



PRESS RELEASE

Stockholm, September 17, 2008

Tilgin appeals new customs duty decision

As previously announced, the Swedish Customs imposed customs duties on Tilgin in March 2007 and July 2008 and initiated an audit regarding additional imports. As expected, Tilgin has now received imposed customs duties of approx SEK 10 million on the additional imports. Tilgin appealed the first two decisions to the County Administrative Court and will appeal this claim as well. If Tilgin were ultimately to incur any customs duties, the company intends to claim compensation from the relevant customer.

The new claim applies to seventeen imports of Tilgin's IPTV set-top boxes during 2005 and 2006 and amounts to approximately SEK 10 million whereof approximately SEK 70 thousand is VAT. With this claim, the Swedish customs has made claims for customs duties for all imports of these products.

Tilgin's position is that the Swedish Customs has no basis for its claims and that the customs duty imposed is incorrect. Therefore, Tilgin appealed the first two claims to the County Administrative Court. Tilgin was granted postponement of payment until the Court delivers its final judgment, which still has not occurred. Tilgin will appeal also this new claim and require postponement of payment until the Court delivers its final judgment in the matter.

"The Swedish Customs claims customs duties based on a different classification of the products than Tilgin. We contest their claims and it is now up to the County Administrative Court to try the matter. We feel confident that they will share our view on the classification and we hope for a fast process," says Ola Berglund, CEO of Tilgin.

Tilgin estimates that the trial in the County Administrative Court will take place this year.

Customs duties are excluded from the price in the customer agreement that applies to the relevant imports. If Tilgin should ultimately incur any customs duties, the company intends to claim compensation from relevant customer with respect to the amounts that the company may have to pay.

The products in question are now being manufactured within the European Union and deliveries from the relevant manufacturer to customers within the EU originate within the duty free area of the European Union.

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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

For further information:

Katrin Buhre, IR Manager,

Phone: +46 8 572 386 86, E-mail: katrin.buhre@tilgin.com

About Tilgin

Tilgin designs and delivers operator managed intelligent service node products and solutions that service-connect the broadband home. Supporting the full convergence of voice, video and data, Tilgin takes a network systems approach to customer premises equipment (CPE) that enables providers to offer a broad portfolio of personalized and differentiated next-generation broadband services. Tilgin's comprehensive product portfolio of Telco Home Gateways, Advanced IP Media Terminals and Service Node Management solutions, offer service providers unprecedented return on investment – delivering new service revenues with substantial cost savings over the lifetime of the product. Tilgin was founded in 1997 under the name i3 micro technology and is listed on the Stockholm Stock Exchange, Nordic List. It is headquartered in Kista, Sweden, with sales offices in France and Germany. www.tilgin.com