

Transmode Holding AB (publ)

Interim Report January-September 2012

July-September 2012

- Sales were SEK 254.2 (273.8) m, corresponding to a decrease of 7.1% and 6.2% adjusted for exchange rate fluctuations.
- Operating profit was SEK 50.1 (69.4) m and operating margin was 19.7% (25.3%).
- Net profit was SEK 38.0 (53.5) m for the quarter.
- Earnings per share after dilution were SEK 1.37 (1.94).
- Cash flow from operating activities was SEK 74.6 (31.4) m.
- The second-largest mobile operator in Austria, T-Mobile Austria, has selected Transmode's WDM solution to increase the capacity of its nationwide fiber network.

January-September 2012

- Sales were SEK 759.7 (670.5) m, corresponding to an increase of 13.3% and 12.6% adjusted for exchange rate fluctuations.
- Operating profit was SEK 133.6 (104.3) m and operating margin was 17.6% (15.6%). Adjusted operating profit for the first nine months of 2011 was SEK 123.0 m and adjusted operating margin was 18.4%. The adjustment was for expenses of SEK 18.7 m relating to Transmode's IPO on NASDAQ OMX Stockholm.
- Net profit was SEK 104.0 (82.1) m.
- Earnings per share after dilution were SEK 3.74 (3.02).
- Cash flow from operating activities was SEK 105.9 (50.9) m.

SEK m	Jul-Sep		Jan-Sep	
	2012	2011	2012	2011
Sales	254,2	273,8	759,7	670,5
Sales, change 2012 vs 2011 (%)	-7,1%		13,3%	
Operating profit	50,1	69,4	133,6	104,3
Operating margin (%)	19,7%	25,3%	17,6%	15,6%
Adjusted operating profit	50,1	69,4	133,6	123,0
Adjusted operating margin (%)	19,7%	25,3%	17,6%	18,4%
Profit for the period	38,0	53,5	104,0	82,1
Diluted earnings per share (SEK)	1,37	1,94	3,74	3,02
Cash flow from operating activities	74,6	31,4	105,9	50,9

CEO's Statement: Another highly profitable quarter for Transmode

The quarter's operating profit of SEK 50 m equates to an operating margin of nearly 20%. This very positive operating profit is driven by continued high sales, a gross margin of just over 49% and low expenses.

Sales in the third quarter of the year were SEK 254 m. In a comparison with the corresponding quarter of the previous year, it is worth noting that the third quarter 2011 included items such as large deliveries on the contract reported with Virgin Media on Mobile Backhaul.

Apart from continued high operating margins, I'm especially satisfied with sales in the Americas continuing to increase, our strong cash flow and that we, despite unfavorable exchange rates, retained our gross margin.

In the quarter, we reported that Austria's second-largest mobile operator, T-Mobile Austria, selected Transmode's WDM solution to increase the capacity of its nationwide fiber network. The contract is yet another example of mobile operators' increased interest in fiber based Mobile Backhaul solutions.

Transmode's CTO Sten Nordell held a presentation on the benefits of MPLS-TP at the Carrier Ethernet World Congress in Barcelona. This technology facilitates the transportation of packet data in optical networks, which we have recently implemented in our Ethernet products.

Our market is driven by the underlying increase in data traffic driven by video applications, cloud services and mobile broadband. Accordingly, there is a continued need for investments in equipment that increases the capacity of optical fiber networks. At present, there is nothing to suggest that this underlying driver is weakening. But due to macroeconomic concerns, primarily in Europe, we did note some slowdown in the market during the quarter and accordingly, we consider that sales in the final quarter of the year will be in line with the corresponding quarter of the previous year.

To summarize, we are pleased by the very positive profits of the first three quarters of the year, and despite some slowdown in the market, we're maintaining confidence in our growth strategy with its focus on geographical expansion, innovative products and operational efficiency.

Karl Thedéen
Chief Executive Officer

Transmode in Brief

Transmode is a global provider of packet-optical networking solutions designed to enable fixed line and mobile network operators to cost-effectively address capacity constraints created by the rapid growth in video and data traffic. Transmode's solutions serve as important building blocks in next-generation, high-speed optical networks that support services such as fixed and mobile broadband, video delivery services and cloud computing. Transmode's solutions are based on Wavelength Division Multiplexing (WDM) and packet-optical transport technologies, which are designed to increase the capacity, flexibility and functionality of regional optical networks. Transmode's unique concept Intelligent WDM (iWDM™) provides key advantages to customers in the form of extremely low delay, low power consumption and innovative network design.

Transmode's headquarter is located in Stockholm and the Transmode share is listed on NASDAQ OMX, Stockholm (TRMO). Transmode has installed more than 30,000 systems since 2000 with over 400 fixed and mobile telecom operators, cable TV operators, Internet service providers and large corporations and public institutions in more than 40 countries globally. For more information about Transmode, visit www.transmode.com

Significant Events in the Quarter

Transmode reported in the quarter that Austrian mobile operator T-Mobile Austria had selected a WDM solution from Transmode to increase the capacity of its nationwide fiber network. This agreement is supplementary to a previous master agreement between Transmode and Deutsche Telekom, the parent company of T-Mobile Austria.

In the quarter, Transmode also participated in the international Carrier Ethernet World Congress in Barcelona. Transmode also executed several customer events in the Nordics and its yearly reseller conference, where NEC's American business and Finnish system integrator ACC Systems received awards from Transmode.

In August, Transmode reported that its CFO, Tomas Kihlstrand, and the company's VP of R&D Mohamad Ferej, would be leaving at year-end. Mr. Kihlstrand will revert to being an independent consultant and Mr. Ferej will be moving back to his home country. The search and selection process for replacements is ongoing, and is proceeding as planned.

Sales

July - September 2012

Sales in the third quarter were SEK 254.2 (273.8) m, corresponding to a year-on-year decrease of 7.1%. Adjusted for exchange-rate fluctuations, the decrease was 6.2%.

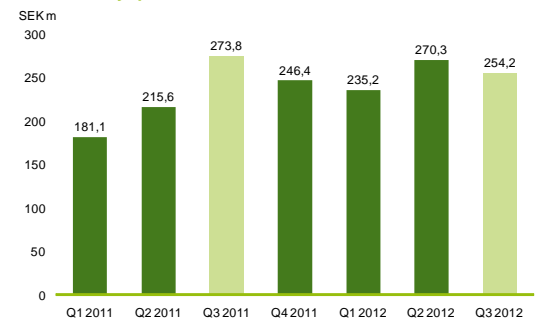
EMEA was down by 11.1%, and by 8.9% after adjusting for exchange rate fluctuations. The decrease is dependent on factors including sales in the corresponding quarter of 2011 being especially strong thanks to, among others, the Mobile Backhaul contract announced with Virgin Media at the time. In the Americas, sales increased by 14.3%, and by 9.6% after adjusting for exchange rate fluctuations. Growth in the Americas is primarily being driven by Latin America. In APAC, where to a greater extent, individual projects can cause quarterly fluctuations, sales decreased by 28.9%, and 31.8% after adjusting for exchange rate fluctuations.

January - September 2012

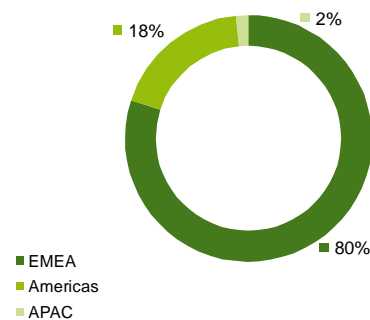
Sales were SEK 759.7 (670.5) m in the period, corresponding to year-on-year growth of 13.3%. Adjusted for exchange rate fluctuations, growth was 12.6%.

In EMEA, sales grew by 5.4%, and by 5.7% after adjusting for exchange rate fluctuations. In the Americas, the corresponding progress was 68.2% and 58.9% respectively, and in APAC, 11.0% and 5.4% respectively.

Total sales by quarter from Q1 2011 – Q3 2012



Total sales by region January—September 2012



Total sales by region

SEK m	Jul-Sep		Jan-Sep		Jan-Sep Change %
	2012	2011	2012	2011	
EMEA	193.2	217.3	607.5	576.2	5.4%
Americas	55.1	48.1	139.6	82.9	68.2%
APAC	5.9	8.4	12.6	11.4	11.0%
Total Sales	254.2	273.8	759.7	670.5	13.3%

Results of Operations

July - September 2012

Gross profit for the third quarter 2012 was SEK 125.1 (134.2) m and gross margin was 49.2 (49.0%).

Overall, exchange rate fluctuations against the Swedish krona had a negative net effect on gross profit of SEK 6.1 m.

Operating expenses for the quarter, excluding other revenue and other operating expenses, were SEK 76.4 (67.9) m. The increase is mainly a result of Transmode's expansion and hirings, in the product development, sales and shipping departments. As in previous years, operating expenses are sequentially low because the majority of vacations are normally taken in the third quarter. Development expenses of SEK 12.9 (5.0) m were capitalized in the quarter and capitalized development expenses of SEK 7.3 (3.8) m were amortized. The increased capitalization of development expenses is mainly due to increased materials purchases.

Other revenue of SEK 1.4 (3.1) m consists mainly of net exchange rate gains, of which gains on foreign exchange contracts were SEK 7.5 (loss of 1.1) m and losses on transactions with customers and suppliers of SEK 6.1 (gain of 4.2) m.

Operating profit for the third quarter was SEK 50.1 (69.4) m and operating margin was 19.7% (25.3%).

January – September 2012

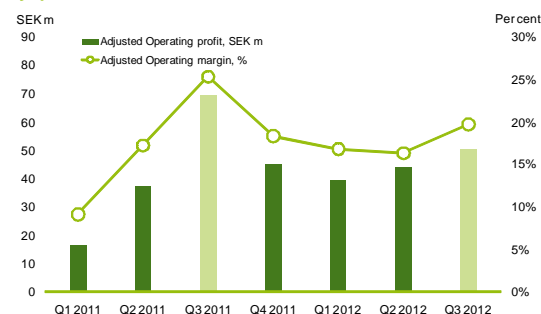
Gross profit for the period was SEK 372.9 (332.3) m and gross margin was 49.1% (49.6%). Overall, exchange rate fluctuations against the Swedish krona had a negative net effect on gross profit of SEK 7.3 m.

Operating expenses for the period, excluding other revenue and other operating expenses, were SEK 243.1 (208.2) m. At the end of September 2012, the company had 269 (222) employees. Development expenses of SEK 32.1 (18.0) m were capitalized in the period and capitalized development expenses of SEK 18.2 (9.7) m were amortized.

Other revenue of SEK 3.8 (0.0) m consists mainly of net exchange rate gains of SEK 3.2 m, of which gains on foreign exchange contracts were SEK 7.3 m and losses on transactions with customers and suppliers were SEK 4.1 m. In the first nine months of 2011, the corresponding items equated to a total loss of SEK 1.4 m, and were included in other operating expenses. Of the remaining other operating expenses, SEK 18.7 m consisted of non-recurring expenses relating to Transmode's IPO on NASDAQ OMX Stockholm.

Operating profit for the period was SEK 133.6 (104.3) m and operating margin was 17.6% (15.6%). Adjusted operating profit for the first nine months of 2011 was SEK 123.0 m, and the adjusted operating margin was 18.4%. The adjustment was for expenses of SEK 18.7 m relating to Transmode's IPO on NASDAQ OMX Stockholm.

Adjusted operating profit* and adjusted operating margin* by quarter Q1 2011 – Q3 2012



* Adjusted for expenses in the periods Q1, Q2 and Q4 2011 –relating to Transmode's IPO on NASDAQ OMX Stockholm.

Cash Flow, Investments and Financial Position

January – September 2012

Cash flow from operating activities was SEK 105.9 (50.9) m in the period, of which SEK 74.6 (31.4) m in the third quarter of 2012. Cash flow for the period includes the final payments of SEK 3.7 m related to Transmode's IPO on NASDAQ OMX Stockholm, made in the first quarter 2012. In the first nine months of 2011, the corresponding payments were SEK 15.1 m, of which SEK 8.1 m in the third quarter. Working capital at the end of September was SEK 104.2 (121.5) m. In absolute terms, the year-on-year decrease in working capital mainly relates to accounts receivable and an increase in tax liabilities, partly reduced by increased inventories and decreased accounts payable.

Investments in property, plant and equipment were SEK 7.2 (17.4) m in the first nine months of the year. The lower investment level in 2012 is explained by the majority of investments in 2011 relating to relocation of Transmode's operations to new premises in Stockholm.

Investments in intangible assets in the form of capitalized development expenses were SEK 32.1 (18.0) m in the first nine months.

After a dividend paid of SEK 41.7 (29.8) m and proceeds received from the new issue in tandem with

conversion of share warrants of SEK 3.5 (21.5) m, total cash flow for the first nine months was SEK 27.0 (7.2) m. Transmode's cash and cash equivalents were SEK 318.8 (213.4) m at the end of September. Considering the company's favorable financial position, it has been decided not to extend the previously arranged SEK 30 m credit facility.

As of 30 September 2012, Transmode was party to currency forward contracts regarding commitments to sell currencies totaling EUR 12.0 m at an average spot rate of SEK/EUR 8.73 and GBP 6.2 m at an average spot rate of SEK/GBP 10.72.

Equity and the Transmode Share

Consolidated equity was SEK 597.6 (496.0) m at the end of September 2012 compared to SEK 531.8 m at year-end 2011. The total number of shares was 27,788,676 as of 30 September. The final subscription date of the now-expired share warrant program was 30 April 2012. Accordingly, there have been no share warrants outstanding since this date.

The consolidated equity/assets ratio was 74.1% (70.8%) at the end of September, against 70.4% at the end of 2011.

Employees

Transmode's total number of employees was 269 (222) as of 30 September 2012, compared to 228 at the end of 2011. The corresponding figures for the average number of employees were 251 (214) for the first nine months of 2012 and 217 for the full year 2011 respectively. The increase in the number of employees largely relates to hirings in the product development, sales and shipping departments.

Transactions with Related Parties

There were no significant transactions with related parties in the first nine months of 2012.

Risks and Uncertainty Factors

Transmode's operations are exposed to certain risks that can affect its operations, results of operations or financial position to a lesser or greater extent. Transmode has established a process for identifying risks and decision-making relating to risk management.

Transmode's Annual Report 2011 describes the company's risk exposure from perspectives including market, operations, customers and finances. In Transmode's assessment, since the presentation of the Annual Report, no additional significant risks and uncertainty factors have arisen that could affect the

company. However, in the short term specifically, uncertainty regarding global macroeconomic progress has continued, which may affect investment levels amongst Transmode's customers, and stability at the supplier level. The financial turmoil has implied that the exchange rate of the Swedish krona against our most important foreign currencies, GBP, USD and EUR, has been, and may remain, volatile.

Parent Company

The parent company, Transmode Holding AB, is primarily a holding company, which holds and manages shares in subsidiaries and also sells certain intra-group services to subsidiaries. At the end of September 2012, the parent company had 12 (9) employees.

In the first nine months of 2012, parent company sales were SEK 14.6 (15.7) m, all of which relate to invoicing of services sold to subsidiaries. Administration expenses in 2011 included SEK 18.7 m of non-recurring expenses relating to Transmode's IPO on NASDAQ OMX Stockholm. Operating loss was SEK 3.1 (loss 20.3) m. At the end of September, parent company cash and cash equivalents were SEK 114.2 (94.8) m, against SEK 100.3 m at year-end 2011.

Accounting Policies

This Interim Report has been prepared in accordance with IFRS (International Financial Reporting Standards) as endorsed by the EU Commission for application in the EU. This Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. For a description of the group's accounting policies and definitions of certain terms, please refer to the Annual Report 2011. The policies applied are unchanged on the previous year.

The parent company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and RFR 2, Accounting for Legal Entities. In most cases, this implies that the parent company applies the same IFRS/IAS as in the Consolidated Accounts, albeit subject to certain exemptions as stated in the Consolidated Accounts for 2011.

New and revised IFRSs that have become effective after 1 January 2012 have not had any effect on Transmode's financial position and results of operations.

Significant Events After the End of the Interim Period

In October, Tom Nyman (appointed by Pod Investment AB), Johan Lannebo (appointed by Lannebo Fonder) and Mats J Andersson (appointed by Nordea Fonder) have been named as members of the Nomination Committee with Chairman of the Board Kent Sander. In turn, the Nomination Committee has appointed Tom Nyman (Pod Investment AB) as its Chairman. In October Transmode exhibited at Broadband World Forum, the largest Event in Europe for fixed operators.

Prospects

Our market is driven by the underlying increase in data traffic driven by video applications, cloud services and mobile broadband. Accordingly, there is a continued need for investments in equipment that

increases the capacity of optical fiber networks. At present, there is nothing to suggest that this underlying driver is weakening. But due to macroeconomic concerns, primarily in Europe, we did note some slowdown in the market during the quarter and accordingly, we consider that sales in the final quarter of the year will be in line with the corresponding quarter of the previous year.

Annual General Meeting

Transmode's Annual General Meeting 2013 will be held in Stockholm, Sweden, on Monday, 15 April 2012.

Reporting Dates

- Financial Statement 2012:
14 February 2013

Invitation to press and analysts' conference

Transmode Holding AB will hold a conference call (in English) for the media, investors and analysts on 23 October at 09:00 CET where our CEO Karl Thedéen, and CFO Tomas Kihlstrand, will present and comment on Transmode's Interim Report.

Participate in the conference call on +44 (0) 808 109 0700, or the Swedish number +46 (0)20 089 6377, stating "Transmode conference call" a few minutes before the scheduled start. The conference and presentation will also be streamed live on Transmode's website: www.transmode.com.

Financial Statements

Condensed Consolidated Income Statement

SEK m	Jul-Sep		Jan-Sep		Oct 2011-	Jan-Dec
	2012	2011	2012	2011	Sep 2012	2011
Sales	254,2	273,8	759,7	670,5	1 006,1	916,9
Cost of goods and services provided	-129,1	-139,6	-386,8	-338,2	-502,6	-454,0
Gross profit	125,1	134,2	372,9	332,3	503,5	462,9
Other income	1,4	3,1	3,8	0,0	7,0	2,2
Research and development expenses	-31,6	-26,6	-95,6	-82,7	-128,7	-115,8
Selling expenses	-36,7	-34,3	-123,7	-103,0	-169,6	-148,9
Administrative expenses	-8,1	-7,0	-23,8	-22,5	-33,3	-32,0
Other operating expenses	0,0	0,0	0,0	-19,8	-0,5	-19,3
Operating profit	50,1	69,4	133,6	104,3	178,4	149,1
Net financial income / expenses	0,3	2,4	4,2	4,0	5,9	5,7
Profit before tax	50,4	71,8	137,8	108,3	184,3	154,8
Taxes	-12,4	-18,3	-33,8	-26,2	-46,1	-38,5
Profit for the period	38,0	53,5	104,0	82,1	138,2	116,3
Attributable to:						
Equity holders of the parent company	38,0	53,5	104,0	82,1	138,2	116,3
Average no of shares before dilution ('000)	27 789	27 030	27 702	25 600	27 577	26 000
Basic earnings per share (SEK)	1,37	1,98	3,76	3,21	5,01	4,47
Average no of shares after dilution ('000)	27 789	27 675	27 789	27 225	27 762	27 338
Diluted earnings per share (SEK)	1,37	1,94	3,74	3,02	4,98	4,26
Operating profit above includes						
– Amortization of intangible fixed assets	-7,3	-4,9	-18,2	-13,2	-25,5	-20,5
– Depreciation of tangible fixed assets	-1,7	-1,5	-4,9	-3,4	-6,4	-4,9

Condensed Consolidated Statement of Comprehensive Income

SEK m	Jul-Sep		Jan-Sep		Oct 2011-	Jan-Dec
	2012	2011	2012	2011	Sep 2012	2011
Profit for the period	38,0	53,5	104,0	82,1	138,2	116,3
Other comprehensive income						
Translation differences	-0,1	0,0	0,0	0,0	-0,1	-0,1
Income tax relating to components of other comprehensive income	–	–	–	–	–	–
Other comprehensive income for the period, net of tax	-0,1	0,0	0,0	0,0	-0,1	-0,1
Total comprehensive income for the period	37,9	53,5	104,0	82,1	138,1	116,2
Attributable to:						
Equity holders of the parent company	37,9	53,5	104,0	82,1	138,1	116,2

Condensed Consolidated Statement of Financial Position

SEK m	30 Sep 2012	30 Sep 2011	31 Dec 2011
ASSETS			
Goodwill	88.4	88.4	88.4
Capitalized development expenses	57.1	37.4	39.7
Other intangible assets	11.8	16.5	15.3
Tangible fixed assets	21.5	20.0	19.2
Deferred tax asset	0.8	2.9	0.8
Other financial assets	2.5	1.3	1.2
Total non-current assets	182.1	166.5	164.6
Inventories	103.1	76.3	97.8
Accounts receivable	166.3	209.5	166.4
Other current assets	35.8	34.5	32.3
Cash and cash equivalents	318.8	213.4	293.8
Total current assets	624.0	533.7	590.3
TOTAL ASSETS	806.1	700.2	754.9
EQUITY AND LIABILITIES			
Equity	597.6	496.0	531.8
Deferred tax liability	3.1	4.3	4.0
Provisions	4.4	1.1	4.2
Total long-term liabilities	7.5	5.4	8.2
Accounts payable	89.4	106.7	110.2
Provisions	18.4	14.9	11.4
Other current liabilities	93.2	77.2	93.3
Total current liabilities	201.0	198.8	214.9
TOTAL EQUITY AND LIABILITIES	806.1	700.2	754.9

Condensed Consolidated Statement of Cash Flows

SEK m	Jul-Sep		Jan-Sep		Oct 2011-	Jan-Dec
	2012	2011	2012	2011	Sep 2012	2011
Profit after financial items	50,4	71,8	137,8	108,3	184,3	154,8
Non-cash items	11,5	9,1	29,6	19,2	42,2	31,8
Income tax paid	-7,0	-0,2	-26,0	-0,2	-26,3	-0,5
Cash flow from operating activities before changes in working capital	54,9	80,7	141,4	127,3	200,2	186,1
Changes in working capital	19,7	-49,3	-35,5	-76,4	-5,8	-46,7
Cash flow from operating activities	74,6	31,4	105,9	50,9	194,4	139,4
Acquisitions of intangible and tangible assets	-14,4	-7,6	-39,3	-35,4	-48,4	-44,5
Change in other financial assets	-1,3	0,1	-1,4	0,0	-1,6	-0,2
Cash flow from investing activities	-15,7	-7,5	-40,7	-35,4	-50,0	-44,7
New share issue and option premium	-	0,1	3,5	21,5	5,2	23,2
Dividend to equity holders of the parent	-	-	-41,7	-29,8	-41,7	-29,8
Cash flow from financing activities	-	0,1	-38,2	-8,3	-36,5	-6,6
Increase / decrease in cash and cash equivalents	58,9	24,0	27,0	7,2	107,9	88,1
Cash and cash equivalents at the beginning of the period	261,4	188,8	293,8	206,0	213,4	206,0
Exchange rate differences in cash and cash equivalents	-1,5	0,6	-2,0	0,2	-2,5	-0,3
Cash and cash equivalents at the end of the period	318,8	213,4	318,8	213,4	318,8	293,8

Condensed Statement of Changes in Equity

SEK m	Jul-Sep		Jan-Sep		Oct 2011-	Jan-Dec
	2012	2011	2012	2011	Sep 2012	2011
Opening balance	559.7	442.4	531.8	422.2	496.0	422.2
Total comprehensive income for the period	37.9	53.5	104.0	82.1	138.1	116.2
New share issue and payment for options	-	0.1	3.5	21.5	5.2	23.2
Dividend to equity holders of the parent	-	-	-41.7	-29.8	-41.7	-29.8
Closing balance	597.6	496.0	597.6	496.0	597.6	531.8

Key ratios

SEK m / %	Jul-Sep		Jan-Sep		Oct 2011-	Jan-Dec
	2012	2011	2012	2011	Sep 2012	2011
Sales by region (SEK m):						
EMEA	193,2	217,3	607,5	576,2	803,1	771,8
Americas	55,1	48,1	139,6	82,9	181,1	124,4
APAC	5,9	8,4	12,6	11,4	21,9	20,7
Total Sales	254,2	273,8	759,7	670,5	1 006,1	916,9
Gross profit (SEK m)	125,1	134,2	372,9	332,3	503,5	462,9
Operating profit (SEK m)	50,1	69,4	133,6	104,3	178,4	149,1
Adjusted operating profit (SEK m) ¹	50,1	79,8	133,6	123,0	178,8	168,2
Profit for the period (SEK m)	38,0	53,5	104,0	82,1	138,2	116,3
Working capital (SEK m)	104,2	121,5	104,2	121,5	104,2	81,6
Net receivables (SEK m)	319,3	213,9	319,3	213,9	319,3	294,3
Cash flow from operating activities (SEK m)	74,6	31,4	105,9	50,9	194,4	139,4
Sales, change in (%)	-7,1%	57,0%	13,3%	34,4%	15,5%	31,1%
Gross margin (%)	49,2%	49,0%	49,1%	49,6%	50,1%	50,5%
Operating margin (%)	19,7%	25,3%	17,6%	15,6%	17,7%	16,3%
Adjusted operating margin (%) ¹	19,7%	25,3%	17,6%	18,4%	17,8%	18,3%
Profit margin (%)	14,9%	19,6%	13,7%	12,2%	13,7%	12,7%
Working capital/sales (%)	10,5%	8,5%	10,5%	8,5%	10,5%	8,4%
Equity/assets ratio (%)	74,1%	70,8%	74,1%	70,8%	74,1%	70,4%
No of shares at end of period ('000)	27 789	27 038	27 789	27 038	27 789	27 307
No of shares the outstanding warrants confer the right to at the end of the period ('000) ²	-	752	-	752	-	483

¹ In January-September, operating profit was charged with SEK - (18.7) m relating to the company's IPO on NASDAQ OMX Stockholm. No expenses have arisen in the third quarter in any year. Other operating expenses were adjusted by SEK 19.1 m for expenses associated with the aforementioned IPO in the full year 2011.

² The final subscription date of the now-expired share warrant program was 30 April 2012. Accordingly, there are no share warrants outstanding.

For definitions of key ratios, please refer to the Annual Accounts for 2011.

Condensed Parent Company Income Statement

SEK m	Jul-Sep		Jan-Sep		Oct 2011-	Jan-Dec
	2012	2011	2012	2011	Sep 2012	2011
Sales	5,4	5,8	14,6	15,7	21,3	22,4
Administrative expenses	-6,0	-5,7	-18,3	-36,0	-26,9	-44,6
Other operating income and expenses	0,0	0,0	0,6	0,0	0,6	0,0
Operating profit/loss	-0,6	0,1	-3,1	-20,3	-5,0	-22,2
Net financial income / expenses	1,4	1,7	4,5	4,8	71,2	71,5
Profit/loss after financial expenses	0,8	1,8	1,4	-15,5	66,2	49,3
	-0,3	-0,4	-0,4	4,1	-17,5	-13,0
Profit/loss for the period	0,5	1,4	1,0	-11,4	48,7	36,3

Condensed Parent Company Balance Sheet

SEK m	30 Sep 2012	30 Sep 2011	31 Dec 2011
Assets			
Financial fixed assets	466,6	478,8	466,4
Total non-current assets	466,6	478,8	466,4
Other current assets	8,4	4,5	68,8
Cash and cash equivalents	114,2	94,8	100,3
Total current assets	122,6	99,3	169,1
Total assets	589,2	578,1	635,5
Equity and liabilities			
Equity	574,2	561,6	611,0
Provisions	1,6	3,4	3,4
Other current liabilities	13,4	13,1	21,1
Total current liabilities	13,4	13,1	21,1
Total liabilities and equity	589,2	578,1	635,5
Pledged assets	None	None	None
Contingent liabilities	None	None	None

The Board of Directors and CEO hereby certify that this Interim Report gives a true and fair view of the group's business, sales, results of operations and financial position. The information presented

corresponds to fact and no material omissions have been made that could affect the presentation of the group and parent company in the accounts.

Stockholm, Sweden, 22 October 2012

Kent Sander
Chairman of the Board

Eva Lindqvist

Torbjörn Nilsson

Tom Nyman

Axel Roos

Kevin Taylor

Gerd Tenzer

Karl Thedéen
Chief Executive Officer

This Report has not been subject to review by the company's auditors.

This information is mandatory for Transmode Holding AB to publish pursuant to the Swedish Securities Markets Act and/or the Swedish Financial Instruments Trading Act. The information was submitted for publication at 08:00 a.m. on 23 October 2012.

For more information please contact

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