	0
Additions during the year	0	0.1	0	0.1
Disposals during the year	0	-0.5	0	-0.5
Cost at 30 September 2005	41.3	4.3	0	45.6
Amortisation at 1 October 2004	10.4	2.8	0	13.2
Amortisation at 1 October 2004 of assets sold	-0.7	0	0	-0.7
Foreign exchange adjustment of opening value	0	0	0	0
Amortisation of assets sold	0	-0.4	0	-0.4
Amortisation during the year	0	0.9	0	0.9
Amortisation at 30 September 2005	9.7	3.3	0	13.0
Write-down at 1 October 2004	5.6	0	0	5.6
Write-down of assets sold	-5.6	0	0	-5.6
Write-down at 30 September 2005	0	0	0	0
Carrying amount at 30 September 2005	31.6	1.0	0	32.6
Cost at 1 October 2005	41.3	4.3	0	45.6
Foreign exchange adjustment of opening value	0	0.1	0	0.1
Additions during the year	0	0.7	1.4	2.1
Additions through acquisitions	1.1	0	0	1.1
Disposals during the year	0	0	0	0
Disposals during the year due to business combinations	-1.6	0	0	-1.6
Cost at 30 September 2006	40.8	5.1	1.4	47.3

Edgar Filing: PUTNAM PREMIER INCOME TRUST - Form SC 13G/A

Amortisation at 1 October 2005	9.7	3.3	0	13.0
Foreign exchange adjustment of opening value	0	0.1	0	0.1
Amortisation during the year	0	0.9	0	0.9
Amortisation at 30 September 2006	9.7	4.3	0	14.0
Carrying amount at 30 September 2006	31.1	0.8	1.4	33.3

Annex C-(1)

27

Table of Contents

Dangaard Telecom A/S

NOTES

(10) Intangible assets

Goodwill

The Executive and Supervisory Boards have per 30 September 2006 assessed the carrying amount of goodwill to identify any indication of impairment.

The recoverable amount is estimated based on value in use applying estimated net cash flows according to budgets approved by the Executive and Supervisory Boards. Value in use is calculated using a weighted average cost of capital between 8.4% and 8.9% (after tax) dependent on the company and country for which the goodwill is tested. The weighted average cost of capital before tax is calculated at 9.5%.

The net profit ratio for the budget period is estimated according to the average net profit ratios realised in each country respectively.

The budgeted market share for the budget period is estimated based on the realised market share in 2005/06.

The weighted average growth rate applied in extrapolating the estimated future net cash flows for the years following 2008/09 are estimated at between 1% and 2% dependent on the specific conditions in the respective countries. The growth rates applied are not assessed to exceed the long-term average growth rates for the respective countries.

The Executive and Supervisory Boards assess that probable changes in the fundamental assumptions will not imply that the carrying amount of goodwill will exceed the recoverable amount.

Table of Contents

Dangaard Telecom A/S

NOTES

EUR million	Consolidated	
	2005/06	2004/05
(11) Property, plant and equipment		
Cost at 1 October	15.8	24.8
Foreign exchange adjustment of opening value	-0.3	0.3
Additions during the year	3.3	2.7
Disposals of discontinued business	0	-6.9
Disposals during the year	-3.5	-5.1
Cost at 30 September	15.3	15.8
Depreciation at 1 October	11.1	15.7
Foreign exchange adjustment of opening value	-0.1	0.1
Disposals of discontinued business	0	-2.8
Depreciation of assets sold	-2.4	-3.8
Depreciation during the year	2.6	1.9
Depreciation at 30 September	11.2	11.1
Carrying amount at 30 September	4.1	4.7
(12) Other securities		
Cost at 1 October	0.4	0.7
Foreign exchange adjustments	0	0
Additions during the year	0.2	0
Disposals during the year	-0.1	-0.3
Cost at 30 September	0.5	0.4
Revaluation at 1 October	-0.2	-0.2
Foreign exchange adjustments	0.1	0
Revaluation for the year	0	0
Revaluation at 30 September	-0.1	-0.2
Carrying amount at 30 September	0.4	0.2

(13) Deposits

Cost at 1 October	0.3	0.7
Foreign exchange adjustments	0	0
Additions during the year	0.2	0
Disposals during the year	0	-0.4

Cost at 30 September	0.5	0.3
----------------------	-----	-----

Carrying amount at 30 September	0.5	0.3
---------------------------------	-----	-----

Annex C-(1)		29
-------------	--	----

Table of Contents

Dangaard Telecom A/S

NOTES

EUR million	Consolidated	
	2005/06	2004/05
(14) Deferred tax		
Carrying amount at 1 October	7.4	8.4
Foreign exchange adjustments	0	-0.1
Disposals through business combinations	0	-1.0
Change in deferred tax recognised in the income statement	-2.0	0.1
Carrying amount at 30 September	5.4	7.4
Deferred tax comprise:		
Intangible assets	1.6	1.7
Property, plant and equipment	0.8	1.1
Current assets	0.1	0
Tax losses to be carried forward	2.9	4.6
	5.4	7.4
Deferred tax not recognised in the balance sheet		
Taxable losses	2.6	2.3
	2.6	2.3

EUR 2.6 million has not been recognised in the balance sheet as it is unlikely that the tax assets will be realised.

Annex C-(1)

30

Table of Contents

Dangaard Telecom A/S

NOTES

EUR million	Consolidated	
	2005/06	2004/05
(15) Inventories		
Goods for resale	126.6	91.7
(16) Trade receivables		
Trade receivables	157.1	141.9
Write-down	-6.6	-6.5
	150.5	135.4

For trade receivables with maturity within one year after 30 September 2006 the amortised cost is equivalent to fair value. No trade receivables have maturity later than one year after end of the financial year.

(17) Share capital

Issued at 1 October	13.7	13.7
Issued at 30 September fully paid	13.7	13.7

Specification of movements in share capital over the last 5 years:

EUR Million	2005/06	2004/05	2003/04	2002/03	2001/02
Share capital at 1 October	13.7	13.7	13.7	13.4	13.4
Capital increase	0	0	0	0.3	0
Share capital at 30 September	13.7	13.7	13.7	13.7	13.4

Annex C-(1)

31

Table of Contents

Dangaard Telecom A/S

NOTES**(17) Share capital (continued)**

The share capital comprises:

	Shares	No.	Nom. value of shares
teur	1,344.1	5	6.7
teur	672.0	8	5.3
teur	308.4	1	0.3
teur	274.3	1	0.3
teur	181.8	2	0.4
teur	137.1	1	0.1
teur	134.4	2	0.3
teur	69.9	1	0.1
teur	67.2	1	0.1
teur	64.5	1	0.1
teur	26.9	1	0
teur	24.2	1	0
teur	13.4	1	0
		26	13.7

No shares have special rights attached.

Dangaard Telecom A/S has no own shares per 30 September 2006.

The shares are issued in DKK and translated into EUR at the exchange rate at year end.

Dividends

The shareholders are entitled to receive dividends as declared by the general meeting.

The shareholders are entitled to vote according to their ownership at the general meetings

After the balance sheet date the following dividends were proposed by the Supervisory Board:

EUR million	Consolidated	
	2005/06	2004/05
Dividends per nominal 100 EUR qualifying ordinary share	0	0

Dangaard Telecom A/S has paid out dividend on account amounting to EUR 30.0 million (2004/05: EUR 0 million) to the shareholders.

Distribution of dividends to the shareholders of Dangaard Telecom A/S has no taxable influence on Dangaard Telecom A/S.

Table of Contents

Dangaard Telecom A/S

NOTES

EUR million	Consolidated	
	2005/06	2004/05
(18) Deferred tax		
Carrying amount at 1 October	0.2	0.2
Changes during the year in deferred tax	0.3	0
Carrying amount at 30 September	0.5	0.2
Deferred tax comprise:		
Inventory depreciation in foreign enterprises according to local tax rules	0.2	0.2
Other timing differences	0.3	0
	0.5	0.2
(19) Warranties		
Warranties 1 October	1.9	1.2
Provisions used during the year	-6.3	-5.8
Provisions made during the year	7.2	6.5
Warranties 30 September	2.8	1.9
Expected time of payment for warranties:		
12 months or less	2.4	0.9
1 - 5 years	0.4	1.0
More than 5 years	0	0
Warranties	2.8	1.9

The provision for warranties are primarily related to smartphones sold with ordinary guaranties. The warranties are estimated based on historic cost records.

Annex C-(1)

33

Table of Contents

Dangaard Telecom A/S

NOTES**(20) Bank loans**

The Group has the following bank loans with due dates within 1 year per 30 September 2006:

Loan	Fixed/floating rate	Effective rate of interest		Carrying amount million EUR		
		2005/06		2004/05		
		%		%		
EUR	Floating rate	3	4	3.5	65.6	39.1
DKK	Floating rate	3	4	3.5	3.3	1.5
SEK	Floating rate	2	3	2 3	2.0	1.4
NOK	Floating rate	3	4	3.5	3.1	2.7
USD	Floating rate	5	6	3 5	9.0	0.2
PLN	Floating rate	4.5		5.5	2.9	0
CHF	Floating rate	1.5		2.5	0.6	0.3
					86.5	45.2

Bank loans presented as non-current liabilities are in EUR and with a floating rate of 3-4% in 2005/06. No bank loans were presented as non-current liabilities in 2004/05.

The nominal value of the bank loans are considered equivalent to fair value.

The effective rates of interest are stated as per the balance sheet date.

Annex C-(1)

34

Table of Contents

Dangaard Telecom A/S

NOTES

EUR million	2005/06	Consolidated 2004/05	2003/04
(21) Net cash flows from primary activities before changes in working capital			
Operating profit	44.1	32.0	22.5
Profit on discontinued operations	0	2.2	-4.0
Adjustment for non-cash operating items, etc.:			
Amortisation and depreciation	3.5	2.8	5.1
Loss on disposal of fixed assets	0.4	0	0.1
Other cash flows	-0.6	0.7	0
	47.4	37.7	23.7
(22) Changes in working capital			
Change in inventories	-34.9	-18.2	-3.5
Change in receivables	-7.7	-8.3	-24.1
Change in trade and other payables	6.1	32.8	10.1
	-36.5	6.3	-17.5
(23) Income tax paid			
Carrying amount at 1 October 2005, net	10.5	7.4	-0.3
Foreign exchange adjustment, beginning of the year	0.4	-0.1	0
Tax on taxable income for the year	9.9	8.5	8.2
Additions through business combinations	0	-0.3	0.1
Adjustment re. previous years	0.7	-0.1	-0.4
Income tax paid during the year	-15.3	-4.9	-0.2
Carrying amount at 30 September 2006, net	6.2	10.5	7.4

Annex C-(1)

35

Table of Contents

Dangaard Telecom A/S

NOTES

EUR million	2005/06	Consolidated 2004/05	2003/04
(24) Acquisition of subsidiaries and activities			
Property, plant and equipment	0	0	0.1
Inventories	0	0	0.7
Receivables	0	0	1.5
Bank loans	0	0	-0.1
Deferred tax	0	0	0.6
Trade payables	0	0	0
Other liabilities	0	0	-2.9
Non-capital contribution	0	0	-0.1
Goodwill	1.2	0	1.9
Recognised negative goodwill	-1.7	0	0
Consideration paid	-0.5	0	1.7
Minority interests	5.3	0	0.5
Cash net outflow	4.8	0	2.2
(25) Disposal of subsidiaries and activities			
Intangible assets	0	-0.1	0
Property, plant and equipment	0	-2.5	0
Deposits	0	-0.1	0
Deferred tax	0	-1.0	0
Inventories	0	-1.0	0
Receivables	0	-5.0	0
Cash and cash equivalents	0	-1.5	0
Bank loans	0	1.0	0
Trade payables	0	1.2	0
Income tax	0	0.1	0
Other liabilities	0	5.5	0
Goodwill	0	-1.2	0
Consideration received	0	-4.6	0
Cash and cash equivalents	0	0	0
Cash net inflow	0	-4.6	0

Table of Contents

Dangaard Telecom A/S

NOTES**(26) Group entities**

The significant group entities are:

EUR million	Ownership 2005/06	Ownership 2004/05
Dangaard Telecom Denmark A/S, Denmark	100%	100%
3G Logistics A/S, Denmark	100%	100%
Dangaard Telecom Switzerland SA, Switzerland	100%	100%
Dangaard Telecom International GmbH, Switzerland	100%	100%
Dangaard Telecom Einkauf GmbH, Germany	100%	100%
Dangaard Telecom Sweden AB, Sweden	100%	100%
Dangaard Telecom Logistic A/S, Denmark	100%	100%
Shop4all Sverige AB, Sweden	100%	100%
Dangaard Telecom Norway AS, Norway *	57%(100%)	57%
Dangaard Telecom International A/S, Denmark	100%	100%
Dangaard Telecom Administration A/S, Denmark	100%	100%
Dangaard Telecom Netherlands B.V., Netherlands	100%	100%
Dangaard Telecom Germany GmbH, Germany	100%	100%
Dangaard Telecom Belgium N.V., Belgium	100%	100%
Dangaard Telecom Smart Phone A/S, Denmark	100%	100%
Dangaard Eltron Italy Holding S.r.l., Italy	100%	100%
Dangaard Telecom Italy S.r.l., Italy	100%	100%
Dangaard Telecom Holding Spain S.L., Spain	100%	100%
Grupo Busc Person Telecomunicaciones S.L., Spain	100%	80%
Dangaard Telecom France SAS, France	100%	100%
Dangaard Telecom Portugal S.A., Portugal	100%	76%
Talkphone Lda, Portugal	100%	76%
Dangaard Telecom Poland Sp. z o.o.	100%	100%
Dangaard Telecom FZE, Dubai	100%	100%
Dangaard Telecom Austria GmbH	100%	100%

* Dangaard Telecom A/S has per 18 November 2006 acquired the remaining 43% of the shares in Dangaard Telecom Norway AS.

(27) Pension commitments

Most of the Dangaard Telecom Group's employees are covered by pension plans, which are paid in whole or in part by the Dangaard Telecom Group's companies. The plans vary according to the statutory rules, tax regulations and economic conditions of the countries in which the employees work, and they comprise both

defined benefit plans and defined contribution plans.

All material pension plans are funded through payments of annual premiums to third-party insurance companies, which assume the pension liability. In such cases, the Dangaard Telecom Group has no pension obligations to the employees when they leave the Group. These plans are called defined contribution pension plans. Pension contributions for such plans are recognised in the income statement when made.

Annex C-(1)

37

Table of Contents

Dangaard Telecom A/S

NOTES

For unfunded or partially funded defined benefit pension plans, where the Group has the actuarial and investment risk, the net liability is determined on an actuarial basis.

(28) Incentive schemes

The group has introduced bonus schemes for certain groups of employees in the Group companies typically employees in customer-oriented functions.

The Executive Board has bonus schemes related to the annual result and the size of the working capital of the Group.

See also information in note 34.

(29) Financial instruments

In order to hedge recognised transactions the group applies hedging instruments as foreign exchange forward contracts and currency and interest rate swaps.

For a description of financial risks and currency, interest and credit risk as well as group policies regarding these issues see information in Note 1.

Currency risk

The Group has entered into a number of financial contracts to reduce currency risk. The financial contracts entered into are foreign exchange forward contracts and currency swaps.

Financial assets and liabilities in foreign currency and derivative financial instruments in foreign currencies can be specified as follows:

Annex C-(1)

38

Table of Contents

Dangaard Telecom A/S

NOTES**Currency risk and use of derivative financial instruments at 30 September 2006:****Consolidated****Financial assets and liabilities**

EUR million

				Primary	Derivative		
	Currency	Payment/ expiry date	Financial assets	Financial liabilities	instruments, net	financial instruments in foreign currency	Net position
EUR		< 1 year	118.5	147.6	-29.1	0	-29.1
		1-5 years	0	41.9	-41.9	0	-41.9
		> 5 years	0	35.0	-35.0	0	-35.0
Total			118.5	224.5	-106.0	0	-106.0
NOK		< 1 year	18.3	9.5	8.8	0	8.8
		1-5 years	0	3.8	-3.8	0	-3.8
Total			18.3	13.3	5.0	0	5.0
DKK		< 1 year	12.2	26.0	-13.8	0	-13.8
SEK		< 1 year	7.1	4.3	2.8	0	2.8
CHF		< 1 year	2.3	1.0	1.3	0	1.3
USD		< 1 year	0	16.7	-16.7	7.3	-9.4
PLN		< 1 year	2.0	3.5	-1.5	0	-1.5
Total			160.4	289.3	-128.9	7.3	-121.6

Annex C-(1)

39

Table of Contents

Dangaard Telecom A/S

NOTES

**Currency risk and use of derivative financial instruments at 30 September 2005:
Consolidated
Financial assets and liabilities**

EUR million

				Primary	Derivative	
	Payment/	Financial	Financial	instruments,	financial	
Currency	expiry date	assets	liabilities	net	instruments	Net
					in	position
					foreign	
EUR	< 1 year	104.4	125.9	-21.5	0	-21.5
	1-5 years	0	65.8	-65.8	0	-65.8
Total		104.4	191.7	-87.3	0	-87.3
NOK	< 1 year	23.5	11.9	11.6	0	11.6
	1-5 years	0	2.3	-2.3	0	-2.3
Total		23.5	14.2	9.3	0	9.3
DKK	< 1 year	16.8	22.4	-5.6	0	-5.6
SEK	< 1 year	5.8	3.9	1.9	0	1.9
CHF	< 1 year	3.3	1.3	2.0	0	2.0
USD	< 1 year	0.1	0.1	0	0	0
Other	< 1 year	0.1	0.1	0	0	0
Total		154.0	233.7	-79.7	0	-79.7

At 30 September 2006 unrealised net profits from derivative financial instruments used to fair value hedges recognised in profit or loss amount to EUR 0 million (2004/05: EUR 0 million).

Annex C-(1)

40

Table of Contents

Dangaard Telecom A/S

NOTES**(29) Financial instruments (continued)****Cash flow hedges**

Cash flow hedges not settled at the balance sheet date at group level applied for and meeting the conditions of being a hedging instrument concerning future cash flows are the following:

USD	2005/06	2004/05
Notional principal amount	0.6	0.4
Fair value	0.6	0.4
Exchange gains or losses recognised in equity	0	0
Term to maturity (months)	0 - 1	0 - 1

Exchange gains or losses recognised in equity concerning hedging transactions are recognised in other receivables or other liabilities.

Forward foreign exchange contracts concerning hedge of future cash flows are due to purchase of goods according to group policy.

Currency hedging contracts not meeting the conditions of being a cash flow hedge can be specified as follows:

CHF	2005/06	2004/05
Notional principal amount	0	1.9
Fair value	0	1.9
Term to maturity (months)	0	0 - 1

Except for derivative financial instruments incurred to hedge fair values and financial instruments not meeting the conditions for being a hedging instrument no changes in fair values concerning unquoted financial assets or liabilities are recognised in profit or loss.

Annex C-(1)

41

Table of Contents

Dangaard Telecom A/S

NOTES**(29) Financial instruments (continued)****Interest rate risk**

To the financial assets and liabilities of the Group the following contractual repricing or maturity dates, whichever dates are earlier, can the following be stated:

	Repricing/maturity dates			Total	Hereof on a fixed rate basis	Effective rate of interest
	12 months or less	1 - 5 years	More than 5 years			
2005/06						
EUR million						
Financial assets						
Other securities	0.4	0	0	0.4	0	
Deposits	0.5	0	0	0.5	0	
Trade receivables	150.5	0	0	150.5	0	
Income tax receivable	0.6	0	0	0.6	0	
Other receivables	7.0	0	0	7.0	0	
Cash and cash equivalents	1.4	0	0	1.4	0	0
Interest rate swaps	0	0	0	0	0	3
Financial assets Total	160.4	0	0	160.4	0	
Financial liabilities						
Loan shareholders	0	3.8	0	3.8	0	3
Bank loans	86.5	41.9	35.0	163.4	0	5
Trade payables	93.8	0	0	93.8	0	1.5
Income tax	6.8	0	0	6.8	0	
Other liabilities	21.5	0	0	21.5	0	
Interest rate swaps	0	0	0	0	0	6
Financial liabilities Total	208.6	45.7	35.0	289.3	0	

Annex C-(1)

42

Table of Contents

Dangaard Telecom A/S

NOTES**(29) Financial instruments (continued)**

2004/05	Repricing/maturity dates			Total	Hereof on a fixed rate basis	Effective rate of interest
	12 months or less	1 - 5 years	More than 5 years			
EUR million						
Financial assets						
Other securities	0.2	0	0	0.2	0	
Deposits	0.3	0	0	0.3	0	
Trade receivables	135.4	0	0	135.4	0	
Amounts owed by associates	2.4	0	0	2.4	0	
Income tax receivable	0.6	0	0	0.6	0	
Other receivables	11.6	0	0	11.6	0	
Cash and cash equivalents	3.5	0	0	3.5	0	0-3
Interest rate swaps	0	0	0	0	0	
Financial assets Total	154.0	0	0	154.0	0	
Financial liabilities						
Loan shareholders	0	68.2	0	68.2	0	2 6
Bank loans	45.2	0	0	45.2	0	1 5
Trade payables	65.4	0	0	65.4	0	
Amounts owed to associates	14.5	0	0	14.5	0	
Income tax	11.1	0	0	11.1	0	
Other liabilities	29.3	0	0	29.3	0	
Interest rate swaps	-30.0	-70.0	0	-100.0	100.0	2 3
Financial liabilities Total	135.5	-1.8	0	133.7	100.0	

The effective rates of interest are stated as per the balance sheet date.

At the balance sheet date the fair value of interest rate swaps incurred to hedge the interest rate risk concerning floating rate loans amount to EUR 0 million (2004/05: EUR -0.2 million).

Annex C-(1)

43

Table of Contents

Dangaard Telecom A/S

NOTES**(29) Financial instruments (continued)****Credit risk**

It is group policy, that trade receivables must be credit insured. Therefore the Group cooperates with the following credit insurance companies:

Atradius, Copenhagen and Coface Kredit AG, Mainz.

The insurances cover 90% of the insured amount.

Specification of trade receivables as at 30 September 2005 and 2006:

EUR million	Consolidated	
	2005/06	2004/05
Total trade receivables	150.5 mio.	135.4 mio.
Hereof insured	EUR 107.2 mio.	EUR 91.9 mio.
Not insured	EUR 43.3 mio.	EUR 43.5 mio.
The uninsured part can be split in:		
Trade receivables from companies exempted from the insurance contracts	28.3 mio.	21.1 mio.
Invoiced to manufacturers, operators and service providers	EUR 8.4 mio.	EUR 7.2 mio.
Others	EUR 6.6 mio.	EUR 15.2 mio.

Comments to the uninsured part:

Trade receivables from companies exempted from the insurance contracts:

Trade receivables from large highly credit-worthy enterprises that are not part of the insurance contracts. The total balance on these companies is as stated above.

Invoiced to manufacturers, operators and service providers:

Amounts invoiced to manufacturers, operators and service providers can mainly be set off against accounts payable.

Others:

The remaining part is among others secured through sureties, assignments of debts and bank guarantees.

Embedded derivative financial instruments

In the Group, a systematic examination of contracts that potentially could comprise conditions equivalent to derivative financial instruments and where separate recognition of the derivative financial instruments at fair value are required has been carried out. The examination has not resulted in recognition of any derivative financial instruments.

Annex C-(1)

44

Table of Contents

Dangaard Telecom A/S

NOTES

(30) Related parties

Dangaard Holding A/S has control over Dangaard Telecom A/S. Nordic Capital Fund VI has control over Dangaard Holding A/S.

Related parties with significant influence over Dangaard Telecom A/S comprise the Supervisory and Executive Boards, key management personnel in the subsidiaries as well as related members of their families. Moreover related parties comprise entities in which the mentioned persons have control, joint control or significant influence.

Related parties also comprise the subsidiaries mentioned in note 26 where Dangaard Telecom A/S controls the entity.

Transactions with related parties are incurred and executed according to market conditions.

The remuneration of the Executive and Supervisory Boards of Dangaard Telecom A/S and other members of the managing staff is described in note 5 and 34.

Transactions with subsidiaries are eliminated from the consolidated accounts according to the applied accounting policies.

Intra-group transactions also comprise ordinary accounts concerning purchase and sale of goods and services. These accounts are not interest-bearing and are incurred and executed according to terms applied in the normal course of business of the Group.

Dangaard Telecom A/S has paid out dividend amounting to EUR 30.0 million (2004/05: EUR 0 million) to the shareholders.

Table of Contents

Dangaard Telecom A/S

NOTES**(30) Related parties (continued)****Transactions with entities with significant influence:**

EUR million	Consolidated	
	2005/06	2004/05
Sale of goods	41.0	48.5
Purchase of goods	139.9	106.3
Sale of services	0	1.0
Purchase of services	0.3	0.1
Interest income	0	0
Interest expense	1.7	2.0
Trade receivables		2.4
Trade payables		14.5
Shareholder loan		65.8

The amounts above are related to transactions with the former shareholders until 31 July 2006.

No transactions with entities with significant influence have taken place since the new ownership structure became effective on 31 July 2006.

(31) Contingent liabilities and securities**Rental and operational leasing commitments**

The Group has assumed commitments for EUR 14.6 million concerning rental commitments (EUR 11.8 million) and leasing of operating equipment, primarily cars (EUR 2.8 million).

The recognised rental and operational leasing instalments were EUR 4.5 million for 2005/06 (2004/05: EUR 4.4 million).

The future rental- and operational leasing payments are distributed as follows:

	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Rental payments	EUR 2.9 million	EUR 5.7 million	EUR 3.2 million	11.8 million
Operational leasing payments	EUR 1.4 million	EUR 1.4 million	EUR 0 million	2.8 million

Lawsuits

The Group is party to some lawsuits. The Executive and Supervisory Boards are of the opinion that decision or continuation of these lawsuits will not affect the financial position in excess of what are recognised in the balance sheet under receivables and liabilities per 30 September 2006.

Table of Contents

\

Dangaard Telecom A/S

NOTES**(32) Government grants**

The Group has not received any government grants in 2005/06 or in 2004/05.

(33) Material differences between IFRS and US GAAP and their effect on the financial statements**A. The effect of the differences between IFRS and US GAAP on the financial statements**

IFRS differ in certain significant respects from US GAAP. Information related to the nature and effect of such differences is presented below.

1. Reconciliation of:**a. IFRS net income to net income according to US GAAP**

	1 Oct. 2005	1 Oct. 2004
	30 Sept. 2006	30 Sept. 2005
All amounts are in EUR millions		
Net income as reported according to IFRS	18.0	14.9
Push down accounting adjustments (Note 33 C1):		
Amortisation expenses of intangible assets	-0.4	0
Income tax effect of US GAAP adjustments	0.1	0
Net income according to US GAAP	17.7	14.9

b. IFRS equity to equity according to US GAAP

	30 Sept. 2006	30 Sept. 2005
All amounts are in EUR millions		
Total equity attributable to equity holders of the company as reported according to IFRS	32.9	45.0
Push down accounting adjustments (Note 33 C1):		
Push down of the acquisition	24.3	0
Amortisation expenses of intangible assets	-0.4	0
Income tax effect of US GAAP adjustments	0.1	0
Accumulated amortisation on goodwill (Note 33 C2)	3.9	3.9
Total equity attributable to equity holders of the company according to US GAAP	60.8	48.9

Annex C-(1)

47

Table of Contents

Dangaard Telecom A/S

NOTES**B. Condensed financial statements according to US GAAP****1. Condensed consolidated balance sheets:**

All amounts are in EUR millions	30 Sept. 2005	30 Sept. 2006
Assets		
Current assets		
Cash and cash equivalents	3.5	1.4
Receivables		
Trade receivables	135.4	150.5
Factoring receivables	26.0	26.9
Amounts owed by associates	2.4	0
Income tax receivable	0.6	0.6
Other receivables	12.1	7.2
Prepayments	1.3	1.4
Deferred tax	1.9	1.3
	179.7	187.9
Inventories		
Goods for resale	91.7	126.6
Total current assets	274.9	315.9
Non-current assets		
Investments		
Other securities	0.2	0.4
Deposits	0.3	0.5
Deferred tax	4.2	3.0
Other assets	1.3	2.5
	6.0	6.4
Property, Plant and equipment		
Leasehold improvement and equipment	4.7	4.1
Intangible assets		
Goodwill	35.5	34.7
Customer relationships	0	22.6
Trade name	0	12.0
Software under implementation	0	1.4
Software	1.0	0.8

	36.5	71.5
Total non-current assets	47.2	82.0
Total assets	322.1	397.9
Annex C-(1)		48

Table of Contents

Dangaard Telecom A/S

NOTES**1. Condensed consolidated balance sheets (continued):**

All amounts are in EUR millions	30 Sept. 2005	30 Sept. 2006
Current liabilities		
Bank loans	45.2	86.5
Trade payables	65.4	93.6
Factoring payables	26.0	26.9
Amounts owed to associates	14.5	0
Income tax	11.1	6.8
Other liabilities	29.3	21.5
Deferred income	1.3	0.7
Warranties	0.9	2.4
Total current liabilities	193.7	238.4
Non-current liabilities		
Bank loans	0	78.5
Loan shareholders	68.2	3.8
Deferred tax	0.2	11.1
Warranties	1.0	0.4
Total non-current liabilities	69.4	93.8
Total liabilities	263.1	332.2
Minority interests	10.1	4.9
Total Equity	48.9	60.8
Total liabilities and equity	322.1	397.9

Annex C-(1)

49

Table of Contents

Dangaard Telecom A/S

NOTES**2. Condensed consolidated income statements**

		1 Oct. 2005	1 Aug.
	2004/05	31 July 2006	2006
			30 Sept.
			2006
All amounts are in EUR millions			
Revenue	1,550.4	1,443.7	271.5
Cost of revenue	-1,445.1	-1,339.4	-246.6
Gross profit	105.3	104.3	24.9
Other external charges	-22.6	-22.6	-4.0
Staff costs	-47.9	-44.6	-10.1
Amortisation and depreciation	-2.8	-3.0	-1.1
Operating income	32.0	34.1	9.7
Interest income and similar items	0.8	1.1	0.1
Interest expense and similar items	-6.5	-6.6	-2.7
Income before income tax	26.3	28.6	7.1
Income tax on continuing operations	-8.8	-10.4	-2.7
Income from continuing operations	17.5	18.2	4.4
Income from discontinued operations	1.7	0	0
Income before minority interests	19.2	18.2	4.4
Minority interests	-4.3	-3.6	-1.3
Net income	14.9	14.6	3.1

Annex C-(1)

50

Table of Contents

Dangaard Telecom A/S

NOTES**3. Change in equity**

Reconciliation of movement in equity

EUR million	The shareholders of Dangaard Telecom A/S				Total
	Share capital	Hedging reserve	Reserve for exchange rate adjustments	Retained Earnings	
Balance at 1 October 2004	13.7	-0.5	-0.3	20.5	33.4
Changes in equity for 2004/05					
Foreign exchange adjustments in subsidiaries	0	0	0.3	0	0.3
Hedging reserve, year-end	0	-0.2	0	0	-0.2
Hedging reserve, beginning of the year	0	0.5	0	0	0.5
Net income	0	0	0	14.9	14.9
Dividends to shareholders	0	0	0	0	0
Balance at 30 September 2005	13.7	-0.2	0	35.4	48.9
Balance at 1 October 2005	13.7	-0.2	0	35.4	48.9
Changes in equity for 2005/06					
Foreign exchange adjustments in subsidiaries	0	0	-0.3	0	-0.3
Hedging reserve, year-end	0	0	0	0	0
Hedging reserve, beginning of the year	0	0.2	0	0	0.2
Net income 10 months	0	0	0	14.6	14.6
Push down of the acquisition	0	0	0	24.3	24.3
Net income 2 months	0	0	0	3.1	3.1
Dividends to shareholders	0	0	0	-30.0	-30.0
Balance at 30 September 2006	13.7	0	-0.3	47.4	60.8

Annex C-(1)

51

Table of Contents

Dangaard Telecom A/S

NOTES**4. Comprehensive income**

Comprehensive income consists of the change, during the current period, in the company's shareholders' equity that does not derive from shareholders' investments or from the distribution of earnings to shareholders.

Comprehensive income includes two components: net income and other comprehensive income. Net income is the income stated in the income statement while other comprehensive income includes the amounts that are recorded directly in the shareholders' equity and that are not derived from transactions with shareholders recorded directly in shareholders' equity.

	30 Sept. 2005	1 Oct. 2005 31 July 2006	1 Aug. 2006 30 Sept. 2006
All amounts are in EUR millions			
Net income according to US GAAP	14.9	14.6	3.1
Foreign exchange adjustments in subsidiaries	0.3	-0.2	-0.1
Adjustments in respect of hedge transactions, net	0.3	0.1	0.1
Total comprehensive income	15.5	14.5	3.1

Annex C-(1)

52

Table of Contents

Dangaard Telecom A/S

NOTES**5. Condensed Consolidated Statement of Cash Flows**

	1 Oct. 2004 30 Sept. 2005	1 Oct. 2005 31 July 2006	1 Aug. 2006 30 Sept. 2006
All amounts are in EUR millions			
Net income	14.9	14.6	3.1
Adjustments to reconcile net income to net cash provided by (used in) operating activities			
Minority interests	4.3	3.6	1.3
Tax on ordinary activities	8.8	10.4	2.7
Profit on discontinued operations	0.5	0	0
Amortisation and depreciation	2.8	3.0	1.1
Other cash flows	0.7	-0.3	-0.3
Income tax paid	-4.9	-13.7	-1.6
Net cash flows from operating activities before changes in working capital	27.1	17.6	6.3
Change in inventories	-18.2	-56.4	21.6
Change in receivables	9.7	-42.6	34.9
Change in trade and other payables	14.8	27.4	-21.3
Cash flows provided by (used in) operating activities	33.4	-54.0	41.5
Cash flows provided by (used in) investing activities	3.8	-3.5	-6.1
Cash flows provided by (used in) financing activities	-35.6	59.7	-39.7
Net cash flows provided by (used in) operating, investing and financing activities	1.6	2.2	-4.3
Cash and cash equivalents at the beginning of the year	1.9	3.5	5.7
Cash and cash equivalents at year-end	3.5	5.7	1.4

There is no difference between IFRS and US GAAP non cash investing and financing activities other than the effect of push-down accounting.

Annex C-(1)

53

Table of Contents

Dangaard Telecom A/S

NOTES**C. Differences between IFRS and US GAAP****1. Push-down accounting****In accordance with IFRS**

Following the 31 July 2006 shareholders' transaction, Nordic Capital Fund VI gained through Dangaard Holding A/S a 100% controlling interest in the Company's ordinary shares, and 100% control of the Company's voting rights. Under IFRS, the new basis of accounting in the Company that resulted from Dangaard Holding A/S' purchase and controlling interest is not pushed down to the financial statements of the Company.

In accordance with US GAAP

In accordance with SEC Staff Accounting Bulletin Topic 5J, Dangaard Holding A/S purchase accounting adjustments, determined in accordance with FAS 141, are pushed down to the Company, meaning the US GAAP financial information presented in Note 33 reflects the new basis of accounting for the Company as of 31 July 2006.

a. New basis of accounting

The purchase price paid as a result of the transaction described above has been allocated to the Company's underlying assets and liabilities based upon the respective fair market values of assets and liabilities at the date of the transaction. The following summarizes the fair values attributable to the assets acquired as a result of Dangaard Holding A/S acquisition of the Company.

Allocation of the total cash consideration paid for equity interests, including direct acquisition cost is presented as follows:

All amounts are in EUR millions	31 July 2006
Current assets	376.8
Property, plant and equipment	4.4
Other assets	7.1
Liabilities	-381.6
Minority interests	-8.4
Customer relationships	23.0
Trade names	12.0
Goodwill	35.1
Deferred taxes	-10.7
Total cash consideration paid for equity interests, including direct acquisition cost	57.7

Annex C-(1)

54

Table of Contents

Dangaard Telecom A/S

NOTES

b. Primary changes to the balance sheet

The primary changes to the balance sheet as of the date of acquisition reflect the following push-down adjustments:

- (1) The recording of a value for trade name;
- (2) The recording of a value for customer relationships;
- (3) Adjustment to deferred tax resulting from the above changes;
- (4) The recording of a value for goodwill;
- (5) An increase to the shareholders equity in respect of these adjustments.

c. Primary changes to the income statement

The primary changes to the income statement as a result of the acquisition include:

- (1) An increase in amortisation and depreciation due to amortisation of the acquired customer relationships;
- (2) A decrease in the deferred tax expenses resulting from the above adjustments.

Due to the impact of the changes resulting from the push-down accounting adjustments described above, the annual income statement and cash flows presentations separate the Company's results into two periods: (1) the period ending with the 31 July 2006 consummation of the acquisition transaction and (2) the period beginning after that date utilizing the new basis of accounting. The results are further separated by a heavy black line to indicate the effective date of the new basis of accounting. Similarly, the current and prior period amounts reported on the balance sheet are separated by a heavy black line to indicate the application of a new basis of accounting between the periods presented.

d. Trade names and goodwill

The new basis of accounting resulted in new recorded values for trade names and for goodwill as of 31 July 2006 to reflect their estimated fair values. Neither of these intangible assets is amortisable and they are therefore subject to annual impairment testing.

Pursuant to SFAS No. 142, goodwill and intangible assets acquired in a purchase business combination and determined to have an indefinite useful life are not amortised, but instead tested for impairment at least annually in accordance with the provisions of this Statement. The Company had established 30 September as its annual impairment testing date. An impairment test is also completed if events or changes in circumstances indicate that the assets might be impaired.

e. Customer relationships

Upon adoption of push-down accounting, the new basis of accounting resulted in new recorded values for customer relationships as of 31 July 2006 to reflect their estimated fair values. The Company amortizes the customer relationships over 10 years according to the economic benefit expected from those customers.

The Company is required to perform impairment tests for long-lived assets in accordance with SFAS No. 144

Accounting for the Impairment or Disposal of Long-Lived Assets (SFAS No. 144), when the Company determines that indicators of impairment are present. Declines in market value of its business or the value of its customer relationships that may be incurred prospectively may also require additional impairment charges. No impairment charges were recorded in the periods presented herein.

Annex C-(1)

55

Table of Contents

Dangaard Telecom A/S

NOTES

Amortisations expenses relating to customer relationships for the period from 31 July 2006 to 30 September 2006 were EUR 0.4 million with a deferred tax effect of EUR 0.1 million.

2. Amortisation on goodwill

In accordance with IFRS

In accordance with IFRS, goodwill was not amortised after 1 October 2004.

In accordance with US GAAP

Under US GAAP the transition date for not amortising goodwill was 1 October 2002. Due to the different transition dates for amortisation of goodwill the amortisation of goodwill recognised according to IFRS in the period from 1 October 2002 to 30 September 2004 has been reversed when reconciling to US GAAP.

The accumulated amortisation on goodwill that has been reversed amounts to EUR 3.9 million per 30 September 2005 and 30 September 2006.

3. Loan amortisation costs

In accordance with IFRS

In accordance with IFRS loan amortisation costs were deducted in bank loans (debt).

In accordance with US GAAP

Under US GAAP these loan amortisation costs are reclassified with an increase to bank loans (debt) and an increase to other assets.

The reclassified amounts constitute EUR 1.6 million per 30 September 2006. Hereof a current amount of EUR 0.2 million.

4. Factoring

In accordance with IFRS

In accordance with IFRS some factoring agreements entered into were off-balance sheet items.

In accordance with US GAAP

Under US GAAP these factoring agreements are to be presented on-balance. Per 30 September 2005 EUR 26 million is presented as Factoring receivables and Factoring payables. Per 30 September 2006 EUR 26.9 million is presented as Factoring receivables and Factoring payables. Of these amounts EUR 18.0 million were recognised on-balance according to IFRS as well. See note 35 concerning correction of errors.

5. Deferred tax

In accordance with IFRS

Deferred tax related to intercompany gains are included in deferred taxes in the balance sheet.

In accordance with US GAAP

Deferred tax related to intercompany gains amounting to EUR 1.1 million at 30 September 2006 and EUR 1.3 million at 30 September 2005 has been reclassified in the balance sheet under US GAAP from deferred tax assets to other assets.

Annex C-(1)

56

Table of Contents

Dangaard Telecom A/S

NOTES**(34) Employee incentive plan**

In the financial year 2005/06 Dangaard Telecom A/S established a warrant programme through its parent company Dangaard Holding A/S. This programme gives management, certain key employees, board members and other persons of Dangaard Telecom A/S (together Investors) the opportunity to subscribe for warrants in Dangaard Holding A/S. The investment programme is proposed by Nordic Capital, the financial investor of Dangaard Holding A/S in order to achieve a common agenda for Nordic Capital and the Investors.

The Investors entitlement to sell or otherwise dispose of their shares or warrants is limited due to the programme being part of an equity-settled share-based payment programme. An exit is subject to terms, which the Investors exert little or no influence on.

All shares and warrants are covered by a tag- and drag along right, and there is a lock up period of up to 12 months after an event, that will entitle to an exercise.

The warrant programme for the Investors comprises 46 persons and 922.997 warrants granted in the period from 31 July to 15 September 2006 each at a price of EUR 0.69 per warrant with the right to subscribe 1 share nominal value at EUR 6 per share in Dangaard Holding A/S. The purchase price per warrant equals the market price (fair value) at the grant date (calculated according to a binominal model) and consequently no expenses have been recognised for the financial year 2005/06.

All warrants are exercisable at an exercise event the material ones being the listing of Dangaard Holding A/S or Nordic Capital's exit as shareholder in Dangaard Holding A/S. The Investors have towards Dangaard Telecom A/S a put option on a cash basis subject to limited terms the material being an Investors death, disablement or pension in which cases the warrants could become cash-settled.

None of the outstanding warrants are exercisable at 30 September 2006. Has no exercise event occurred prior to 31 July 2014; all warrants will expire and become null and void. No vesting conditions are connected to the warrants acquired.

The assumptions used at the grant date are shown in the table below:

	2005/06
Share price	6 EUR
Expected life of the warrants in years (average)	5 years
Maximum term of warrants granted	5 years
Expected volatility	22.5%
Risk-free interest rate	3.75%
Dividend yield	0%
Hurdle rate	8.0%

The expected volatility is based on comparable shares in Danish companies listed at the Nordic Stock Exchange for a period of 1 year.

Annex C-(1)

57

Table of Contents

Dangaard Telecom A/S

NOTES**(35) Correction of errors**

EUR million	2005/06	Consolidated 2004/05	2003/04
Effect to the income statement of the corrected errors:			
Dangaard Telecom A/S share of profit for the period as reported in the Annual Report 2005/06 and 2004/05	20.2	14.9	-0.6
Other distributions	-2.2	0	0
Factoring receivable	0	0	0
Employee incentive plan	0	0	0
Profit as restated	18.0	14.9	-0.6
Effect to total equity of the corrected errors:			
Total equity as reported in the Annual Report 2005/06	37.9	55.1	
Other distributions	0	0	
Factoring receivables	0	0	
Employee incentive plan	0	0	
Total equity as restated	37.9	55.1	
Effect to total assets of the corrected errors:			
Total assets as reported in the Annual Report 2005/06	331.2	292.2	
Other distributions	0	0	
Factoring receivables	18.0	18.0	
Employee incentive plan	0	0	
Total assets as restated	349.2	310.2	

See accounting policies for a description of errors that have been corrected in the financial statements.
Annex C-(1)

Table of Contents

Dangaard Telecom A/S

NOTES

(36) New accounting regulation

IASB has issued the following new IFRS, which is not mandatory for Dangaard Telecom A/S when preparing the annual report 2005/06.

IFRS 7 Financial Instruments: Disclosures. Implementation of the standard implies further disclosure requirements concerning financial instruments with no implication on recognition and measurement of financial instruments. The further disclosure requirements will primarily relate to the significance of the financial instruments for the financial position and performance, and qualitative and quantitative information about the nature and extent of risks arising from financial instruments. IFRS 7 applies to annual periods beginning on or after 1 January 2007. IFRS 7 has been approved by EU.

Other issued IFRS standards and IFRIC s not mandatory for the financial year 2005/06 is not expected to have significant influence on future financial statements of the company.

(37) Members of The Executive and Supervisory Boards

Thorleif Krarup, chairman of the Supervisory Board

Vice chairman of H. Lundbeck A/S

Vice chairman of LFI A/S

Vice chairman of ALK ABELLO A/S

Board member of Group4 Securicor Plc.

Board member of Bang & Olufsen a/s

Board member of Scion DTU A/S

Board member of Lundbeckfonden

Christian Dyvig, vice chairman of the Supervisory Board:

Vice chairman of Falck A/S

Jan Gesmar-Larsen, member of the Supervisory Board:

Board member of European Capital Partners

Michael Haaning, member of the Supervisory Board:

Board member of Kompan A/S

Steen Folmer Pedersen, CEO:

Member of the Supervisory Board of Fleggaard Holding A/S and subsidiaries of Fleggaard Holding A/S

Member of the Supervisory Board of debitel Danmark A/S

Michael Køehn Milland, COO:

Hans Peter Alnor, CFO:

Member of the Supervisory Board of R-Invest A/S

Table of Contents

**Consolidated Financial Statements
of
Dangaard Telecom A/S
As of March 31, 2007 and September 30, 2006
and
For the six months ended March 31, 2007 and 2006
(Unaudited)**

Annex C-(2)

1

Table of Contents

Dangaard Telecom A/S

Management's discussion and analysis of Dangaard Telecom's financial conditions and results of operations:

The first six months of the FY 2006/07 have overall been characterized by a soft market, especially in the beginning of the calendar year. The picture varies somewhat when looking at the individual countries/business units. The major reason for an accumulated turnover being 34 mill. EUR lower than last year is a decline of 49 mill. EUR in our Trading business (International) which by nature is somewhat more fluctuant. The remaining countries have had an aggregate increase of 2% which is however still lower than expected. In our core European markets, we have over the course of the first six months marginally strengthened our market position, particularly in Spain, France, Norway and Poland.

Despite the lower revenue, we have been able to increase our Gross Profit to 65.3 mill. EUR equivalent to an increase in gross margin of 0.5% from 6.9% to 7.4%. The reason for the increased gross margin is partly the lower Trading turnover that by nature has a significant lower gross margin. The remaining increase is partly due to higher 3rd part logistics in Germany and partly due to improved bonus agreements.

Despite a higher gross profit than last year we have realized a lower operating income (minus 1.1 mill. EUR compared to last year). The reason is primarily an increase in staff costs of 3.2 mill. EUR compared to last year. The increase is a conscious strategic investment in more people as a result of our strategy process.

At the Net Income level we are 1.2 mill. EUR behind last year. The Net Income is influenced by the increase in net-interest costs of 3.6 mill. EUR, which primarily is a result of the dividend paid to the previous shareholders and the purchase of minority interests in Norway, Spain and Portugal. The figures show that the purchase of the minority interests has been beneficial for Dangaard Telecom.

We had net working capital at the end of March 2007 of 237.1 mill. EUR compared to 183.3 mill. EUR at the end of March 2006, corresponding to an increase of 53.8 mill. EUR. This increase is due to an increase in trade receivables of 59.8 mill. EUR, going from 150.5 mill. EUR as of September 30, 2006 to 210.3 mill. EUR as of March 31, 2007, and an increase in inventories of 37.3 mill. EUR, going from 126.6 mill. EUR at September 30, 2006 to 163.9 mill. EUR at March 31, 2007. The cash flow effect of these increases was partly off set by an increase in trade payables of 43.3 mill. EUR.

The acquisition of the shares from minority shareholders in Norway, Spain and Portugal is the main reason for the Goodwill and other intangible assets going up from 31.1 mill. EUR at the end of September 2006 to 45.2 mill. EUR at the end of March 2007. The investment in a new ERP platform for the entire Dangaard Telecom Group is included with 6.1 mill. EUR in the intangible assets.

Shareholders equity has been influenced by the payment of 30 mill. EUR in dividends to the former shareholders of Dangaard Telecom in July 2006 and also by the above mentioned acquisition of minority shareholders.

Annex C-(2)

2

Table of Contents

Dangaard Telecom A/S

Unaudited Consolidated Statements of Operations*(The unaudited interim financial information presented has not been reviewed by an independent accountant.)*

(Amounts in and millions)	Note	1 Oct. 2006 31 March 2007	1 Oct. 2005 31 March 2006
Revenue		882.4	916.5
Cost of goods		-817.1	-853.2
 Gross profit		 65.3	 63.3
Other external charges		-13.2	-13.3
Staff costs		-29.7	-26.2
Amortisation and depreciation		-1.6	-1.8
 Operating profit		 20.8	 22.0
Interest income and similar items		0.7	0.4
Interest expenses and similar items		-7.7	-3.8
 Profit before tax		 13.8	 18.6
Tax on ordinary activities from continuing operations		-4.6	-6.8
 Profit for the period		 9.2	 11.8
 Minority interests		 -0.3	 1.7
 Net income		 8.9	 10.1

Annex C-(2)

3

Table of Contents

Dangaard Telecom A/S

Unaudited Consolidated Balance Sheets*(The unaudited interim financial information presented has not been reviewed by an independent accountant.)*

(Amounts in and millions)	Note	31 March 2007	30 September 2006
Assets			
Non-current assets			
Intangible assets			
Goodwill		45.2	31.1
Software under implementation		6.1	1.4
Software		1.0	0.8
		52.3	33.3
Property, plant and equipment			
Leasehold improvement and equipment		4.7	4.1
		4.7	4.1
Investments			
Other securities		0.5	0.4
Deposits		0.5	0.5
Deferred tax		5.8	5.4
		6.8	6.3
Total non-current assets		63.8	43.7
Current assets			
Inventories			
Goods for resale		163.9	126.6
		163.9	126.6
Receivables			
Trade receivables		210.3	150.5
Factoring receivables		18.0	18.0
Income tax receivable		2.1	0.6
Other receivables		9.9	7.0
Prepayments		0	1.4
		240.3	177.5
Cash and cash equivalents		2.4	1.4

Total current assets	406.6	305.5
Total assets	470.4	349.2

Annex C-(2)

4

Table of Contents

Dangaard Telecom A/S

Unaudited Consolidated Balance Sheets*(The unaudited interim financial information presented has not been reviewed by an independent accountant.)*

(Amounts in and millions)	Note	31 March 2007	30 September 2006
Equity			
Share capital		13.7	13.7
Reserve for exchange rate adjustments		0	-0.3
Retained earnings		28.3	19.5
Total equity attributable to equity holders of the company		42.0	37.9
Minority interests		0.2	5.0
Total equity		42.2	37.9
Liabilities			
Non-current liabilities			
Bank loans	(4)	76.8	76.9
Loan shareholders		0	3.8
Deferred tax		0.2	0.5
Warranties	(3)	0.3	0.4
Other liabilities		3.6	0
Total non-current liabilities		80.9	81.6
Current liabilities			
Bank loans	(4)	161.5	86.5
Trade payables		137.1	93.8
Factoring payables		18.0	18.0
Income tax		7.6	6.8
Other liabilities		21.8	21.5
Warranties		1.3	2.4
Deferred income	(3)	0	0.7
Total current liabilities		347.3	229.7
Total liabilities		428.2	311.3
Total equity and liabilities		470.4	349.2
Contingent liabilities and securities	(5)		
Annex C-(2)			5

Table of Contents

Dangaard Telecom A/S

Unaudited Cash Flow Statement*(The unaudited interim financial information presented has not been reviewed by an independent accountant.)*

(Amounts in and millions)	Note	1 Oct. 2006 -31 March 2007	1 Oct. 2005 -31 March 2006
Net cash flows from primary activities before changes in working capital		22.0	23.3
Changes in working capital		-56.8	-57.2
Cash flows from primary activities		-34.8	-33.9
Interest income and similar items		0.7	0.4
Interest expense and similar items		-7.7	.3.8
Cash flows from ordinary activities		-41.8	-37.3
Income tax paid		-5.8	-6.2
Cash flows from operating activities		-47.6	.43.5
Acquisition of intangible assets		-5.2	0
Acquisition of property, plant and equipment		-1.4	-0.8
Acquisition of subsidiaries and activities		-15.7	-1.4
Acquisition of other securities		-0.1	-0.1
Disposal of property, plant and equipment		0	0.4
Cash flows from investing activities		-22.4	-1.9
External financing:			
Change in bank loans		74.7	56.2
Other changes in external financing		3.6	0
Shareholders:			
Loan shareholders		-3.7	-5.4
Dividend paid		-3.6	-4.4
Cash flows from financing activities		71.0	46.4
Net cash flows from operating, investing and financing activities		1.0	1.0
Cash and cash equivalents at the beginning of the period		1.4	3.5

Cash and cash equivalents at period-end	2.4	4.5
Annex C-(2)		6

Table of Contents

Dangaard Telecom A/S

(The unaudited interim financial information presented has not been reviewed by an independent accountant.)

Notes

(1) Accounting policies

Dangaard Telecom's interim consolidated financial statements for the six months ended March 31, 2006 and 2007 and the balance sheets as of March 31, 2007 and September 30, 2006 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by EU. IFRS differ in certain material respects from U.S. generally accepted accounting principles (US GAAP), the same types of adjustments as discussed in note 33 of the consolidated financial statements of Dangaard Telecom A/S of September 30, 2006 and 2005 and for the three years ended September 30, 2006 would apply for the presented financial information for the periods specified above.

The financial information is prepared in accordance with the same accounting policies as in the consolidated financial statements of Dangaard Telecom A/S of September 30, 2006 and 2005 and for the three years ended September 30, 2006.

(2) Use of estimates and judgments

Estimation uncertainty and critical judgments

The estimation of the carrying amount of some assets and liabilities requires management to make judgments, estimates and assumptions concerning future events.

The estimates and judgments made are based on historic data and other factors that management estimates to be reasonable. These estimates and judgments are naturally uncertain and unpredictable. The assumptions can be incomplete or inaccurate and unexpected events or circumstances can occur. Furthermore the group is exposed to risks and uncertainties that can lead to that the actual financial outcomes deviates from the judgments made. Specific risks concerning the Dangaard Telecom Group are mentioned below.

It can be necessary to change previously made judgments due to changes in the circumstances underlying the previously made judgments or due to new knowledge or subsequent events.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are depreciations, amortisations and write-downs, provisions and contingencies.

Annex C-(2)

7

Table of Contents

Dangaard Telecom A/S

*(The unaudited interim financial information presented has not been reviewed by an independent accountant.)***(3) Warranties**

The provision for warranties are included in Other short-term liabilities and Other long-term liabilities .

	Consolidated	
	31 March	30 September
(Amounts in and millions)	2007	2006
Warranties 1 October	2.7	1.9
Provisions used during the period	-6.6	-6.3
Provisions made during the period	5.5	7.2
Warranties 31 December	1.6	2.8
Expected time of payment for warranties:		
12 months or less	1.3	2.4
1 - 5 years	0.3	0.4
More than 5 years	0	0
Warranties	1.6	2.8

The provision for warranties are primarily related to smartphones sold with ordinary guaranties. The warranties are estimated based on historic cost records.

Annex C-(2)

8

Table of Contents

Dangaard Telecom A/S

*(The unaudited interim financial information presented has not been reviewed by an independent accountant.)***(4) Bank loans**

The Group has the following bank loans with due dates within 1 year per 31 March 2007:

Loan	Fixed/floating rate	Effective rate of interest				Carrying amount		EUR
		1 Oct. 2006		30		31 March 2007	30 September 2006	thousands
		31 March 2007	1 Oct. 2005	30 September 2006	30			
		%	%	%	%			
EUR	Floating rate	4	5	3	4	121.6	65.6	
DKK	Floating rate	4	5	3	4	11.6	3.3	
SEK	Floating rate	3.5	4.5	2	3	3.4	2.0	
NOK	Floating rate	4	5	3	4	17.1	3.1	
USD	Floating rate	5.5	6.5	5	6	1.4	9.0	
PLN	Floating rate	5	6	4.5	5.5	5.5	2.9	
CHF	Floating rate	2.5	3.5	1.5	2.5	0.9	0.6	
						161.5	86.5	

For bank loans that fall due for payment within one year after 31 March 2007 the nominal value is considered equivalent to fair value.

Bank loans presented as non-current liabilities are in EUR and with a floating rate of 4.5 – 5.5% in the period 1 October 2006 – 31 March 2007.

Bank loans presented as non-current liabilities are in EUR and with a floating rate of 3 – 4% in the period 1 October 2005 – 30 September 2006.

The effective rates of interest are stated as per the balance sheet date.

(5) Contingent liabilities and securities**Rental and operational leasing commitments per 31 March 2007**

The Group has assumed commitments for EUR 22.1 million concerning rental commitments (EUR 19.9 million) and leasing of operating equipment, primarily cars (EUR 2.1 million).

The recognised rental and operational leasing instalments were EUR 2.5 million for the period 1 October 2006 – 31 March 2007 (1 October 2005 – 31 March 2006: EUR 2.2 million).

Table of Contents

Dangaard Telecom A/S

(The unaudited interim financial information presented has not been reviewed by an independent accountant.)

The future rental- and operational leasing payments are distributed as follows:

	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Rental payments	EUR 3.0 million	EUR 10.1 million	EUR 6.8 million	EUR 19.9 million
Operational leasing payments	EUR 1.3 million	EUR 0.8 million	EUR 0 million	EUR 2.1 million

Rental and operational leasing commitments per 30 September 2006

The Group has assumed commitments for EUR 14.6 million concerning rental commitments (EUR 11.8 million) and leasing of operating equipment, primarily cars (EUR 2.8 million).

The future rental- and operational leasing payments are distributed as follows:

	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Rental payments	EUR 2.9 million	EUR 5.7 million	EUR 3.2 million	EUR 11.8 million
Operational leasing payments	EUR 1.4 million	EUR 1.4 million	EUR 0 million	EUR 2.8 million

Lawsuits

The Group is party to some lawsuits. The Executive and Supervisory Boards are of the opinion that decisions on or continuation of these lawsuits will not materially effect the financial position in excess of what are recognised in the balance sheet under receivables and liabilities per 31 March 2007.

Annex C-(2)

10

Table of Contents

Annex D

**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS**

Table of Contents**Unaudited Pro Forma Condensed Consolidated Financial Statements**

The following unaudited pro forma condensed consolidated financial statements give effect to Brightpoint's proposed acquisition of Dangaard Telecom using the purchase method of accounting, as required by Statement of Financial Accounting Standard No. 141, Business Combinations. Under this method of accounting, Brightpoint will allocate the purchase price to the fair value of assets acquired, including identified intangible assets and goodwill. The purchase price allocation is subject to revision when Brightpoint obtains additional information regarding asset valuation. The unaudited pro forma condensed consolidated financial statements are based on the historical financial statements and the accompanying notes of Brightpoint, which were filed with the SEC on February 23, 2007 as part of Brightpoint's Annual Report on Form 10-K for the Year ended December 31, 2006 and on May 8, 2007 as part of its Quarterly Report on Form 10-Q for the three months ended March 31, 2007, and the historical financial statements and the accompanying notes of Dangaard Telecom, which are included in Annex C to this proxy statement. However, all of the push-down accounting adjustments described in Note 33 Material differences between IFRS and US GAAP and their effect on the financial statements to the Dangaard Telecom financial statements included in Annex C to this proxy statement were excluded by us from those historical financial statements in connection with, and for the purpose of, preparing these pro forma financial statements.

The unaudited pro forma condensed consolidated balance sheet assumes the acquisition took place on March 31, 2007. The unaudited pro forma condensed consolidated statement of operations assumes that the acquisition took place as of January 1, 2006. The unaudited pro forma information is presented for illustration purposes only and in accordance with the assumptions set forth below. This information is not necessarily indicative of the operating results or of the financial position that would have occurred if the acquisition had been consummated on the dates indicated nor is it necessarily indicative of future operating results or financial position of the combined enterprise. The unaudited pro forma condensed consolidated financial information does not reflect any adjustments to conform accounting practices or to reflect any cost savings or other synergies anticipated as a result of the acquisition or any acquisition-related expenses.

Dangaard Telecom's consolidated financial statements, from which these pro forma financial statements are derived, were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, which differ in certain significant respects from U.S. generally accepted accounting principles (U.S. GAAP). The necessary adjustments were made to the pro forma financial statements to adjust Dangaard Telecom's financial statements to U.S. GAAP as described in Note 33 to the Dangaard Telecom audited financial statements included in Annex C to this proxy statement. However, all of the push down accounting adjustments described in Note 33 were excluded by us from those historical financial statements in connection with, and for the purpose of, preparing these pro forma financial statements. The push down accounting adjustments, which relate primarily to push down accounting adjustments for the new basis of accounting for Dangaard Telecom as of July 31, 2006, were not deemed relevant in presenting the new basis of our combined company for the purpose of preparing these pro forma financial statements.

Dangaard Telecom amounts have been translated into U.S. dollars at a rate of Euro 1.00 = U.S. \$1.26 for the statement of operations for the year ended December 31, 2006 and at a rate of Euro 1.00 = U.S. \$1.32 for the statement of operations for the three months ended March 31, 2007, which represents the average exchange rate for the year ended December 31, 2006 and the three months ended March 31, 2007, respectively. For the balance sheet at March 31, 2007, Dangaard Telecom amounts have been translated into U.S. dollars at a rate of Euro 1.00 = U.S. \$1.34, the exchange rate as of March 31, 2007.

Annex D

1

Table of Contents**Unaudited Pro Forma Condensed Consolidated
Statement of Operations****For the year ended December 31, 2006**

(Amounts in thousands, except per share data)

	Brightpoint	Dangaard Telecom	Adjustments	Pro Forma Combined
Total revenue	\$ 2,425,373	\$ 2,182,373	\$ (21,887)(a)	\$ 4,585,859
Total cost of revenue	2,274,467	2,037,798	(21,852)(a)	4,290,413
Gross profit	150,906	144,575	(35)	295,446
Selling, general and administrative expenses	102,535	86,778	14,043(b)	203,356
Operating income from continuing operations	48,371	57,797	(14,078)	92,090
Interest, net	553	11,983	829(c)	13,365
Other income	(610)			(610)
Income from continuing operations before income taxes	48,428	45,814	(14,907)	79,335
Income tax expense	12,238	16,349	(4,500)(d)	24,087
Minority interest		5,077	(4,588)(e)	489
Income from continuing operations	\$ 36,190	\$ 24,388	\$ (5,819)	\$ 54,759
Earnings per share from continuing operations:				
Basic	\$ 0.74			\$ 0.69
Diluted	\$ 0.72			\$ 0.68
Weighted average common shares outstanding:				
Basic	49,104		30,000(f)	79,104
Diluted	50,554		30,000(f)	80,554
Annex D				2

Table of Contents**Unaudited Pro Forma Condensed Consolidated
Statement of Operations****For the three months ended March 31, 2007**

(Amounts in thousands, except per share data)

	Brightpoint	Dangaard Telecom	Adjustments	Pro Forma Combined
Total revenue	\$ 641,629	\$ 511,332		\$ 1,152,961
Total cost of revenue	608,914	476,709		1,085,623
Gross profit	32,715	34,623		67,338
Selling, general and administrative expenses	28,333	25,618	3,483(b)	57,434
Operating income from continuing operations	4,382	9,005	(3,483)	9,904
Interest, net	1,150	5,110		6,260
Other income	44			44
Income from continuing operations before income taxes	3,188	3,895	(3,483)	3,600
Income tax expense	1,346	1,126	(1,115)(d)	1,357
Minority interest		77		77
Income from continuing operations	\$ 1,842	\$ 2,692	\$ (2,369)	\$ 2,165
Earnings per share from continuing operations:				
Basic	\$ 0.04			\$ 0.03
Diluted	\$ 0.04			\$ 0.03
Weighted average common shares outstanding:				
Basic	49,488		30,000(f)	79,488
Diluted	50,424		30,000(f)	80,424
Annex D				3

Table of Contents**Unaudited Pro Forma Condensed Consolidated
Balance Sheet****As of March 31, 2007**

(Amounts in thousands)

	Brightpoint	Dangaard Telecom	Adjustments	Pro Forma Combined
ASSETS				
Current assets:				
Cash and cash equivalents	46,720	3,262	(6,600)(g)	43,382
Pledged cash	1,562			1,562
Accounts receivable, less allowance for doubtful accounts	259,967	317,868		577,835
Inventories	354,309	218,924	(364)(a)	572,869
Other current assets	51,944	16,323		68,267
Total current assets	714,502	556,377	(6,964)	1,263,915
Property and equipment, net	41,034	15,720		56,754
Goodwill and other intangibles, net	68,297	65,503	327,435(h)	461,235
Other assets	8,832	10,896		19,728
Total assets	832,665	648,496	320,471	1,801,632
LIABILITIES AND SHAREHOLDERS EQUITY				
Current liabilities:				
Accounts payable	421,415	183,067		604,482
Accrued expenses and other current liabilities	102,816	41,058		143,874
Lines of credit, short-term	8,860	216,045		224,905
Total current liabilities	533,091	440,170		973,261
Long-term liabilities:				
Long-term debt	85,545	141,371		226,916
Other long-term liabilities	13,966	5,394	(44,589)(i)	63,949
Total long-term liabilities	99,511	146,765	(44,589)	290,865
Total liabilities	632,602	586,935	(44,589)	1,264,126
Minority interests		307		307
Shareholders equity:				
Common stock and paid-in-capital	269,243	18,279	319,221(j)	606,743
Treasury stock	(58,648)			(58,648)
Retained earnings (deficit)	(16,077)	42,975	(43,339)(k)	(16,441)
Accumulated other comprehensive income (loss)	5,545			5,545
Total shareholders equity	200,063	61,254	275,882	537,199

Total liabilities and shareholders equity	832,665	648,496	320,471	1,801,632
Annex D				4

Table of Contents**Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements****1. Purchase Price**

	(in thousands)
Cash portion of acquisition consideration	\$ 100
Fair value of Brightpoint common stock exchanged (30,000,000 shares at 11.25 per share)	337,500(1)
Estimated transaction costs	6,500
Estimated purchase price	\$ 344,100

Estimated Purchase Price

	(in thousands)
Book value of net assets acquired as of March 31, 2007	\$ 61,254
Less: Write-off of existing goodwill and other intangible assets	(65,503)
Adjusted book value of net assets acquired	\$ (4,249)
Remaining allocation:	
Identifiable intangible assets at fair value	139,340
Deferred taxes	(44,589)
Goodwill	253,598
	\$ 344,100

(1) For purposes of this pro forma analysis, total equity consideration was estimated using a Brightpoint stock price of \$11.25 per share, which represents the average Brightpoint closing stock price beginning two trading days before and ending two trading days after

February 20,
2007, the date
of the public
announcement
of the definitive
purchase
agreement.

2. Pro Forma Adjustments

- (a) To eliminate balances and transactions between Brightpoint and Dangaard Telecom, which upon the completion of the acquisition transaction would be considered intercompany transactions.
- (b) To record amortization on acquired intangible assets.
- (c) To adjust interest expense assuming Dangaard Telecom's acquisitions of minority shares took place at the beginning of the period presented.
- (d) To adjust income taxes for the pro forma adjustments based on statutory tax rates.
- (e) To adjust minority interest assuming Dangaard Telecom's acquisitions of minority shares took place at the beginning of the period presented.
- (f) The increase in weighted average common shares outstanding for the basic and diluted calculation reflects the issuance of 30,000,000 shares of Brightpoint common stock.
- (g) To record the cash portion of the acquisition consideration of \$0.1 million and payments for estimated transaction costs of \$6.5 million.
- (h) To record the following adjustments to goodwill and other intangible assets:

Elimination of pre-existing Dangaard Telecom goodwill and intangible assets	\$ (65,503)
Acquired identifiable amortizable intangible assets	139,340
Acquired goodwill	253,598
	\$ 327,435

- (i) To record the net deferred tax liability related to acquired identifiable intangible assets based on statutory tax rates.
- (j) To eliminate Dangaard Telecom capital of \$18.3 million and record fair value of 30,000,000 shares of Brightpoint common stock of \$337.5 million.
- (k) To record the following retained earnings adjustments:

Elimination of Dangaard Telecom retained earnings	\$ (42,975)
Intercompany elimination impact	(364)
	\$ (43,339)

Table of Contents

Annex E
PROPOSED AMENDMENT OF 2004 LONG-TERM INCENTIVE PLAN

Table of Contents

BRIGHTPOINT, INC.
AMENDED 2004 LONG-TERM INCENTIVE PLAN

(as adjusted for 3 for 2 stock splits in September and December 2005 and a 6 for 5 stock split in May 2006)

SECTION 1: PURPOSE.

The purpose of the Brightpoint, Inc. 2004 Long-Term Incentive Plan is to enable Brightpoint, Inc. to offer to those of its employees and to the employees of its Subsidiaries and directors, consultants and other persons who are expected to contribute to the success of the Company and its Subsidiaries Awards under the Plan, thereby enhancing the Company's ability to attract, retain and reward such key employees or other persons, and to increase the interest of those employees or other persons in the welfare of the Company and its Subsidiaries.

SECTION 2: DEFINITIONS.

For purposes of the Plan, unless the context requires otherwise, the following terms shall be defined as set forth below:

- (a) Award means an award granted under the Plan in one of the forms provided in Section 3.
- (b) Beneficiary as applied to a participant in the Plan, means a person or entity (including a trust or the estate of the participant) designated in writing by the participant on such forms as the Committee may prescribe to receive benefits under the Plan in the event of the death of the participant; provided, however, that if, at the death of a participant, there shall not be any living person or entity in existence so designated, the term beneficiary shall mean the legal representative of the participant's estate.
- (c) Board means the Board of Directors of the Company.
- (d) Cash Award means an Award granted pursuant to Section 11.
- (e) Cause has the meaning ascribed thereto in Section 6(b)(ix).
- (f) Change of Control has the meaning ascribed thereto in Section 13.
- (g) Code means the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto.
- (h) Committee means the Compensation and Human Resources Committee of the Board or any other committee of the Board which the Board may designate, consisting of two or more members of the Board each of whom shall meet the definition of an independent director under the listing rules of any securities exchange or national securities association on which the Stock is listed for trading and the requirements set forth in any other law, rule or regulation applicable to the Plan hereinafter enacted, provided, however, that (i) with respect to any Award that is intended to satisfy the requirements of Rule 16b-3, such Award shall be granted and administered by a committee of the Board consisting of at least such number of directors as are required from time to time by Rule 16b-3, and each such committee member shall meet such qualifications as are required by Rule 16b-3 and (ii) with respect to any Award that is intended to satisfy the requirements of Section 162(m) of the Code, such Award shall be granted and administered by a committee of the Board consisting of at least such number of directors as are required from time to time by Section 162(m) of the Code, and each such committee member shall meet such qualifications as are required by Section 162(m) of the Code.
- (i) Company means Brightpoint, Inc., a corporation organized under the laws of the State of Delaware or any successor entity.
- (j) Covered Employee shall mean any employee of the Corporation or any of its Subsidiaries who is deemed to be a covered employee within the meaning of Section 162(m) of the Code.

Annex E

1

Table of Contents

(k) **Deferred Stock** means Stock to be received, under an Award made pursuant to Section 9, at the end of a specified deferral period.

(l) **Disability** Disability of a participant in the Plan shall mean the permanent and total disability as defined by Section 22(e)(3) of the Code.

(m) **Early Retirement** means retirement, with the approval of the Committee for purposes of one or more Award(s) hereunder, from active employment with the Company or any Parent or Subsidiary prior to age 65.

(n) **Elective Deferral** has the meaning ascribed thereto in Section 19.

(o) **Employee** means any common law employee of the Company, any Parent or any Subsidiary (as defined in accordance with the Regulations and Revenue Rulings then applicable under Section 3401(c) of the Code), including any employee who is also a director and/or officer of such.

(p) **Exchange Act** means the Securities Exchange Act of 1934, as amended, as in effect from time to time.

(q) **Fair Market Value**, unless otherwise required by any applicable provision of the Code or any regulations issued thereunder, means, as of any given date: (i) if the principal market for the Stock is a national securities exchange or the National Association of Securities Dealers Automated Quotations System (NASDAQ), the closing sales price of the Stock on such day as reported by such exchange or market system, or on a consolidated tape reflecting transactions on such exchange or market system, or (ii) if the principal market for the Stock is not a national securities exchange and the Stock is not quoted on NASDAQ, the mean between the highest bid and lowest asked prices for the Stock on such day as reported by NASDAQ or the National Quotation Bureau, Inc.; provided that if clauses (i) and (ii) of this paragraph are both inapplicable, or if no trades have been made or no quotes are available for such day, the Fair Market Value of the Stock shall be determined in good faith by the Board or the Committee, as the case may be, which determination shall be conclusive as to the Fair Market Value of the Stock. In no event shall Fair Market Value be less than the par value of the Stock.

(r) **Non-Qualified Stock Option** means any Stock Option that is not an incentive stock option within the meaning of Section 422 of the Code.

(s) **Normal Retirement** means retirement from active employment with the Company or any Parent or Subsidiary on or after age 65.

(t) **Other Stock-Based Award** means an award under Section 10 that is valued in whole or in part by reference to, or is otherwise based upon, Stock.

(u) **Parent** means any present or future parent of the Company, as such term is defined in Section 424(e) of the Code, or any successor thereto.

(v) **Performance Cycle** means the period of time established by the Committee within which the Performance Goals are required to be attained or satisfied.

(w) **Performance Goals** means the performance goals established by the Committee with respect to the Company or any Subsidiary, in the Committee's sole discretion in writing, based upon any one or any combination of the following business criteria or such other business criteria as the Committee shall determine: (i) return on equity, (ii) operating income, (iii) earnings and (iv) return on invested capital.

(x) **Performance Unit** means a contingent right granted pursuant to Section 7 to receive an award, payable either in cash and/or in Stock, if the Performance Goals established by the Committee are attained.

Table of Contents

- (y) Plan means this Brightpoint, Inc. 2004 Long-Term Incentive Plan, as hereinafter amended from time to time.
- (z) Restricted Stock means Stock, received under an award made pursuant to Section 8, that is subject to restrictions under said Section 8.
 - (aa) Restricted Stock Agreement shall have the meaning set forth in Section 8(b)(iv).
 - (bb) Retirement means Normal Retirement or Early Retirement.
 - (cc) Rule 16b-3 means Rule 16b-3 of the General Rules and Regulations under the Exchange Act, as in effect from time to time.
 - (dd) Securities Act means the Securities Act of 1933, as amended, as in effect from time to time.
 - (ee) Stock means the common stock of the Company, par value \$.01 per share, which the Company is currently authorized to issue or may in the future be authorized to issue or, in the event that the outstanding shares of such common stock are hereinafter converted into or exchanged for shares of a different stock or security of the Company or another corporation pursuant to the terms of this Plan, such other stock or security.
 - (ff) Stock Option or Option means any option to purchase shares of Stock which is granted pursuant to the Plan.
 - (gg) Stock Option Agreement has the meaning set forth in Section 6(b)(xi).
 - (hh) Subsidiary means any present or future subsidiary corporation of the Company, as such term is defined in Section 424(f) of the Code, or any successor thereto.
 - (ii) Termination of Service occurs when a participant of the Plan who is an Employee shall cease to serve as an Employee for any reason; or, when a participant in the Plan who is a non-employee director shall cease to serve as a director of the Company, any Parent and any Subsidiary for any reason. Except as may be necessary or desirable to comply with applicable federal or state law, a Termination of Service shall not be deemed to have occurred when a participant in the Plan changes his or her status as an Employee or non-employee director so long as after such change in status, the participant is either an employee or non-employee director.

SECTION 3: ADMINISTRATION; TYPES OF AWARDS; DELEGATION OF AUTHORITY BY THE COMMITTEE.

The Plan shall be administered by the Committee.

The Committee shall have the authority to grant, pursuant to the terms of the Plan, to officers and other key employees or other persons eligible under Section 5 the following type of Awards: (a) Stock Options, in accordance with Section 6, (b) Performance Units in accordance with Section 7, (c) Restricted Stock, in accordance with Section 8, (d) Deferred Stock, in accordance with Section 9, (e) Other Stock-Based Awards, in accordance with Section 10 and/or (f) Cash Awards in accordance with Section 11.

For purposes of illustration and not of limitation, the Committee shall have the authority (subject to the express provisions of this Plan):

- (i) to select the officers, other employees of the Company or any Parent or Subsidiary and other persons to whom Awards may be from time to time granted hereunder:

- (ii) to determine the Non-Qualified Stock Options, Performance Units, Restricted Stock, Deferred Stock and/or Other Stock-Based Awards and/or Cash Awards, or any combination thereof, if any, to be

Table of Contents

granted hereunder to one or more eligible Employees and other persons to whom Awards may be from time to time granted hereunder;

(iii) to determine the number of shares of Stock and/or the amount of any cash to be covered by each Award granted hereunder;

(iv) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder (including, but not limited to, share price, any restrictions or limitations, and any vesting, acceleration or forfeiture provisions);

(v) to determine the terms and conditions under which Awards granted hereunder are to operate on a tandem basis and/or in conjunction with or apart from other awards made by the Company or any Parent or Subsidiary outside of this Plan;

(vi) to determine the extent and circumstances under which Stock and other amounts payable with respect to an Award hereunder shall be deferred; and

(vii) to substitute (A) new Stock Options for previously granted Stock Options, including previously granted Stock Options having less favorable terms, provided, however, that without stockholder approval, no such substitution shall result in the reduction of the exercise price of a previously granted Stock Option, and (B) new awards of any other type for previously granted awards of the same type, including previously granted awards which contain less favorable terms, provided that the exercise price of any new Stock-based Award may not be reduced without stockholder approval.

Subject to Section 14 hereof, the Committee shall have the authority to adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan as it shall, from time to time, deem advisable, to interpret the terms and provisions of the Plan and any Award issued under the Plan (and to determine the form and substance of all agreements relating thereto), and otherwise to supervise the administration of the Plan.

Subject to the express provisions of the Plan, all decisions made by the Committee pursuant to the provisions of the Plan shall be made in the Committee's sole discretion and shall be final and binding upon all persons, including the Company, its Parent and Subsidiaries and the Plan participants.

Subject to the provisions of the Plan and notwithstanding anything to the contrary above, the Committee may, in its sole discretion, from time to time delegate to the Chief Executive Officer of the Company (the "CEO") the authority, subject to such terms as the Committee shall determine, to determine and designate from time to time the eligible persons to whom Awards may be granted and to perform other specified functions under the Plan; provided, however, that the CEO may not grant any Award to, or perform any function related to an Award to, himself or any individual (i) then subject to Section 16 of the Exchange Act or (ii) who is or, in the determination of the Board or the Committee, may become a Covered Employee, and any such grant or function relating to such individuals shall be performed solely by the Committee to ensure compliance with the applicable requirements of the Exchange Act and the Code or (iii) where the grant or performance of such function by the CEO will cause the Plan not to comply with any applicable regulation of any securities exchange or automated quotation system where the Stock is listed for trading.

Any such delegation of authority by the Committee shall be by a resolution adopted by the Committee and shall specify all of the terms and conditions of the delegation. The resolution of the Committee granting such authority may authorize the CEO to grant Awards pursuant to the Plan and may set forth the types of Awards that may be granted; provided, however, that the resolution shall (i) specify the maximum number of shares of Stock that may be awarded to any individual Plan participant and to all participants during a specified period of time, (ii) specify the maximum amount of any Cash Award and any conditions, limitations, or restrictions to be imposed on Cash Awards, and (iii) specify the exercise price (or the method for determining the exercise price) of an Award, the vesting schedule, and any other terms, conditions, or restrictions that may be imposed by the Committee in its sole discretion. The resolution of the Committee shall also require the CEO to provide the Committee, on at least a

Table of Contents

quarterly basis, a report that identifies the Awards granted and, with respect to each Award: the name of the participant, the date of grant of the Award, the number of shares of Stock subject to discretion as set forth in the resolutions of the Committee granting such authority.

The Committee may also delegate to other officers of the Company, pursuant to a written delegation, the authority to perform specified functions under the Plan that are not inconsistent with Rule 16b-3 or other rules or regulations applicable to the Plan. Any actions taken by any officers of the Company pursuant to such written delegation of authority shall be deemed to have been taken by the Committee.

SECTION 4: STOCK SUBJECT TO PLAN.

The total number of shares of Stock reserved and available for distribution under the Plan shall be 4,050,000 shares. Such shares may consist, in whole or in part, of authorized and unissued shares or treasury shares.

If any shares of Stock that have been optioned cease to be subject to a Stock Option for any reason, or if any shares of Stock that are subject to any Restricted Stock Award, Deferred Stock Award, Performance Unit or Other Stock-Based Award are forfeited or any such Award otherwise terminates without the issuance of such shares, such shares shall again be available for distribution under the Plan.

SECTION 5: ELIGIBILITY.

Officers and other employees of the Company or any Parent or Subsidiary (but excluding any person whose eligibility would adversely affect the compliance of the Plan with the requirements of Rule 16b-3) who are at the time of the grant of an Award under the Plan employed by the Company or any Parent or Subsidiary and who are responsible for or contribute to the management, growth and/or profitability of the business of the Company or any Parent or Subsidiary, are eligible to be granted Awards under the Plan. In addition, Awards may be granted under the Plan to any person, including, but not limited to, directors independent agents, consultants and attorneys who the Committee believes has contributed or will contribute to the success of the Company. Eligibility under the Plan shall be determined by the Committee.

SECTION 6: STOCK OPTIONS.

(a) Grant and Exercise. Stock Options granted under the Plan shall be Non-Qualified Stock Options. Any Stock Option granted under the Plan shall contain such terms as the Committee may be, may from time to time approve. The Committee shall have the authority to grant to any optionee Non-Qualified Stock Options, and they may be granted alone or in addition to other Awards granted under the Plan. The grant of an Option shall be deemed to have occurred on the date on which the Committee by resolution, designates an individual as a grantee thereof, and determines the number of shares of Stock subject to, and the terms and conditions of, said Option.

(b) Terms and Conditions. Stock Options granted under the Plan shall be subject to the following terms and conditions:

(i) Option Price. The option price per share of Stock purchasable under a Stock Option shall be determined by the Committee, at the time of grant but shall be not less than 100% of the Fair Market Value of the Stock at the time of grant.

(ii) Option Term. The term of each Stock Option shall be fixed by the Committee.

(iii) Exercisability. Stock Options shall be exercisable at such time or times and subject to such terms and conditions as shall be determined by the Committee at the time of grant. If the Committee provides that any Stock Option is exercisable only in installments, the Committee may waive such installment exercise provisions at any time at or after the time of grant in whole or in part.

Table of Contents

(iv) Method of Exercise. Subject to whatever installment, exercise and waiting period provisions are applicable in a particular case, Stock Options may be exercised in whole or in part at any time during the option period by giving written notice of exercise to the Company specifying the number of shares of Stock to be purchased. Such notice shall be accompanied by payment in full of the purchase price, which shall be in cash or, unless otherwise provided in the Stock Option Agreement, in whole shares of Stock which are already owned by the holder of the Option or, unless otherwise provided in the Stock Option Agreement, partly in cash and partly in such Stock. Cash payments shall be made by wire transfer, certified or bank check or personal check, in each case payable to the order of the Company; provided, however, that the Company shall not be required to deliver certificates for shares of Stock with respect to which an Option is exercised until the Company has confirmed the receipt of good and available funds in payment of the purchase price thereof. Payments in the form of Stock (which shall be valued at the Fair Market Value of a share of Stock on the date of exercise) shall be made by delivery of stock certificates in negotiable form which are effective to transfer good and valid title thereto to the Company, free of any liens or encumbrances. In addition, payment may be made by delivery by the holder to the Company of an executed irrevocable option exercise form together with irrevocable instructions from the holder to a broker or dealer, reasonably acceptable to the Company, to sell certain of the shares of Stock purchased upon exercise of the Option with or to pledge such shares as collateral for a loan and promptly deliver to the Company the amount of the sale and/or loan proceeds necessary to pay such purchase price, and/or in any other form of valid consideration that is acceptable to the Committee in its sole discretion. Except as otherwise expressly provided in the Plan or the Stock Option Agreement or unless waived by the Committee at or after the time of grant, no Option granted to an Employee may be exercised at any time unless the holder thereof is then an Employee. The holder of an Option shall have none of the rights of a stockholder with respect to the shares subject to the Option until the optionee has given written notice of exercise, has paid in full for those shares of Stock and, if requested by the Committee has given the representation described in Section 20(a) below.

(v) Transferability; Exercisability. Unless otherwise set forth in the Stock Option Agreement (or unless waived by the Committee at or after the time of grant), no Option shall be transferable by the optionee other than by will or by the laws of descent and distribution, and all Options shall be exercisable, during the optionee's lifetime, only by the optionee or his or her guardian or legal representative.

(vi) Termination by Reason of Death. If an optionee's Termination of Service occurs by reason of death, any Stock Option held by such optionee may thereafter be exercised by the executor or administrator of the estate of the optionee or the optionee's legal representative, to the extent it was exercisable at the time of the optionee's Termination of Service or on such accelerated basis as the Committee may determine at or after the time of grant. Such Option may be exercised for a period of time as set forth in the Stock Option Agreement or as the Committee may determine (at or after the date of grant (in either case, not to exceed one year from Termination of Service) or as until the expiration of the stated term of such Stock Option, whichever period is the shorter.

(vii) Termination by Reason of Disability. If an optionee's Termination of Service occurs by reason of Disability, any Stock Option held by such optionee may thereafter be exercised by the optionee or his legal representative, to the extent it was exercisable at the time of the optionee's Termination of Service or on such accelerated basis as the Committee may determine at or after the time of grant. Such Option may be exercised for a period of time as set forth in the Stock Option Agreement or as the Committee may determine at or after the time of grant (in either case, not to exceed one year from Termination of Service) or until the expiration of the stated term of such Stock Option, whichever period is the shorter; provided, however, that if the optionee dies within such specified period any unexercised Stock Option held by such optionee shall thereafter be exercisable to the extent to which it was exercisable at the time of death for a period of time from the date of death (not to exceed one year) as determined by the Committee or until the expiration of the stated term of such Stock Option, whichever period is the shorter.

(viii) Termination by Reason of Retirement. If an optionee's Termination of Service occurs by reason of Normal Retirement, any Stock Option held by such optionee may thereafter be exercised by the optionee, to the extent it was exercisable at the time of Termination of Service or on such accelerated basis as the Committee may determine at or after the time of grant, for a period of time set forth in the Stock Option Agreement or such other period as the Committee may specify at or after the time of grant (in either case, not to exceed one year from

Table of Contents

the Termination of Service) or the expiration of the stated term of such Stock Option, whichever period is the shorter; provided, however, that if the optionee dies within such specified period any unexercised Stock Option held by such optionee shall thereafter be exercisable to the extent to which it was exercisable at the time of death for a period of (not to exceed one year) from the date of death as determined by the Committee or until the expiration of the stated term of such Stock Option, whichever period is the shorter. If an optionee's Termination of Service occurs by reason of Early Retirement, the Stock Option shall thereupon terminate; provided, however, that if the Committee so approves at the time of Early Retirement, any Stock Option held by the optionee may thereafter be exercised by the optionee as provided above in connection with termination of employment by reason of Normal Retirement.

(ix) Other Termination. Subject to the provisions of Section 20(g) below and unless otherwise determined by the Committee at or after the time of grant or otherwise set forth in the Stock Option Agreement, if a holder's Termination of Service occurs for any reason other than death, Disability or Retirement or the voluntary resignation of the holder, the Stock Option shall thereupon automatically terminate, except that (a) if the Termination of Service occurs as a result of the holder's voluntary resignation, such Stock Option may be exercised to the extent it was exercisable at the time of Termination of Service for a period of thirty (30) days or the expiration of the stated term of the Stock Option, whichever is shorter, and (b) if the optionee is involuntarily terminated by the Company or a Subsidiary or Parent without Cause (as hereinafter defined), such Stock Option may be exercised to the extent it was exercisable at the date of Termination of Service for six months (or such other period set forth in the Stock Option Agreement which period shall not exceed one year from the date of such Termination of Service) or until the expiration of the stated term of such Stock Option, whichever period is the shorter. For purposes of the Plan, Cause shall mean (A) the conviction of the optionee of a felony under Federal law or the law of the state in which such action occurred, (B) dishonesty by the optionee in the course of fulfilling his or her employment duties, or (C) the willful and deliberate failure on the part of the optionee to perform his or her employment duties in any material respect. Notwithstanding the foregoing, if the optionee has an employment agreement with the Company or a Subsidiary or Parent, the definition of Cause shall have the meaning ascribed in such employment agreement.

(x) Alternative Settlement of Option. Upon the receipt of written notice of exercise, the Committee, may elect to settle all or part of any Stock Option by paying to the optionee an amount, in cash and/or Stock (valued at Fair Market Value on the date of exercise), equal to the product of the excess of the Fair Market Value of one share of Stock on the date of exercise over the Option exercise price, multiplied by the number of shares of Stock with respect to which the optionee proposes to exercise the Option. Any such settlements which relate to Options which are held by optionees who are subject to Section 16(b) of the Exchange Act shall comply with any existing provisions of Rule 16b-3, to the extent applicable.

(xi) Stock Option Agreement. Each grant of a Stock Option shall be confirmed by, and shall be subject to the terms of, an agreement executed by the Company and the participant.

SECTION 7: PERFORMANCE UNITS.

Awards granted as Performance Units shall be subject to the following provisions:

(a) The Performance Cycle for the attainment of the Performance Goals shall be determined by the Committee. The Committee may establish more than one cycle for any particular Performance Unit.

(b) The Committee shall establish a dollar value for each Performance Unit, the Performance Goals to be attained in respect of the Performance Unit, the various percentages of the Performance Unit value to be paid out upon the attainment, in whole or in part, of the Performance Goals and such other Performance Unit terms, conditions and restrictions as the Committee deems appropriate. Any Performance Goal may be modified by the Committee during the course of a Performance Cycle to take into account changes in conditions that occur. Notwithstanding the foregoing, in the case of a Performance Unit granted to a Covered Employee, no business criteria other than those enumerated in Section 2(w) may be used in establishing the Performance Goals for such Performance Unit, and no such Performance Goals may be modified by the Committee during the course of a

Table of Contents

Performance Cycle except in accordance with Section 162(m) of the Code. As soon as practicable after the termination of the Performance Cycle, the Committee shall determine what, if any, payment is due on the Performance Unit in accordance with the terms thereof.

(c) In the event of a participant's Termination of Service prior to the expiration of the Performance Cycle established for any Performance Unit he or she may have been awarded, the Committee may, in its sole discretion provide for a full or partial credit and determine what percentage, if any, of the Performance Unit is to be paid out. However, no unpaid portion of a Performance Unit otherwise payable shall be paid to a Plan participant whose Termination of Service is for Cause. Notwithstanding the foregoing, in the case of Performance Units granted to Covered Employees, this paragraph 7.5(c) shall not be given effect if, as a result thereof, such Performance Units shall lose the protection afforded by Section 162(m) of the Code.

(d) Payment of Performance Units shall be made, at the sole discretion of the Committee, either in cash in the amount of the dollar value of the Performance Units awarded and/or in Stock having a Fair Market Value at the time such award is paid equal to the excess of such dollar amount over the amount of such cash.

(e) Except as otherwise set forth in the Plan, Performance Units are not transferable other than by will or by the laws of descent and distribution and during a participant's lifetime payments in respect thereof shall be made only to the participant.

SECTION 8: RESTRICTED STOCK.

(a) Grant and Exercise. Shares of Restricted Stock may be issued either alone or in addition to or in tandem with other Awards granted under the Plan. The Committee shall determine the eligible persons to whom, and the time or times at which, grants of Restricted Stock will be made, the number of shares to be awarded, the price (if any) to be paid by the recipient, the time or times within which such awards may be subject to forfeiture (the Restriction Period), the vesting schedule and rights to acceleration thereof, and all other terms and conditions of the Awards of Restricted Stock. Conditions of vesting that the Committee may impose may include, among others, (i) length of continuous service, (ii) achievement of specific business objectives, (iii) increases in specific indices, (iv) attainment of specified growth rates, or any other conditions as determined by the Committee. The Committee may remove any or all of the restrictions on such Restricted Stock whenever it may determine that, by reason of changes in applicable law or other changes in circumstances arising after the date of the Award, such action is appropriate.

(b) Terms and Conditions. Each Restricted Stock Award shall also be subject to the following terms and conditions:

(i) Restricted Stock, when issued, will be represented by a stock certificate or certificates registered in the name of the holder to whom such Restricted Stock shall have been awarded. During the Restriction Period, certificates representing the Restricted Stock and any securities constituting Retained Distributions (as defined below) shall bear a restrictive legend to the effect that ownership of the Restricted Stock (and such Retained Distributions), and the enjoyment of all rights related thereto, are subject to the restrictions, terms and conditions provided in the Plan and the Restricted Stock Agreement. Such certificates shall bear a legend restricting sale or other disposition in accordance with the Plan and the applicable Restricted Stock Agreement.

(ii) Restricted Stock shall constitute issued and outstanding shares of Common Stock for all corporate purposes, and the issuance thereof shall be made for at least the minimum consideration (if any) necessary to permit the shares of Restricted Stock to be deemed to be fully paid and nonassessable. The holder will have the right to vote such Restricted Stock, to receive and retain all regular cash dividends and other cash equivalent distributions as the Board may designate, pay or distribute on such Restricted Stock and to exercise all other rights, powers and privileges of a holder of Stock with respect to such Restricted Stock, with the exceptions that (A) other than regular cash dividends and other cash equivalent distributions as the Board may designate, pay or distribute, the Company will retain custody of all distributions (Retained Distributions) made or declared with respect to the Restricted Stock (and such Retained Distributions will be subject to the same restrictions, terms and conditions as

Table of Contents

are applicable to the Restricted Stock) until such time, if ever, as the Restricted Stock with respect to which such Retained Distributions shall have been made, paid or declared shall have become vested and with respect to which the Restriction Period shall have expired; (B) the holder may not sell, assign, transfer, pledge, exchange, encumber or dispose of the Restricted Stock or any Retained Distributions during the Restriction Period; and (C) a breach of any of the restrictions, terms or conditions contained in the Plan or the Restricted Stock agreement referred to in Section 8(b)(iv) below, or otherwise established by the Committee with respect to any Restricted Stock or Retained Distributions will cause a forfeiture of such Restricted Stock and any Retained Distributions with respect thereto.

(iii) Upon the expiration of the Restriction Period with respect to each award of Restricted Stock and the satisfaction of any other applicable restrictions, terms and conditions (A) all or part of such Restricted Stock shall become vested in accordance with the terms of the Restricted Stock Agreement, (B) any Retained Distributions with respect to such Restricted Stock shall become vested to the extent that the Restricted Stock related thereto shall have become vested and (C) the Company will return to the holder the certificates representing the Restricted Stock and any Retained Distributions. Any such Restricted Stock and Retained Distributions that do not vest shall be forfeited to the Company and the holder shall not thereafter have any rights with respect to such Restricted Stock and Retained Distributions that shall have been so forfeited.

(iv) Each Restricted Stock Award shall be confirmed by, and shall be subject to the terms of, an agreement executed by the Company and the participant. The agreement shall require that each participant irrevocably grant to the Company the power of attorney to transfer any shares of Restricted Stock forfeited to the Company and agrees to execute any document required by the Company in connection with such forfeiture and transfer.

SECTION 9: DEFERRED STOCK.

(a) Grant and Exercise. Deferred Stock may be awarded either alone or in addition to or in tandem with other Awards granted under the Plan. The Committee shall determine the eligible persons to whom and the time or times at which Deferred Stock shall be awarded, the number of shares of Deferred Stock to be awarded to any person, the duration of the period (the Deferral Period) during which, and the conditions under which, receipt of the Deferred Stock will be deferred, and all the other terms and conditions of the Awards.

(b) Terms and Conditions. Each Deferred Stock Award shall be subject to the following terms and conditions:

(i) Subject to the provisions of this Plan and the Deferred Stock Agreement referred to in Section 9(b)(vii) below, Deferred Stock Awards may not be sold, assigned, transferred, pledged or otherwise encumbered during the Deferral Period. At the expiration of the Deferral Period (or the Additional Deferral Period referred to in Section 9(b)(vi) below, where applicable), share certificates shall be delivered to the participant, or his legal representative, in a number equal to the shares of Stock covered by the Deferred Stock Award.

(ii) As determined by the Committee at the time of award, amounts equal to any dividends declared during the Deferral Period (or the Additional Deferral Period referred to in Section 9(b)(vi) below, where applicable) with respect to the number of shares covered by a Deferred Stock Award may be paid to the participant currently or deferred and deemed to be reinvested in additional Deferred Stock.

(iii) Subject to the provisions of the Deferred Stock Agreement referred to in Section 9(b)(vii) below and this Section 9 and Section 20(g) below, upon termination of a participant's employment with the Company or any Parent or Subsidiary for any reason during the Deferral Period (or the Additional Deferral Period referred to in Section 9(b)(vi) below, where applicable) for a given award, the Deferred Stock in question will vest or be forfeited in accordance with the terms and conditions established by the Committee at the time of grant.

(iv) The Committee may, after grant, accelerate the vesting of all or any part of any Deferred Stock Award and/or waive the deferral limitations for all or any part of a Deferred Stock award.

Table of Contents

(v) In the event of hardship or other special circumstances of a participant whose employment with the Company or any Parent or Subsidiary is involuntarily terminated (other than for Cause), the Committee may waive in whole or in part any or all of the remaining deferral limitations imposed hereunder or pursuant to the Deferred Stock Agreement referred to in Section 9(b)(vii) below with respect to any or all of the participant's Deferred Stock.

(vi) A participant may request to, and the Committee may at any time, defer the receipt of an Award (or an installment of an Award) for an additional specified period or until a specified event (the Additional Deferral Period). Subject to any exceptions adopted by the Committee, such request must be made at least one year prior to expiration of the Deferral Period for such Deferred Stock Award (or such installment).

(vii) Each Deferred Stock Award shall be confirmed by, and shall be subject to the terms of, an agreement executed by the Company and the participant.

SECTION 10: OTHER STOCK-BASED AWARDS.

(a) Grant and Exercise. Other Stock-Based Awards may be granted either alone or in addition to or in tandem with Stock Options, Performance Units, Restricted Stock, Deferred Stock and/or Cash Awards.

The Committee shall determine the eligible persons to whom, and the time or times at which, such awards shall be made, the number of shares of Stock to be awarded pursuant to such awards, and all other terms and conditions of the awards. The Committee may also provide for the grant of Stock under such awards upon the completion of a specified performance period.

(b) Terms and Conditions. Each Other Stock-Based Award shall be subject to the following terms and conditions:

(i) Shares of Stock subject to an Other Stock-Based Award may not be sold, assigned, transferred, pledged or otherwise encumbered prior to the date on which the shares are issued, or, if later, the date on which any applicable restriction or period of deferral lapses.

(ii) The recipient of an Other Stock-Based Award shall be entitled to receive, currently or on a deferred basis, dividends or dividend equivalents with respect to the number of shares covered by the award, as determined by the Committee at the time of the award. The Committee may provide that such amounts (if any) shall be deemed to have been reinvested in additional Stock.

(iii) Any Other Stock-Based Award and any Stock covered by any Other Stock-Based Award shall vest or be forfeited to the extent so provided in the award agreement referred to in Section 10(b)(v) below, as determined by the Committee.

(iv) In the event of the participant's Retirement, Disability or death, or in cases of special circumstances, the Committee may waive in whole or in part any or all of the limitations imposed hereunder (if any) with respect to any or all of an Other Stock-Based award.

(v) Each Other Stock-Based Award shall be confirmed by, and shall be subject to the terms of, an agreement executed by the Company and by the participant.

SECTION 11: CASH AWARDS.

(a) Grant of Cash Awards. The Committee may, in its sole discretion, grant Cash Awards in accordance with the terms and conditions set forth in the Plan and in an agreement executed by the Company and the participant (Cash Award Agreement). Each Cash Award Agreement shall set forth (i) the amount of the Cash Award, (ii) the time or times within which such Award may be subject to forfeiture, if any, (iii) specified performance goals, or other criteria, if any, as the Committee may determine must be met in order to remove any

Table of Contents

restrictions (including vesting) on such Award, and (iv) any other terms, limitations, restrictions, and conditions of the Award that are consistent with this Plan.

The Cash Award Agreement shall also set forth the vesting period for the Cash Award, if any, which shall commence on the date of grant of the Cash Award and, unless otherwise established by the Committee in the Cash Award Agreement, shall expire upon satisfaction of the conditions set forth in the Cash Award Agreement. Such conditions may provide for vesting based on (i) length of continuous service, (ii) achievement of specific business objectives, (iii) increases in specified indices, (iv) attainment of specified growth rates, or (v) other comparable measurements of Company performance, as may be determined by the Committee in its sole discretion.

(b) **Termination of Service.** Subject to the provisions of the particular Cash Award Agreement, and unless otherwise permitted by the Committee, in its sole discretion, upon termination of the participant's service to the Company or its Parent and Subsidiaries for any reason during a vesting period (if any), the nonvested portion of a Cash Award shall be forfeited by the participant. Upon any forfeiture, all rights of a Participant with respect to the forfeited Cash Award shall cease and terminate, without any further obligation on the part of the Company.

(c) **Form of Payment.** In the sole discretion of the Committee, the Company may satisfy its obligation under a Cash Award by the distribution of that number of shares of Common Stock or Restricted Stock, or any combination thereof, having an aggregate Fair Market Value (as of the date of payment) equal to the amount of cash otherwise payable to the participant, and/or by the distribution of Stock Options having an aggregate Fair Market Value equal to the amount of cash otherwise payable to the participant, with a cash settlement to be made for any fractional share interests, or the Company may settle such obligation in part with shares of Common Stock and in part with cash. If required by Rule 16b-3 at the time of distribution, any shares of Common Stock distributed to a participant must be held by such participant for at least six (6) months from the date of distribution.

SECTION 12: PERFORMANCE-BASED AWARDS

(a) **In General.** All Stock Options and certain Restricted Stock Awards, Deferred Stock Awards, Performance Units, Other Stock-Based Awards or Cash Awards granted under the Plan, are intended to (i) qualify as Performance-Based Awards (as defined in the next sentence) or (ii) be otherwise exempt from the deduction limitation imposed by Section 162(m) of the Code. Certain Awards granted under the Plan may be granted in a manner such that Awards qualify as performance-based compensation (as such term is used in Section 162(m) of the Code and the regulations thereunder) and thus be exempt from the deduction limitation imposed by Section 162(m) of the Code (Performance-Based Awards). Awards may only qualify as Performance-Based Awards if at the time of grant the Committee is comprised solely of two or more outside directors (as such term is used in Section 162(m) of the Code and the regulations thereunder).

(b) **Stock Options.** Stock Options granted under the Plan with an exercise price at or above the Fair Market Value of Common Stock on the date of grant should qualify as Performance-Based Awards.

(c) **Other Performance-Based Awards.** Restricted Stock Awards, Deferred Stock Awards, Performance Units, Other Stock-Based Awards and Cash Awards granted under the Plan should qualify as Performance-Based Awards if, as determined by the Committee, in its discretion, either the granting or vesting of such Award is subject to the achievement of a performance target or targets based on one or more of the performance measures specified in Section 12(d) below. With respect to such Awards intended to qualify as Performance-Based Awards:

- (1) the Committee shall establish in writing (x) the objective performance-based goals applicable to a given period and (y) the individual employees or class of employees to which such performance-based goals apply no later than 90 days after the commencement of such period (but in no event after 25 percent of such period has elapsed);
- (2) no Performance-Based Awards shall be payable to or vest with respect to, as the case may be, any Participant for a given period until the Committee certifies in writing that the objective performance goals

Table of Contents

(and any other material terms) applicable to such period have been satisfied; and

- (3) after the establishment of a performance goal, the Committee shall not revise such performance goal or increase the amount of compensation payable thereunder (as determined in accordance with Section 162(m) of the Code) upon the attainment of such performance goal.

(d) Performance Measures. The Committee may use the following performance measures (either individually or in any combination) to set performance targets with respect to Awards intended to qualify as Performance-Based Awards: income from continuing operations; attainment of strategic and operational objectives; return on invested capital; net sales; pretax income before allocation of corporate overhead and bonus; budget; earnings per share; net income; division, group or corporate financial goals; return on shareholders' equity; return on assets; return on net assets; gross margin return on investment; gross margin dollars or percent; inventory turnover; employee turnover; sales, general and administrative expense; appreciation in and/or maintenance of the price of Common Stock or any other publicly-traded securities of the Company, if any; market share; gross profits; earnings before interest and taxes; earnings before interest, taxes, depreciation and amortization; economic value-added models; comparisons with various stock market indices; and/or reductions in costs. The foregoing criteria shall have any reasonable definitions that the Committee may specify, which may include or exclude any or all of the following items as the Committee may specify: extraordinary, unusual or non-recurring items; effects of accounting changes; effects of financing activities; expenses for restructuring or productivity initiatives; other non-operating items; spending for acquisitions; effects of divestitures; and effects of litigation activities and settlements. Any such performance criterion or combination of such criteria may apply to the participant's Award opportunity in its entirety or to any designated portion or portions of the Award opportunity, as the Committee may specify.

SECTION 13: CHANGE OF CONTROL PROVISIONS.

(a) A Change of Control shall be deemed to have occurred on the tenth day after:

(i) any individual, firm, corporation or other entity, or any group (as defined in Section 13(d)(3) of the Exchange Act) becomes, directly or indirectly, the beneficial owner (as defined in the General Rules and Regulations of the Securities and Exchange Commission with respect to Sections 13(d) and 13(g) of the Exchange Act) of more than 20% of the then outstanding shares of the Company's capital stock entitled to vote generally in the election of directors of the Company; or

(ii) the commencement of, or the first public announcement of the intention of any individual, firm, corporation or other entity or of any group (as defined in Section 13(d)(3) of the Exchange Act) to commence, a tender or exchange offer subject to Section 14(d)(1) of the Exchange Act for any class of the Company's capital stock; or

(iii) the stockholders of the Company approve (A) a definitive agreement for the merger or other business combination of the Company with or into another corporation pursuant to which the stockholders of the Company do not own, immediately after the transaction, more than 50% of the voting power of the corporation that survives, or (B) a definitive agreement for the sale, exchange or other disposition of all or substantially all of the assets of the Company, or (C) any plan or proposal for the liquidation or dissolution of the Company; provided, however, that a Change of Control shall not be deemed to have taken place if beneficial ownership is acquired by, or a tender or exchange offer is commenced or announced by, the Company, any profit-sharing, employee ownership or other employee benefit plan of the Company, any trustee of or fiduciary with respect to any such plan when acting in such capacity, or by a person who is an officer or director of the Company on the effective date of the Plan, or by any group comprised solely of such persons and/or entities.

(b) In the event of a Change of Control as defined in Section 13(a) above, awards granted under the Plan will be subject to the following provisions, unless the provisions of this Section 13 are suspended or terminated by an affirmative vote of a majority of the Board prior to the occurrence of such a Change of Control :

Table of Contents

(i) all outstanding Stock Options which have been outstanding for at least six months shall become exercisable in full, whether or not otherwise exercisable at such time, and any such Stock Option shall remain exercisable in full thereafter until it expires pursuant to its terms; and

(ii) all restrictions and deferral limitations contained in Restricted Stock Awards, Deferred Stock Awards, Performance Units and Other Stock Based Awards granted under the Plan shall lapse.

SECTION 14: AMENDMENTS AND TERMINATION.

The Board or Committee may at any time, and from time to time, amend any of the provisions of the Plan, and may at any time suspend or terminate the Plan; provided, however, that no such amendment shall be effective unless and until it has been duly approved by the holders of the outstanding shares of Stock if the failure to obtain such approval would adversely affect the compliance of the Plan with the requirements of Rule 16b-3 of the Exchange Act, as in effect from time to time, or with the requirements of any other applicable law, rule or regulation. The Committee may be, may amend the terms of any Stock Option or other award theretofore granted under the Plan; provided, however, that subject to Section 3 above, no such amendment may be made by the Committee which in any material respect impairs the rights of the optionee or participant without the optionee's or participant's consent, except for such amendments which are made to cause the Plan to qualify for the exemption provided by Rule 16b-3 and no such amendment shall result in a reduction of the exercise price of any Stock Option.

SECTION 15: UNFUNDED STATUS OF PLAN.

The Plan is intended to constitute an unfunded plan for incentive and deferred compensation. With respect to any payments not yet made to a participant or optionee by the Company, nothing contained herein shall give any such participant or optionee any rights that are greater than those of a general creditor of the Company.

SECTION 16: [INTENTIONALLY OMITTED].

SECTION 17: LIMIT ON AWARDS TO ANY INDIVIDUAL.

Notwithstanding any provision contained herein, no participant may be granted under the Plan, during any year, Options or any other Awards relating to more than 2,025,000 shares of Common Stock in the aggregate, subject to adjustment in accordance with Section 18. With respect to an Award that may be settled in cash, no participant may be paid in respect of any fiscal year an amount that exceeds the greater of the Market Value of the number of shares of Common Stock set forth in the preceding sentence at the date of grant or at the date of settlement of the Award, provided that this limitation is separate from and not affected by the number of Awards granted during such fiscal year subject to the limitation in the preceding sentence.

SECTION 18: ADJUSTMENTS.

In the event that the Committee shall determine that any dividend or other distribution (whether in the form of cash, shares of Common Stock or other property), recapitalization, forward or reverse split, reorganization, merger, consolidation, spin-off, combination, repurchase or share exchange, or other similar corporate transaction or event, affects the shares of Stock such that an adjustment is appropriate in order to prevent dilution or enlargement of the rights of participants under the Plan, then the Committee shall, in such manner as it may deem equitable, adjust any or all of (i) the number and kind of shares which may thereafter be delivered in connection with Awards, (ii) the number and kind of shares that may be delivered or deliverable in respect of outstanding Awards, (iii) the number of shares with respect to which Awards may be granted to a given participant and (iv) the exercise price, grant price, or purchase price relating to any Award or, if deemed appropriate, make provision for a cash payment with respect to any outstanding Award, and, with respect to Awards granted to Covered Employees, no such adjustment shall be authorized to the extent that such adjustment would cause such Award to lose the benefits of Section 162(m) of the Code and that the number of shares of Stock subject to any award shall always be a whole

Table of Contents

number. Such adjusted exercise price shall also be used to determine the amount which is payable to the optionee upon the exercise by the Committee of the alternative settlement right which is set forth in Section 6(b)(x) above.
SECTION 19: ELECTIVE DEFERRAL.

Notwithstanding anything in the Plan to the contrary, participants under the Plan may, by completing an election form and delivering it to the General Counsel of the Company on or before December 15 of any year, elect (the Elective Deferral) to defer the receipt of any of the cash or Stock to be received by the participant in the immediately succeeding year, on such terms as the Committee may permit.

An Elective Deferral shall be irrevocable, except that the Committee, in its sole discretion, may allow a participant to change or revoke such Elective Deferral.

The Company shall establish an account for each participant who makes an Elective Deferral reflecting Elective Deferrals made for such participant s benefit together with any additions to reflect any dividends paid upon any shares of Stock that have been deferred pursuant to an Elective Deferral. The Company shall establish sub-accounts for each participant who has more than one Elective Deferral in effect under the Plan and such other sub-accounts as are necessary for the proper administration of the Plan. As of the last business day of each December 31 of each year, the Company shall provide the participant with a statement of his or her account reflecting the number of deferred shares or other deferred compensation under the Plan, and any dividends on such shares credited thereto and distributions from such account since the prior statement.

A participant who makes an Elective Deferral shall be immediately vested in, and shall have a nonforfeitable right to, all deferred shares and other deferred compensation and all dividends, if any, on any deferred shares credited to his or her account, except as otherwise provided by the Committee. In the event of the Company s insolvency, the participant shall have the same rights as a general creditor of the Company with respect to his or her account balance.

A participant who makes an Elective Deferral shall designate (on the election form used to make Elective Deferrals under the Plan) the date(s) at which the deferred shares and other deferred compensation and any dividends credited to his or her account will be distributed to him or her, or his or her designated beneficiary (in the event of death before full distribution), or estate if no such beneficiary, or legal representative in the event of incompetence before full distribution. The number of shares of Stock, if any, which are attributable to dividends and credited to his or her account shall be based on the per share Fair Market Value on the date of such dividend. Distributions shall be made in cash and/or Stock in the proportions deferred.

Deferred shares and shares attributable to dividends on any Deferred Shares shall be subject to adjustment as set forth in Section 18 of the Plan.

Each such election regarding the date(s) for payments shall be irrevocable, except that the Committee, in its sole discretion, may allow the participant to change or revoke such election.

SECTION 20: GENERAL PROVISIONS.

(a) The Committee may require each person acquiring shares of Stock pursuant to a Stock Option or other Award under the Plan to represent to and agree with the Company in writing that the optionee or participant is acquiring the shares for investment without a view to distribution thereof.

All certificates for shares of Stock delivered under the Plan shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange or association upon which the Stock is then listed or traded, any applicable Federal or state securities law, and any applicable corporate law, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

Table of Contents

(b) Nothing contained in the Plan shall prevent the Board or, where authorized by the Board, the Committee, as the case may be, from adopting such other or additional incentive arrangements as it may deem desirable, including, but not limited to, the granting of stock options and the awarding of stock and cash otherwise than under the Plan; and such arrangements may be either generally applicable or applicable only in specific cases.

(c) NOTHING CONTAINED IN THE PLAN OR IN ANY AWARD HEREUNDER SHALL BE DEEMED TO CONFER UPON ANY EMPLOYEE OF THE COMPANY OR ANY PARENT OR SUBSIDIARY ANY RIGHT TO CONTINUED EMPLOYMENT WITH THE COMPANY OR ANY PARENT OR SUBSIDIARY, NOR SHALL IT INTERFERE IN ANY WAY WITH THE RIGHT OF THE COMPANY OR ANY SUBSIDIARY TO TERMINATE THE EMPLOYMENT OF ANY OF ITS EMPLOYEES AT ANY TIME.

(d) Not later than the date as of which an amount first becomes includable in the gross income of the participant for Federal, state or local income tax purposes with respect to any Option or other Award under the Plan, the participant shall pay to the Company, or make arrangements satisfactory to the Committee, as the case may be, regarding the payment of, any Federal, state and local taxes of any kind required by law to be withheld or paid with respect to such amount. If permitted by the Committee, tax withholding or payment obligations may be settled with Stock, including Stock that is part of the Award that gives rise to the withholding requirement. The obligations of the Company under the Plan shall be conditional upon such payment or arrangements and the Company or the participant's employer (if not the Company) shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the participant from the Company, its Parent or any Subsidiary.

(e) The Plan and all Awards made and actions taken thereunder shall be governed by and construed in accordance with the laws of the State of Indiana (without regard to choice of law provisions).

(f) Any Stock Option granted or other Award made under the Plan shall not be deemed compensation for purposes of computing benefits under any retirement plan of the Company or any Parent or Subsidiary and shall not affect any benefits under any other benefit plan now or subsequently in effect under which the availability or amount of benefits is related to the level of compensation (unless required by specific reference in any such other plan to Awards under this Plan).

(g) A leave of absence, unless otherwise determined by the Committee prior to the commencement thereof, shall not be considered a termination of employment. Any Stock Option granted or awards made under the Plan shall not be affected by any change of employment, so long as the holder continues to be an employee of the Company, its Parent or any Subsidiary.

(h) Except as otherwise expressly provided in the Plan or in any Stock Option Agreement, Restricted Stock agreement, Deferred Stock Agreement, Performance Unit Agreement, Cash Award Agreement or any Other Stock-Based Award agreement, no right or benefit under the Plan may be alienated, sold, assigned, hypothecated, pledged, exchanged, transferred, encumbered or charged, and any attempt to alienate, sell, assign, hypothecate, pledge, exchange, transfer, encumber or charge the same shall be void. No right or benefit hereunder shall in any manner be subject to the debts, contracts or liabilities of the person entitled to such benefit.

(i) The obligations of the Company with respect to all Stock Options and Awards under the Plan shall be subject to (A) all applicable laws, rules and regulations, and such approvals by any governmental agencies as may be required, including, without limitation, the effectiveness of a registration statement under the Securities Act, and (B) the rules and regulations of any securities exchange or association on which the Stock may be listed or traded.

(j) If any of the terms or provisions of the Plan conflict with the requirements of Rule 16b-3 as in effect from time to time, or with the requirements of any other applicable law, rule or regulation then such terms or provisions shall be deemed inoperative to the extent they so conflict with the requirements of said Rule 16b-3.

Table of Contents

(k) The Committee may terminate any Stock Option or other Award made under the Plan if a written agreement relating thereto is not executed and returned to the Company within 30 days after such agreement has been delivered to the optionee or participant for his or her execution.

SECTION 21: EFFECTIVE DATE OF PLAN.

The Plan shall be effective as of the first business day following approval of the Plan by the Company's stockholders.

SECTION 22: TERM OF PLAN.

No Stock Option, Restricted Stock Award, Deferred Stock Award, Performance Unit or Other Stock-Based Award or Cash Award shall be granted pursuant to the Plan on or after the tenth anniversary of the effective date of the Plan, but Awards granted prior to such tenth anniversary may extend beyond that date.

Annex E

16

Table of Contents

**ANNUAL MEETING OF SHAREHOLDERS OF
BRIGHTPOINT, INC
July 30, 2007
PROXY VOTING INSTRUCTIONS**

MAIL Date, sign and mail your proxy card in the envelope provided as soon as possible.

- OR -

TELEPHONE Call toll-free **1-800-PROXIES** from any touch-tone telephone and follow the instructions. Have your control number and proxy card available when you call.

COMPANY NUMBER _____
ACCOUNT NUMBER _____
CONTROL NUMBER _____

- OR -

INTERNET Access **www.voteproxy.com** and follow the on-screen instructions. Have your control number available when you access the web page.

Please detach along perforated line and mail in the envelope provided **if** you are not voting via telephone or the Internet.

**Brightpoint, Inc.
2601 Metropolis Parkway, Suite 210
Plainfield, Indiana 46168**

**PROXY FOR ANNUAL MEETING OF SHAREHOLDERS TO BE HELD JULY 30, 2007
THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS**

The undersigned hereby appoints STEVEN E. FIVEL and ANTHONY W. BOOR, and each of them, Proxies, with full power of substitution in each of them, in the name, place and stead of the undersigned, to vote at the Annual Meeting of Shareholders of Brightpoint, Inc. (the Company) on Monday, July 30, 2007, at 9:00 a.m. (local time), at the Company's Americas division headquarters located at 501 Airtech Parkway, Plainfield, Indiana 46168 or at any adjournment or adjournments thereof, according to the number of votes that the undersigned would be entitled to vote if personally present, upon the following matters:

(Continued and to be signed on reverse side)

Edgar Filing: PUTNAM PREMIER INCOME TRUST - Form SC 13G/A

To change the address on your account, please check the box at right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method.

Signature of Shareholder _____ Date _____

Signature of Shareholder (if jointly held) _____ Date _____

NOTE: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.