



PRESS RELEASE

Tilgin Divests its IPTV Business to Focus on IP Residential Gateways

Stockholm, Sweden, 20 November 2008: Tilgin, a leading provider of solutions for multiplay and next-generation broadband services, today announces that it divests its IPTV business to UK-based Amino Technologies plc and focuses on its IP Residential Gateway business.

Tilgin IPTV AB has been divested for an initial consideration of SEK 30.0 million on a debt-free basis, payable in cash on completion on December 1. Additionally, there is a capped cash earn-out mechanism offering an additional maximum consideration of SEK 15.0 million based on sales in 2009. The net result of the transaction is preliminarily expected to be a loss of approximately SEK 8 million, excluding the earn-out.

"Our IP Residential Gateway business shows good growth and profitability. As we focus our resources in this area, we will take full advantage of our strong position as operators launch the next generation of broadband services", says Ola Berglund, CEO of Tilgin. "With its broad IPTV product portfolio, Amino has the reach and resources to take the IPTV business to the next level."

Tilgin's focus is now on its offering of IP Residential Gateways, enabling telcos and broadband operators to offer the digitally "connected home". Within IP Residential Gateway, Tilgin has a strong market position and leading solutions with systems for delivery of advanced broadband services into households. For the third quarter the segment reported net sales of SEK 52.4 million, corresponding to 89 percent of Tilgin's total sales. The net sales in IP Residential Gateways increased 68 percent from same period last year, and 39 percent from the second quarter. The operating profit amounted to SEK 12.4 million. For the first nine months the net sales amounted to SEK 115.6 million and the operating loss to SEK 0.1 million. With more than 30 customers in over ten countries, Tilgin's IP Residential Gateway business has a broad customer base and a wide international span.

Tilgin's IPTV business has an attractive strategic position, but has not yet reached the volumes required for sustainable profitability. Tilgin's former IPTV business will complement and enhance Amino's product portfolio. Furthermore, Amino and Tilgin intends to commence a sales cooperation regarding IP Residential Gateways.

In the third quarter, the net sales in the IPTV segment amounted to SEK 6.7 million corresponding to 11 percent of Tilgin's total sales. The operating loss amounted to SEK 12.9 million. For the first nine months, the segment reported net sales of SEK 15.7 million and an operating loss of SEK 44.8 million.

Tilgin's IPTV business employs 36 persons, all of which are part of the transaction. The previously communicated customs duty claims are not part of this transaction.

For more information about the two companies, please visit www.tilgin.com and www.aminocom.com

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“Tilgin makes this information public in accordance with the Swedish Securities Exchange Act and/or in accordance with the Swedish Financial Supervisory Authority.”

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About Tilgin

Tilgin designs and delivers premier IP customer premises equipment (CPE) for advanced Triple Play and IMS-based services. Supporting the full convergence of voice, video and data, Tilgin takes a network systems approach to CPE that enables service providers to offer a broad range portfolio of innovative and competitive broadband services. Tilgin's comprehensive product portfolio of IP residential gateways, set-top boxes and related management applications, offers service providers unprecedented return on investment - delivering new service revenues and impressive cost savings over the lifetime of the product. Tilgin was founded in 1997 under the name i3 micro technology and listed on the Stockholm Stock Exchange on the Nordic List as of December 2006. It is headquartered in Kista, Sweden, with European sales representation in France and Germany. www.tilgin.com