Interim Report Q1.2009

January – March 2009

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 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.

Interim report 1 January – 31 March 2009

Tilgin AB (publ), Corp ID no. 556537-5812

Strong sales and improved result in the first quarter

First quarter 2009

- **Net sales SEK 38.7 million (25.5), a 52 % increase compared with the corresponding period 2008**
- **Net result SEK -7.2 million (-14.0).**
- **Result per share from continuing activities SEK -0.16 (-0.59) before dilution**
- **Order intake SEK 31.8 million (58.7) and order backlog as of 31 March 2009 SEK 30.2 million (61.5)**
- **Gross margin 35 % (40 %)**
- **Operating result SEK -6.9 million (-14.2).**
- **Cash flow from operating activities SEK -3.2 million (-5.0)**
- **Cash and bank increased by SEK 5.6 million in the quarter to SEK 37.4 million (13.7) as of 31 March 2009**

Other issues

- **Tilgin has successfully focused on IP Home gateways including software for managing IP-based networks**
- **The organizational adjustment of seven administrative positions in the beginning of the year will have an effect on cost levels from the second quarter. The number of employees as per 31 March was 62**
- **The lower order volumes compared with the corresponding period in 2008 is explained by orders being placed later than normal, in the current financial climate. Several orders placed during the quarter are initial, with considerable future potential**
- **After end of quarter, the company received an order of approximately SEK 7 million from an incumbent in the Middle East**

”Being a more focused company, Tilgin has increased its sales efforts in the Middle East and in Europe, and has launched a new product portfolio. This has already resulted in several new orders”, says Ola Berglund, CEO at Tilgin. *“In the first quarter sales increased by 52 %, and the gross margin has exceeded 35 % in the last six consecutive quarters.”*

A word from the CEO

Tilgin net sales increased by 52 percent to SEK 38.7 million in the quarter, demonstrating our strong offering in a growth industry. Gross margin has exceeded 35 percent in the last six quarters, but the operating result is still negative. To that end, we are working to ensure the proper level of costs at the company, and the organizational adjustment in the beginning of the year will have an effect on cost levels from the second quarter. During the quarter we have increased cash and bank by SEK 5.6 million to SEK 37.4 million.

We have now successfully focused on Home gateways. We chose this route since Home gateways are becoming ever more strategically important to the operators. A Home Gateway is the outermost node in the operators' network, and a basis for the new services being offered to the households. This node is software intensive, and is remotely managed using our software for managing networks.

Already in the first quarter we observe that our new focus has provided us with several advantages.

We have focused our product development and launched a new portfolio of gigabit Home Gateways. With this portfolio we now have competitive solutions for all broadband technologies, and are particularly strong in fiber, which is showing rapid growth as operators are upgrading their networks. We have also extended the reach of our solutions, by proving our solutions to meet industry standards, and working well together with products from many of the telecom manufacturers world-wide.

Our sales efforts resulted in new business in the Middle East and in Europe. For example, we received a new order of SEK 3 million on our most recent VCM software from one of our largest customers, a leading Nordic incumbent. We also won an order from a leading Serbian incumbent, for using our technology at the sports and culture festival Universiade 2009, taking place in Belgrad in July. This was a smaller order, but a very important breakthrough order in Serbia, increasing visibility for our solutions. After the end of the first quarter we won a new order of SEK 7 million from one of our largest customers, a leading incumbent in the Middle East.

With more than 30 customers in over ten countries, we have a broad customer base and a wide international span. We have close cooperations with customers such as TeliaSonera, Tele2, Zain in Bahrain and DU in Dubai. Some of our customers have rolled out Triple Play and other services to their entire customer base, while others are ready to initiate the roll-out. This provides an excellent leverage in our current customer base. In addition, a large number of operators are making technical and commercial evaluations of our products.

Many operators are investing in the next generation of broadband services to the end-users. Through our broad portfolio of operator solutions based on Home Gateways we are a strategic partner to our customers, and we are helping them to launch new profitable and easy-to-use services. There is a base for continued growth and increased profitability.

This makes me confident when I look towards the future.

Ola Berglund, CEO

Significant events during the first quarter

At the FTTH conference in Copenhagen in February, Tilgin launched a new portfolio of multi-port Home Gateways for gigabit fiber to the households.

In February Tilgin successfully completed interoperability tests of its Home Gateway application software with Motive Inc's Auto Configuration Server product. Being a member of the MotiveSmart™ Verification Program, we extend our reach to operators world-wide.

In March the company announced a new strategic order from a leading Serbian incumbent, for Tilgin's Home Gateway solution including the latest software for managing IP-based networks.

Also in March, Tilgin announced a new order for software and services from one of its largest customers, a leading Nordic incumbent. Tilgin's software enables the incumbent to continue strengthening its consumer offering with IP services.

A new VP Sales has been hired, will join Tilgin on 1 June.

Customers that have generated large orders during the quarter include Zain (Bahrain), Wilhelm Tel (Germany) and TeliaSonera.

Significant events after the reporting period

In April the company received a new order for IP technology from a leading incumbent in the Middle East, order value approximately SEK 7 million. In April Tilgin also announced a first order on service and device management software, VCM, from a leading Polish broadband operator.

Market prospects and future outlook

Net sales and result for the company's IP Home gateway business vary between the quarters. Through leading technology and strong customer relations, the company has a good base for continued growth and profitability. The company is positioned for increased sales, and is actively working to ensure cost efficiency as well as improving the operating result.

The company has chosen not to present any sales or result forecast for the remainder of 2009.

Discontinued activities

Tilgin divested its subsidiary Tilgin IPTV AB during the fourth quarter 2008. This means that all financial information for comparative periods in 2008 (first to third quarter) refers to continuing business for the Group, i.e. excluding the divested IPTV business. Results and cash flow from discontinued business are presented on separate rows in the group statements of comprehensive income and cash flow.

Sales and financial performance

Net sales
Net sales in the first quarter amounted to SEK 38.7 million (25.5) which is a strong improvement compared with the corresponding period in 2008.

In total, 70,418 (43,753) gateway units were shipped to customers in the first quarter.

As in previous periods, customer premises equipment (CPEs) including client software represented over 90 % of total net sales in the first quarter. The company observes a certain increase in revenues from software relative to hardware, which is positive. Other revenue includes sales of accessories, management systems, support, professional services and further invoiced costs.

In the first quarter, net sales were split between Europe 81.1 % (44.0 %), Middle East 18.8 % (54.9 %) and other regions 0.1 % (1.1 %). Order intake from individual customers and geographical regions may vary significantly with customer campaigns.

Financial performance
The operating result for the first quarter amounted to SEK -6.9 million (-14.2) and the net result amounted to SEK -7.2 million (-31.4), of which loss from discontinued activities amounted to SEK 0.0 million (-17.4). Gross margin for the first quarter amounted to 35.1 % (39.6 %), meaning that the margin has exceeded 35 % in six consecutive quarters.

Operating expenses excluding goods for resale and depreciation and amortization amounted to SEK 19.6 million (21.5) in the first quarter. First quarter expenses were reduced by capitalized development expenditures of SEK 1.8 million (3.2).

Costs of personnel amounted to SEK 13.1 million (11.3) in the first quarter. Historically, costs for personnel not directly related to either IPTV or IP residential gateway were distributed to the two segments using certain key indexes (including revenue), with the effect that the IPTV business was burdened with a higher portion of personnel and other external costs, compared with the first quarter 2009 where the majority of “other” personnel has stayed in the group. During the first quarter the administrative functions have been adjusted, which is expected to have an effect on the cost level from the second quarter and onwards.

Depreciation and amortization amounted to SEK 3.2 million (2.0) in the first quarter, of which amortization and write-downs on intangible assets (capitalized development expenses) amounted to SEK 2.9 million (1.7).

Net financial items amounted to SEK -0.2 million (0.1) in the first quarter.

Personnel
The number of employees in the Group was 62 (115) as of 31 March 2009, which is an increase of two persons compared with the previous quarter. During the first quarter, seven administrative positions were discontinued, which will start having an effect from the second quarter. Compared with the same period in 2008, the number of employees has decreased by 53 persons, which is mainly explained by the divestment of Tilgin IPTV AB to Amino Technologies Plc.

Financial position

Cash flow, investments and financial position
Cash flow from operating activities amounted to SEK -3.2 million (-5.0) in the first quarter. This item is a net of the period loss adjusted for a certain decrease in working capital being tied up. Cash and bank balances as of 31 March 2009 amounted to SEK 37.4 million (13.7), which is also an increase compared with the previous quarter.

As of 31 March 2009 the company had access to financing facilities in various currency denominations, corresponding to approximately SEK 17 million. The utilization of these facilities increased by SEK 10.7 million compared with the end of the previous quarter, and as of 31 March 2009 the facility was utilized to SEK 10.8 million (8.5).

Investments in intangible fixed assets amounted to SEK 1.8 million (3.2) in the first quarter. These investments refer to capitalization of development expenses. No other significant investments were made in the period.

Shareholders’ equity
Group equity as of 31 March 2009 amounted to SEK 92.3 million (67.2) and share capital at the same date amounted to SEK 44.5 million (22.3). The equity/-assets ratio was 64 % (51 %).

Share data and ownership structure
The total number of shares in the company as of 31 March 2009 was 44,549,198. At that date, there were two outstanding warrant programs with maturity date 31 August 2009 and 31 August 2010, respectively. As of 31 December 2008, MGA Holding AB remained the largest shareholder, with 30 % of the shares.

Other issues
As previously communicated, Tilgin has appealed the three invoices with customs duties received in 2007 and 2008, totaling SEK 21.5 million. Tilgin’s position is that the Swedish Customs has no basis for its claims and has as previously communicated appealed all claims to the County Administrative Court. Awaiting the decision of the Court, Tilgin is by stages paying the requested duties, which does not affect Tilgin’s position in the upcoming court proceedings. If Tilgin should ultimately incur any customs duties, the company will claim compensation in accordance with the contract from the

relevant customer with respect to the amounts that the company may have to pay.

Risks and uncertain factors

Also for the first quarter of 2009 the company establishes that it remains dependent on a relatively limited number of large customers. Tilgin is however working actively to reduce this dependency, and as the company is increasing sales to other current customers as well as adding new customers, this dependency is expected to gradually decrease.

Historically the company has had a currency exposure risk, derived from considerable sales volumes in EUR, related purchases mainly in USD, and other operating expenses mainly in SEK. This exposure has grown less important, since the sales volumes in EUR relative to USD are expected to be limited also in 2009. These currency risks have partially been managed through forward exchange contracts.

Amino, who acquired Tilgin's IPTV business in December 2008, has notified the company of certain claims for adjustments related to the Share Sale and Purchase Agreement. The companies are approaching a settlement of these claims, which will not entail any significant costs for Tilgin.

For other risks and uncertain factors, please refer to the 2008 annual report.

Related parties

Beside intra-group transactions, the company has not identified any significant transactions with related parties in the period.

Parent company

The parent company Tilgin AB no longer has any operating business activities, except certain administrative and management services carried out on behalf of the subsidiary. However, approximately 35 % of the Group's employees are still employed by the parent company, mostly within administration, management and production/logistics.

Net sales for the parent company amounted to SEK 5.3 million (25.5) in the first quarter, Group SEK 38.7 million. Result after financial items for the parent company was SEK -3.8 million (-14.0) for the first quarter, Group SEK -7.2 million. Total shareholders' equity in the parent company amounted to SEK 97.3 million (67.2), Group SEK 92.3 million. Cash and bank balances for the parent company as of 31 March 2009 amounted to SEK 10.4 million (13.6), Group SEK 37.4 million. As of 31 March 2009 the number of employees in the parent company was 22 (115), Group 62 employees.

Accounting and valuation principles

This interim report has been established in accordance with IAS 34, Interim Financial Reporting and, for the parent company, RFR 2.2 (Swedish Financial Accounting Standards Council).

Financial reporting in accordance with IFRS requires management to make accounting assessments and estimates and to make assumptions which affect the application of the accounting principles and the reported value of assets, liabilities, income and expenses. The actual outcome may deviate from these assessments and estimates. Statements in this report may include forward-looking information and reflect Management's and the Board's current estimates with respect to future conditions. Forward-looking information always entails risks and uncertainties which may affect the actual outcome.

Kista, 27 April 2009

Tilgin AB (publ)

Ola Berglund
Chief Executive Officer

The information will be made public on 28 April 2009, 07:00 CET.

Phone conference:
In view of the interim report, the capital market is invited to a conference call on Tuesday 28 April. The conference will start at 09:00 CET. Participants may follow the conference via www.tilgin.com/q109, or access it by dialing +46 (0)8 5052 0110. A presentation is held available at www.tilgin.com when the phone conference starts.

Scheduled reports:

- Interim report for January-June 2009 will be presented on 21 August.
- Interim report for January-September 2009 will be presented on 23 October.
- The year-end report for 2009 will be presented on 12 February 2010.

For further information, please contact:

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Statements of comprehensive income, group

Statement of comprehensive income, group (SEK thousand)	Q1 2009	Q1 2008	FY 2008	Apr 2008 - Mar 2009
Net sales	38 706	25 540	156 542	169 708
Other operating income	2 339	0	5 402	8 573
Total sales	**41 045**	**25 540**	**161 944**	**178 281**
Operating expenses				
Goods for resale	-25 118	-15 417	-93 442	-103 142
Other external costs	-6 592	-10 180	-28 013	-24 426
Costs of personnel	-13 052	-11 314	-40 955	-42 693
Depreciation and amortization	-3 206	-1 956	-12 455	-13 705
Other operating expenses	0	-832	0	0
Operating result	**-6 923**	**-14 160**	**-12 921**	**-5 684**
Net financial items	-243	112	-1 730	-2 085
Result before taxes	**-7 167**	**-14 047**	**-14 651**	**-7 769**
Income taxes for the period	-	-	-	-
Result for the period from continuing activities	**-7 167**	**-14 047**	**-14 651**	**-7 769**
Result from discontinued activities	-	-17 354	-50 780	-33 426
Result for the period	**-7 167**	**-31 401**	**-65 430**	**-41 195**
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	**-7 167**	**-31 401**	**-65 430**	**-41 195**
Earnings/loss per share				
- before dilution (SEK)	-0.16	-1.31	-1.79	-0.92
- after dilution (SEK)	-0.16	-1.31	-1.79	-0.92
Earnings/loss per share from continuing activities				
- before dilution (SEK)	-0.16	-0.59	-0.40	-0.17
- after dilution (SEK)	-0.16	-0.59	-0.40	-0.17
Avg. number of shares before dilution (thousand)	44 549	23 983	36 514	44 549
Avg. number of shares after dilution (thousand)	44 549	23 983	36 514	44 549

Result from discontinued activities	**Q1 2009**	**Q1 2008**	**FY 2008**	**Apr 2008 - Mar 2009**
Total sales	-	5 733	15 848	10 115
Operating expenses	-	-23 087	-60 676	-37 589
Operating result	**-**	**-17 354**	**-44 828**	**-27 474**
Result from the selling of subsidiary shares	-	-	-5 952	-5 952
Result from discontinued activities	**-**	**-17 354**	**-50 780**	**-33 426**

Statements of financial position and cash flow, group

Statement of group cash flows (SEK thousand)	Q1 2009	Q1 2008	FY 2008	Apr 2008 - Mar 2009
Cash flow from operations before changes in working capital	-3 935	-12 803	-3 108	5 760
Changes in working capital	721	7 825	-27 266	-34 370
Cash flow from operating activities	**-3 215**	**-4 978**	**-30 373**	**-28 610**
Cash flow from investing activities	-1 809	-3 530	18 548	20 270
Cash flow from financing activities	10 671	-2 260	55 822	68 754
Net change in cash from continuing activities	**5 648**	**-10 768**	**43 997**	**60 413**
Net change in cash from discontinued activities	**-**	**-9 533**	**-46 304**	**-36 770**
Cash and cash equivalents, beginning of period	**31 721**	**34 027**	**34 027**	**13 726**
Cash and cash equivalents, end of period	**37 369**	**13 726**	**31 721**	**37 369**

Statement of financial position, group (SEK thousand)	2009-03-31	2008-03-31	2008-12-31
ASSETS			
- Intangible assets	18 036	44 348	19 150
- Tangible assets	1 927	4 564	2 214
Total fixed assets	*19 963*	*48 911*	*21 363*
- Inventories	26 855	32 079	32 911
- Accounts receivable - trade	26 682	20 150	44 040
- Other receivables	32 675	16 999	37 241
- Cash and bank	37 369	13 726	31 721
Total current assets	*123 581*	*82 954*	*145 913*
Total assets	**143 544**	**131 866**	**167 277**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	92 342	67 195	99 508
Liabilities			
- Long-term interest-bearing liabilities	781	781	781
- Short-term interest-bearing liabilities	10 770	8 494	98
- Other short-term liabilities	38 630	54 357	65 890
- Warranty provisions	1 022	1 038	999
Total liabilities	**51 202**	**64 670**	**67 768**
Total equity and liabilities	**143 544**	**131 866**	**167 277**

Statement of changes in group equity

SEK thousand	Share capital	Other paid-in capital	Accumu-lated loss incl period loss	Total Share-holders' Equity
Opening balance Jan 1, 2008	**22 275**	**536 247**	**-459 925**	**98 597**
Total comprehensive result for the period	-	-	-31 401	-31 401
Closing balance Mar 31, 2008	**22 275**	**536 247**	**-491 327**	**67 195**
Opening balance Jan 1, 2009	**44 549**	**580 314**	**-525 355**	**99 508**
Total comprehensive result for the period	-	-	-7 167	-7 167
Closing balance Mar 31, 2009	**44 549**	**580 314**	**-532 522**	**92 342**
Opening balance Jan 1, 2008	**22 275**	**536 247**	**-459 925**	**98 597**
Total comprehensive result for the period	-	-	-65 430	-65 430
New share issue, May 2008	22 275	50 118	-	72 392
Issue and guarantee expenses related to the share issue	-	-6 051	-	-6 051
Closing balance Dec 31, 2008	**44 549**	**580 314**	**-525 355**	**99 508**

Income statements and balance sheets, parent company

Income statement (SEK thousand)	Q1 2009	Q1 2008	FY 2008	Apr 2008 - Mar 2009
Total sales	5 330	31 273	174 121	148 177
Operating expenses	-9 997	-62 787	-230 490	-177 701
Operating result	**-4 668**	**-31 514**	**-56 369**	**-29 523**
Net financial items	853	112	-7 549	-6 808
Result before taxes	**-3 815**	**-31 401**	**-63 918**	**-36 332**
Income taxes for the period	-	-	-	-
Result for the period	**-3 815**	**-31 401**	**-63 918**	**-36 332**

Balance sheet (SEK thousand)	2009-03-31	2008-03-31	2008-12-31
ASSETS			
Total fixed assets	25 619	49 111	25 845
Total current assets	92 453	82 872	126 409
Total assets	**118 072**	**131 983**	**152 254**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	97 257	67 247	101 072
Provisions	-	1 038	-
Liabilities			
- Long-term liabilities	781	781	781
- Short-term liabilities	20 034	62 916	50 401
Total equity and liabilities	**118 072**	**131 983**	**152 254**

Notes regarding significant changes in balance sheet items between 31 Dec-08 and 31 Mar-09

1. Since the parent company no longer has any gateway business, the old stock of accounts receivable continued to go down in the first quarter. 55 % of total current assets refers to receivables on the subsidiary Tilgin IPRG AB.
2. The same holds for the accounts payable, since all purchases of finished goods as well as most external consultants, in particular in R&D, are now taking place in the subsidiary.

Key ratios, group

(SEK thousand if not otherwise stated)	Q1 2009	Q1 2008	FY 2008	Apr 2008 - Mar 2009
Gross profit	13 588	10 123	63 100	66 566
Gross margin, %	35%	40%	40%	39%
Operating margin, %	-17%	-55%	-8%	-3%
Net margin, continuing activities %	-17%	-55%	-9%	-4%
Shareholders' equity	92 342	67 195	99 508	92 342
Average shareholders' equity	95 925	82 896	99 053	79 768
Capital employed	103 893	76 470	100 388	103 893
Average capital employed	102 140	99 235	111 194	112 946
Interest-bearing debt	11 551	9 275	880	11 551
Balance sheet total	143 544	131 866	167 277	143 544
Financial expenses	-501	-747	-2 991	-2 745
Investments in tangible fixed assets	0	-305	-789	-484
Return on average shareholders' equity, %	-7%	-17%	-15%	-10%
Return on average capital employed, %	-7%	-13%	-10%	-4%
Equity/assets ratio, %	64%	51%	59%	64%
Debt/equity ratio, times	0.1	0.1	0.0	0.1
Interest coverage ratio, times	-13	-18	-4	-2
Share of risk-bearing capital, %	64%	51%	59%	64%
Net debt(+)/receivable(-)	-25 818	-4 451	-30 841	-25 818
Net debt ratio, times (- = receivable)	-0.3	-0.1	-0.3	-0.3
Working capital as a percentage of sales	26%	5%	29%	26%
Number of employees at period end	62	115	60	62
Average number of employees in period	61	116	104	90
Sales per employee	677	220	1 561	1 985
Operating profit/loss per employee	-114	-122	-125	-63
Dividend per share (SEK)	-	-	-	-
Corporate net worth per share before dilution	2.07	2.80	2.23	2.07
Corporate net worth per share after dilution	2.07	2.80	2.23	2.07
Number of shares before dilution	44 549 198	23 983 163	44 549 198	44 549 198
Number of shares after dilution	44 549 198	23 983 163	44 549 198	44 549 198
Average number of shares in period, before dilution	44 549 198	23 983 163	36 513 835	44 549 198
Average number of shares in period, after dilution	44 549 198	23 983 163	36 513 835	44 549 198

Quarterly data, group

(SEK thousand)	Q2 2007	Q3 2007	Q4 2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009
Net sales	39 889	31 126	31 145	25 540	37 683	52 415	40 904	38 706
Other operating income	13	244	244	0	2	886	5 311	2 339
Total sales	**39 902**	**31 370**	**31 389**	**25 540**	**37 685**	**53 301**	**46 215**	**41 045**
Gross profit	7 278	10 007	12 310	10 123	13 529	24 701	14 747	13 588
Gross margin	18%	32%	40%	40%	36%	47%	36%	35%
Operating result	**-7 385**	**852**	**-893**	**-14 160**	**-2 400**	**10 266**	**-6 626**	**-6 923**
Net result from continuing activities	-7 888	414	225	-14 047	-2 731	10 632	-8 504	-7 167
Shipped CPEs, units								
IP residential gateway (Vood/HG)	80 979	59 356	54 588	43 753	71 827	85 015	66 617	70 418
Net sales per geographical area								
Europe	35 240	27 287	20 441	11 241	21 058	22 931	32 051	31 369
Middle East	4 455	3 249	10 185	14 032	16 126	28 606	7 951	7 291
ROW	194	590	519	267	499	878	902	46
Total	**39 889**	**31 126**	**31 145**	**25 540**	**37 683**	**52 415**	**40 904**	**38 706**
Net sales per geographical area, %								
Europe	88,3%	87,7%	65,6%	44,0%	55,9%	43,7%	78,4%	81,0%
Middle East	11,2%	10,4%	32,7%	54,9%	42,8%	54,6%	19,4%	18,8%
ROW	0,5%	1,9%	1,7%	1,0%	1,3%	1,7%	2,2%	0,1%
Total	**100,0%**	**100,0%**	**100,0%**	**100,0%**	**100,0%**	**100,0%**	**100,0%**	**100,0%**
Orders received and order backlog								
Orders received in period	30 568	27 955	44 988	58 675	35 773	21 911	30 851	31 771
Order backlog	18 388	20 808	34 723	61 538	52 222	42 522	35 577	30 212
Avg. rate used for orders received, USD	6.87	6.75	6.42	6.28	5.99	6.31	7.79	8.40
Avg. rate used for orders received, EUR	9.26	9.27	9.30	9.40	9.35	9.47	10.23	10.94
Avg. rate used for order backlog, USD	6.88	6.50	6.47	5.95	5.98	6.78	7.75	8.29
Avg. rate used for order backlog, EUR	9.24	9.21	9.47	9.39	9.45	9.76	10.94	10.98

Definitions

MARGINS
Gross profit: Net sales less costs of goods for resale.
Gross margin: Gross profit as a percentage of net sales in the period.
Operating margin: Operating profit/loss after depreciation and amortization as a percentage of total sales in the period.
Net margin: Net profit/loss as a percentage of total sales in the period.

PROFITABILITY
Return on average shareholders' equity: Net result from continuing activities as a percentage of average shareholders' equity.
Return on average capital employed: Profit/loss after financial items plus financial expenses, as a percentage of average capital employed.

CAPITAL STRUCTURE
Capital employed: Balance sheet total less non-interest-bearing current liabilities and provisions.
Debt/equity ratio: Interest-bearing liabilities divided by shareholders' equity.
Interest coverage ratio: Profit/loss after financial items plus financial expenses, divided by financial expenses.
Share of risk-bearing capital: Shareholders' equity plus deferred tax liabilities, divided by balance sheet total.
Net debt/receivable: Interest-bearing liabilities less financial assets including cash and bank.
Net debt ratio: Net debt divided by shareholders' equity.
Equity/assets ratio: Shareholders' equity as a percentage of balance sheet total.
Working capital as a percentage of sales: Current assets (excl. cash and bank) less current non-interest-bearing liabilities at end of period, as a percentage of sales for the last twelve months.

PERSONNEL
Sales per employee: Sales divided by the average number of employees in the period.
Operating profit/loss per employee: Operating profit/loss divided by the average number of employees in the period.

SHARES
Number of shares: Average number of shares in period is derived from the average of the actual number of shares outstanding, day-by-day. When the company has emitted financial instruments (such as convertible bonds and warrants) those are taken into account when calculating the number of shares after dilution and the average number of shares after dilution, only when it is likely that they will be converted/exercised in future periods, thus having a dilutive effect.
The number of shares prior to the completed new share issue in May 2008 have been recalculated in accordance with IAS 33, since the issue price in the 2008 share issue was below the share market rate at the date of separation of the subscription right from the share.

Note that rounding to even SEK thousand may lead to errors in sums in the financial tables presented in this report.
Figures in the comparative periods have been recalculated in accordance with IFRS 5.

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