



## **Tilgin appeals new customs duty decision**

**As previously reported, the Swedish Customs imposed customs duties on Tilgin in March 2007. Tilgin appealed the decision to the County Administrative Court, which still has not delivered its judgment. The Swedish Customs has now imposed customs duties on additional imports of the same product and Tilgin will appeal also this decision. If Tilgin would ultimately incur any custom duties, the company intends to claim compensation from relevant customers.**

The new claim applies to twelve imports of Tilgin's IPTV set-top boxes during 2005 and amounts to approximately SEK 6.6 million whereof approximately SEK 1.3 million is VAT. The Swedish Customs has also initiated an audit regarding 17 additional imports of the same product in 2005 and 2006. Should the Swedish Customs reach the same conclusion regarding these imports, the company might receive additional claims of approximately SEK 10 million whereof approximately SEK 120 thousand is VAT.

The claim from March 2007 applied to three imports of the same product during 2005 and 2006 and amounted to approximately SEK 4.8 million whereof approximately SEK 370 thousand in VAT.

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 claim to the County Administrative Court in March 2007. 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 deferred enforcement 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. When, as it seems, these additional 29 imports will be tried as well by the County Administrative Court (Länsrätten), we judge that all custom claims from the Swedish Customs regarding imports of these products, will be finally tried and settled. 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 for a trial in the County Administrative Court to take place during this year.

Custom duty is excluded from the price in the customer agreement that applies to the relevant imports. If Tilgin should ultimately incur any custom duties, the company intends to claim compensation from relevant customer

with respect to 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.

End

This press release has been reported to the Swedish Financial Supervisory Authority subject to FFFS 2007:11. In its capacity as issuer, Tilgin AB is releasing the information in this press release in accordance with the Swedish Securities Exchange Act. The information was distributed to the media for publication at 11.15 a.m. on July 1st 2008.

For more information:

Ola Berglund, CEO Tilgin

Telephone: +46 736-9618603

E-mail: [ola.berglund@tilgin.com](mailto:ola.berglund@tilgin.com)

#### *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](http://www.tilgin.com)*