



Tilgin

Interim Report January – September 2010

22/10/2010

MATS VICTORIN, CEO Tilgin AB
08-572 386 02
mats.victorin@tilgin.com

Stable gross margin – continued satisfactory control of costs

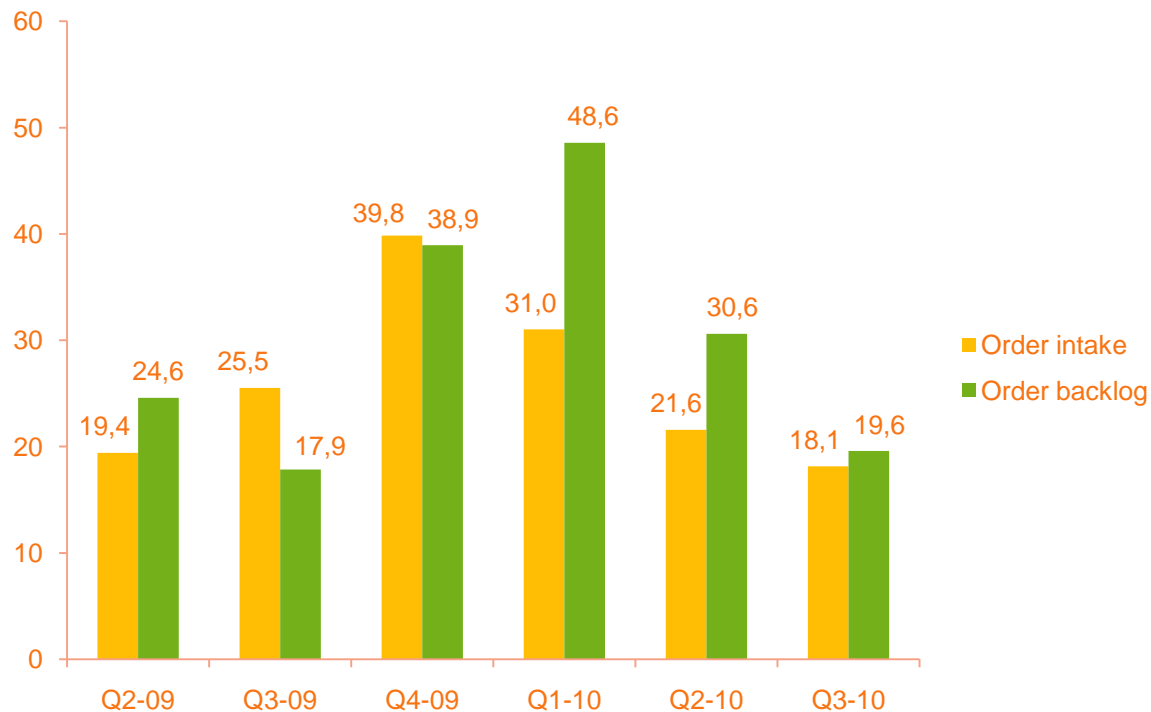
- ▶ Net sales SEK 25.8 million (30.6), accumulated for 2010 SEK 89.6 million (92.6)
- ▶ Gross margin 34 % for the quarter and 35 % for the first nine months of 2010
- ▶ Order intake SEK 18.1 million (25.5) and order backlog as of 30 September 2010 SEK 19.6 million (17.9)
- ▶ Cash flow from operating activities SEK -6.7 million (-2.2). Cash and bank amounted to SEK 6.0 million (18.7) as of 30 September 2010
- ▶ The company keeps having good control of its costs and expenses. Operating expenses excluding goods for resale were approx. 16 % lower for the first nine months of 2010, compared with 2009.



Net sales and operating result (SEK M)



Order intake and order backlog (SEK M)



Trend towards operators increasing investment volumes

- ▶ Towards the end of the third quarter and in the early fourth quarter we have observed a more positive trend when it comes to the operators' investment decisions
- ▶ By focusing strongly on production planning in close cooperation with our ODMs, we have also in the third quarter managed to handle the component shortage on the market rather well
- ▶ New orders from, among others, Tilgin's Danish fiber customers and from the Middle East. After quarter-end we won an exciting new customer order from a leading operator in South Eastern Europe, and also a new volume order from a current customer in that region



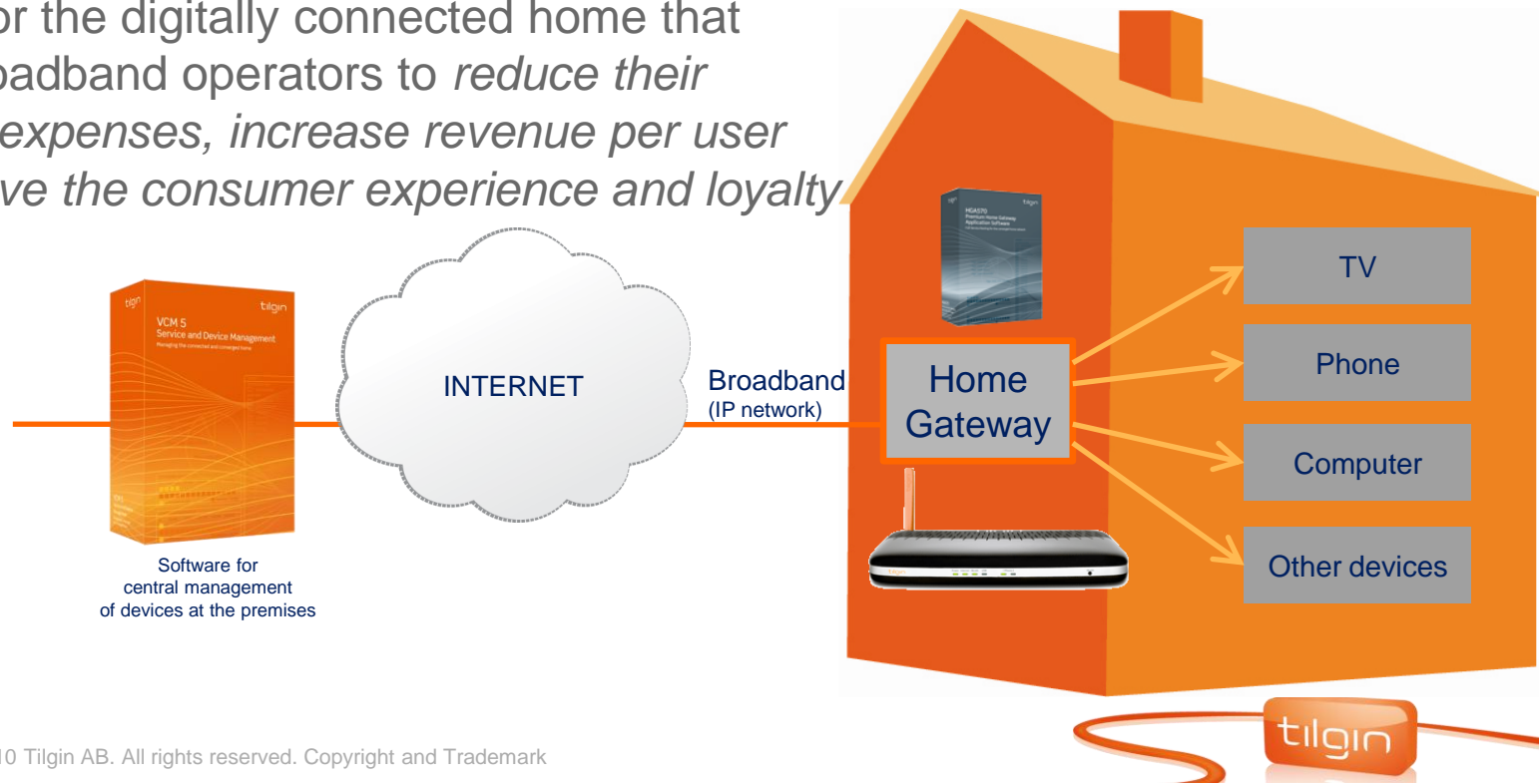
Tilgin

- ▶ Tilgin is still at the forefront when it comes to new development of NGN (Next Generation Networks)
- ▶ During the quarter we announced a hosted version of our remote management solution VCM as a service in the cloud
- ▶ The cost savings in 2009 and 2010 have had a satisfactory effect on our overall cost level. Additional planned measures for improved efficiency were implemented according to plan during the third quarter. These measures are expected to have full effect during the first half of 2011
- ▶ We have a positive view on the market development and on Tilgin's ability to perform well on the market with a very competitive portfolio of products and solutions.



Tilgin

Next generation access systems, software and services for the digitally connected home that enable broadband operators to *reduce their operating expenses, increase revenue per user and improve the consumer experience and loyalty*



Well positioned to meet market development

- ▶ Customers are operators in need for advanced broadband solutions with high capacity through fiber, Ethernet and VDSL2
- ▶ The core of Tilgin's offering lies in the advanced software and all gateways using a common software platform
- ▶ Tilgin systems and solutions are used by more than 100 operators in 30+ countries
- ▶ Our primary geographic focus is Europe, Middle East and USA
- ▶ Through direct sales and partnerships with global and local partners and system integrators, Tilgin has a wide reach and broad client base



Change of listing for the Tilgin share

- ▶ NASDAQ OMX Stockholm has announced that the Tilgin shares do not have sufficient spread of ownership or liquidity
- ▶ They have decided that the shares will be put on the observation list starting 19 October 2010
- ▶ In light of this the Board of Directors have decided to apply for a de-listing from the main marketplace NASDAQ OMX Stockholm, changing to a listing at NASDAQ OMX First North
- ▶ Possible final day for trade at the main marketplace and the first day for trade at First North will be established in consultation with NASDAQ OMX Stockholm, and will be communicated as soon as it is possible



Summary

- ▶ Lower sales in the quarter, however on par with 2009 for the first nine months
- ▶ Continued stable gross margin, 34 % for the quarter and 35 % accumulated for the year
- ▶ Order intake SEK 18.1 million, order backlog SEK 19.6 million
- ▶ Exciting orders from both new and current customers from, among others, South Eastern Europe and Denmark
- ▶ Trend towards operators increasing their investment volumes
- ▶ Measures for improving efficiency for continued cost control were successfully implemented during the quarter
- ▶ Planned change of listing of the Tilgin share from the main marketplace to First North at NASDAQ OMX



Financial calendar

- ▶ Year-end report for 2010 will be presented on 10 February 2011

All Tilgin's financial reports are released at 07.00 CET followed by an audiocast at 09.00 CET if nothing else is communicated





Questions?

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Thank you!

www.tilgin.com

MATS VICTORIN, CEO Tilgin AB
+46 8 572 386 02
mats.victorin@tilgin.com