Interim Report Q1.2008

January – March 2008

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

Interim report 1 January – 31 March 2008

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

First quarter 2008

- **Net sales SEK 31.3 million (128.6)**
- **Net result SEK –31.4 million (1.1), of which write-downs on inventory negatively affected the result by SEK –1.2 million (–1.6)**
- **Result per share SEK –1.41 (0.05) before dilution**
- **Order intake SEK 66.6 million (77.3) and order backlog as of 31 March 2008 SEK 66.4 million (43.4)**
- **Gross margin 37 % (26 %)**
- **Operating result SEK –31.5 million (2.1)**
- **Cash flow from operating activities SEK 1.2 million (25.6)**
- **Cash and bank SEK 13.7 million (67.8) as of 31 March 2008**

”As expected the company had a rough start in 2008 with significantly lower sales. However, improved order intake and stronger gross margins create conditions for a stronger long-term development.”

Net sales went down in the first quarter compared with the fourth quarter 2007 and also compared with the corresponding period last year. This was an expected development that was announced in the 2007 year-end report. Order intake and order backlog increased compared with the previous quarter, in particular in the IP residential gateway segment.

The decrease in net sales is in large part explained by the company’s loss of its largest customer in the IPTV segment (Belgacom) during the fourth quarter 2007. In 2007, this customer contributed with more than half of the company’s net sales and with almost 90 per cent of the IPTV segment net sales.

IP residential gateway, Tilgin’s other business segment, showed net sales of SEK 25.5 million, which is a decrease of 18 per cent since the fourth quarter 2007. The decrease is mainly due to longer lead times for sourcing a certain component from one of our subcontractors. This has brought delays to deliveries as well as to invoicing.

To ensure future growth and profitability the company has taken a series of cost-saving financial and operating measures. The planned cost savings are progressing according to plan and are expected to reach full effect during the second half of 2008 with savings of at least SEK 7 million per quarter. The pending fully guaranteed share issue will provide the company with SEK 72 million before issue and guarantee expenses. The company has also taken a number of steps to broaden its customer base and to increase profitability in its current projects.

The efforts in sales resulted in the gross margin reaching a new all-time high, as well as an increase in order intake and order backlog during the first quarter. Order intake in IP residential gateway in particular was very satisfactory with increasing volumes from several customers. The company has also taken measures to ensure deliveries of critical components. In order to broaden the customer base and increasing sales in IPTV, the company is cooperating with Ericsson and Nokia Siemens Networks. We are expecting this to generate new business already during the second quarter. Furthermore, since March 2008 the company is working together with a major Nordic operator with a pilot installation of the new IPTV product platform supporting HDTV and PVR.

There are favourable conditions for the company to once more create growth and profitability. In light of the company’s efforts and the improved order intake and gross margin, net sales is expected to recover during the second half of 2008, and the operating result for the year as a whole is expected to improve compared with 2007.

Ola Berglund, CEO

Significant events during the first quarter

In February Tilgin signed an agreement within IPTV regarding sales and marketing cooperation with Nokia Siemens Networks. The agreement refers to sales of Tilgin's pre-integrated IPTV products to selected customers.

In February the company announced an USD 1.5 million order from the Middle East within IP residential gateway.

In March Tilgin received an order from a major Nordic operator for a pilot installation of the new Mood 400 platform, supporting HDTV and PVR.

At the CeBit fair in March the company presented a new line of IP Home Gateways; HG 1110 for ADSL2+ networks, HG 1310 for ethernet connections and HG 1520 for FTTH networks.

At the trade fair IPTV World Forum in March Tilgin presented its new advanced IPTV set-top box Mood 400-020.

Existing customers that have generated large orders during the quarter include DU (IP residential gateway, Dubai), Megaphone (IP residential gateway, Sweden) and TeliaSonera (through AxCom, IP residential gateway, Sweden).

Significant events after the reporting period

In April Tilgin signed an agreement with Alcatel-Lucent regarding technology and marketing cooperation in the IMS area, with focus on IP residential gateway.

Market prospects and future outlook

As expected, net sales and results weakened during the first quarter of the year. This was in light of the sharp decline in order intake within IPTV at the end of 2007, combined with a low order back log at beginning of 2008 together with temporarily increased lead times for factory shipments. Business-wise the IPTV segment has had to re-start from a very low level in the beginning of 2008. Important cooperation agreements with Ericsson and Nokia Siemens Networks in IPTV, together wih a new advanced and competitive product platform (Mood 400) leads however the company to expect a speedy increase in IPTV sales during 2008. At the same time sales to other customers, in particular within IP residential gateway, continued to show positive development, and order intake as well as order backlog increased during the quarter. Gross margin was further strengthened in the first quarter.

The company estimates that order intake and net sales will recover during the second half of 2008, and then there will also be conditions for a new growth phase and result improvements, where the operating result for the year as a whole is expected to improve compared with 2007.

Action program

The company's action program is running according to plan, and the announced cost savings of SEK 7 million per quarter (compared with the cost level in the fourth quarter 2007) are expected to reach full effect from the second half of 2008.

Risks and uncertain factors

Also for the first quarter of 2008 the company establishes that it remains dependent on a relatively limited number of large customers. 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, sales-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 significantly lower in 2008. These currency risks have partially been managed through forward exchange contracts.

As previously reported, in March 2007 the Swedish Customs imposed customs duties of approximately SEK 4.8 million, SEK 0.4 million of which is VAT, on three IPTV shipments in 2005 and 2006. The company has appealed the decision, and has been granted postponement of execution. This process may lead to the company finally being imposed these customs duties. Whether there is a risk that the company will be imposed further customs duties or other costs as a consequence of the type of product shipments which is subject to the current process, remains unclear.

A company holding patents in the wireless technology area has contacted Tilgin with demands of signing a license agreement and paying license fees for technology that Tilgin is alleged to use. The company's initial assessment is that there are no grounds for these demands.

For other risks and uncertain factors, please refer to the 2007 annual report.

Related parties

There were no sales or purchases of goods or services between related parties to/from the group or the parent company in the first quarter of 2008. Also, the company has not identified any other significant transactions with related parties in that period.

Sales and financial performance

Net sales

Net sales in the first quarter amounted to SEK 31.3 million (128.6). The decline in net sales was due to a lower IPTV order intake at the end of 2007, a small order back log at beginning of 2008, and temporarily increased lead times for factory shipments.

In total, 47,450 (120,487) CPEs (Customer Premises Equipment) were shipped to customers in the first quarter, of which 3,697 (53,300) set-top boxes and 43,753 (67,187) residential gateway units.

CPEs including client software represented 87 % (96 %) of total net sales in the first quarter. Other revenue includes sales of accessories, spare parts, management systems, support, professional services, royalties and further invoiced costs.

In the first quarter, net sales were split between EMEA 97.9 % (96.4 %), North America 1.4 % (2.6 %) and other regions 0.7 % (1.0 %).

Financial performance
The operating result for the first quarter amounted to SEK –31.5 million (2.1) and the net result amounted to SEK –31.4 million (1.1). The operating result was negatively affected by write-downs on inventory of SEK –1.2 million (–1.6) for the quarter. The operating result was also affected by realized and unrealized currency hedging positions related to specific customer orders, by SEK 0.0 million (0.2) for the quarter. Gross margin for the first quarter amounted to 37 % (26 %) which is a continued improvement compared with the corresponding period in 2007, and also compared with the previous quarter (32%).

Operating expenses excluding goods for resale and depreciation and amortization amounted to SEK 37.6 million (28.4) in the first quarter. First quarter expenses in 2008 were reduced by capitalized development expenditures of SEK 6.8 million (9.6).

Costs of personnel amounted to SEK 21.8 million (15.9) in the first quarter. Compared with the previous quarter costs of personnel increased by SEK 2.1 million, due to e.g. additional pension costs in connection with the defined contribution pension plan implemented at the end of 2007.

Total product development costs prior to capitalizing certain development expenses increased to SEK 18.3 million (14.1) in the first quarter.

Depreciation and amortization amounted to SEK 5.5 million (2.8) in the first quarter, of which amortization on intangible assets (capitalized development expenses) amounted to SEK 5.0 million (2.4).

Net financial items amounted to SEK 0.1 million (–1.0) in the first quarter.

IPTV
Net sales in IPTV amounted to SEK 5.7 million (92.5) in the first quarter. Compared with the previous quarter, net sales decreased by SEK 80.8 million. The decrease is explained, as previously noted, by the sharp drop since the fourth quarter 2007 in orders received from the company's so far largest customer within the IPTV segment. The operating result amounted to SEK –17.4 million (1.2) for the quarter.

IP residential gateway
Net sales in IP residential gateway amounted to SEK 25.5 million (36.1) in the first quarter. Compared with the previous quarter net sales in the product segment decreased by SEK 5.6 million. Increased lead times for shipments negatively affected net sales in the first quarter. The operating result amounted to SEK -9.8 million (3.4) for the first quarter. The product segment has positively contributed to the group gross margin for the first quarter.

Personnel
The number of employees in the Group was 115 as of 31 March 2008, which is no change compared with the beginning of 2008. Staff is expected to decrease somewhat during the remainder of 2008. As of 31 March 2008, one person was employed by the company's US subsidiary, Tilgin Inc. The dismantling of operations in Tilgin Inc is expected to be concluded during the second quarter.

Financial position

Cash flow, investments and financial position
Cash flow from operating activities amounted to SEK 1.2 million (25.6) in the first quarter. The lower volumes of working capital being tied up in the first quarter more or less corresponded to the negative result in the same period, hence a net cash flow close to zero. Cash and bank balances as of 31 March 2008 amounted to SEK 13.7 million (67.8).

As of 31 March 2008 the company had access to financing facilities in various currency denominations, corresponding to approximately SEK 98 million. The utilization of these facilities decreased by SEK 14.1 million compared with the end of the previous quarter, and as of 31 March 2008 the facility was utilized to SEK 8.5 million (56.8). Utilization is expected to increase in the upcoming quarters in light of an expected increase in shipped volumes and invoicing.

In order to meet a possible liquidity need before the company receives funds from the ongoing new share issue, Tilgin has agreed on a temporary financing facility of SEK 15 million with Svenska Handelsbanken.

Investments in intangible fixed assets amounted to SEK 6.8 million (9.6) 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 2008 amounted to SEK 67.2 million (151.2) and share capital at the same date amounted to SEK 22.3 million (22.3). The equity/assets ratio was 51 % (53 %).

Share data and ownership structure
The total number of shares in the company as of 31 March 2008 was 22,274,600. At that date, there were no outstanding financial instruments with a potential dilutive effect. As of 31 March 2008, MGA Holding AB remained the largest shareholder, with 28 % of the shares.

Parent company

The company's US subsidiary Tilgin Inc. and its operations are accounted for in the parent company, not as a separate subsidiary. Hence, the operations of the Group correspond to that of the parent company. Parent company net sales for the first quarter 2008 were the same as Group net sales for the period.

Result before taxes for the parent company was SEK –31.4 million (1.1) for the first quarter, Group SEK –31.4 million. Total shareholders' equity in the parent company amounted to SEK 67.2 million (151.2), Group SEK 67.2 million. Cash and bank balances for the parent company as of 31 March 2008 amounted to SEK 13.6 million (67.7), Group SEK 13.7 million. As of 31 March 2008 the number of employees in the parent company including the US subsidiary was 115 (106), which corresponds to the number of employees in the Group (there are no employees in the company's two inactive subsidiaries).

Accounting and valuation principles

This interim report has been established in accordance with IAS 34, Interim Financial Reporting, Swedish Financial Accounting Standards Council (SFASC) standard RR31 and, for the parent company, SFASC standard RR32:06. Further, the report has been adapted in accordance with the EC Transparency Directive 2004/109/EC, effective 1 July 2007. The new or revised IFRS standards or IFRIC interpretations that have come into effect since 1 January 2008 have not had any significant impact on the company's income statements or balance sheets. The same accounting principles have been applied in this report as in the 2007 annual report.

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.

This interim report has not been reviewed by the company's auditors.

Kista, 17 April 2008

Tilgin AB (publ)

Ola Berglund
Chief Executive Officer

The information will be made public on 18 April 2008, 07:00 CET.

Phone conference:
In view of the interim report, the capital market is invited to a conference call on Friday 18 April. The conference will start at 09:00 CET. Participants may follow the conference via Internet, website www.tilgin.com/q108, or access it by dialing +46 (0)8 5052 0110. A presentation is held available at the company's web site (www.tilgin.com) when the phone conference starts.

Scheduled reports:

- The annual general meeting is held on 23 April 2008 at the company's premises.
- The interim report for January – June 2008 will be presented on 22 August 2008.
- The interim report for January – September 2008 will be presented on 24 October 2008.
- The year-end report for 2008 will be presented on 13 February 2009.

For further information, please contact:

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Group income statements, balance sheets and cash flow statements

Income statement (SEK thousand)	Q1 2008	Q1 2007	Full year 2007	Apr 2007 - Mar 2008
Net sales	31 258	128 601	391 243	293 900
Other operating income	16	112	2 399	701
Total sales	**31 273**	**128 713**	**393 642**	**294 601**
Operating expenses				
Goods for resale	-19 707	-95 413	-297 793	-222 087
Other external costs	-14 872	-13 349	-48 833	-50 355
Costs of personnel	-21 771	-15 904	-71 130	-76 998
Depreciation and amortization	-5 486	-2 843	-19 873	-22 516
Other operating expenses	-951	850	-6 697	-6 897
Operating result	**-31 514**	**2 054**	**-50 685**	**-84 252**
Net financial items	112	-961	-783	289
Result before taxes	**-31 401**	**1 093**	**-51 467**	**-83 962**
Income taxes for the period	-	-	-	-
Result for the period	**-31 401**	**1 093**	**-51 467**	**-83 962**
Earnings/loss per share before dilution (SEK)	-1.41	0.05	-2.31	-3.77
Earnings/loss per share after dilution (SEK)	-1.41	0.05	-2.31	-3.77
Avg. number of shares before dilution (thousand)	22 275	22 237	22 265	22 275
Avg. number of shares after dilution (thousand)	22 275	22 284	22 277	22 275

Cash flow statement (SEK thousand)	Q1 2008	Q1 2007	Full year 2007	Apr 2007 - Mar 2008
Cash flow from operations before changes in working capital	-26 825	4 129	-31 406	-62 360
Changes in working capital	28 060	21 515	84 712	91 257
Cash flow from operating activities	**1 235**	**25 644**	**53 306**	**28 897**
Cash flow from investing activities	-7 408	-10 579	-37 870	-34 698
Cash flow from financing activities	-14 128	-39 587	-73 726	-48 267
Net change in cash and cash equivalents	**-20 301**	**-24 522**	**-58 290**	**-54 069**
Cash and cash equivalents, beginning of period	**34 027**	**92 317**	**92 317**	**67 795**
Cash and cash equivalents, end of period	**13 726**	**67 795**	**34 027**	**13 726**

Balance sheet (SEK thousand)	2008-03-31	2007-03-31	2007-12-31
ASSETS			
- Intangible assets	44 348	31 940	42 540
- Tangible assets	4 564	4 790	4 450
Total fixed assets	*48 911*	*36 729*	*46 990*
- Inventories	32 079	77 275	33 058
- Accounts receivable - trade	20 150	83 096	40 080
- Other receivables	16 999	18 746	19 229
- Cash and bank	13 726	67 795	34 027
Total current assets	*82 954*	*246 912*	*126 394*
Total assets	**131 866**	**283 641**	**173 384**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	67 195	151 158	98 597
Liabilities			
- Long-term interest-bearing liabilities	781	781	781
- Short-term interest-bearing liabilities	8 494	56 761	22 623
- Other short-term liabilities	54 357	72 989	49 435
- Warranty provisions	1 038	1 952	1 948
Total liabilities	**64 670**	**132 484**	**74 787**
Total equity and liabilities	**131 866**	**283 641**	**173 384**

Income statements and balance sheets, parent company

Income statement (SEK thousand)	Q1 2008	Q1 2007	Full year 2007	Apr 2007 - Mar 2008
Total sales	31 273	128 713	393 642	294 601
Operating expenses	-62 787	-126 659	-444 326	-378 852
Operating result	**-31 514**	**2 054**	**-50 684**	**-84 251**
Net financial items	112	-961	-784	289
Result before taxes	**-31 401**	**1 093**	**-51 468**	**-83 962**
Income taxes for the period	-	-	-	-
Result for the period	**-31 401**	**1 093**	**-51 468**	**-83 962**

Balance sheet (SEK thousand)	2008-03-31	2007-03-31	2007-12-31
ASSETS			
Total fixed assets	49 111	36 929	47 190
Total current assets	82 872	246 830	126 312
Total assets	**131 983**	**283 759**	**173 502**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	67 248	151 210	98 649
Provisions	1 038	1 952	1 948
Liabilities			
- Long-term liabilities	781	781	781
- Short-term liabilities	62 916	129 816	72 124
Total equity and liabilities	**131 983**	**283 759**	**173 502**

Notes regarding significant changes in balance sheet items between 31 Dec-07 and 31 Mar-08

1. Fixed assets: During the first quarter of 2008, development expenses of SEK 6.8 million (before amortization) have been capitalized as intangible fixed assets.
2. Shareholders’ equity: The decrease in the first quarter is explained by the net result in the period, which has decreased equity by SEK 31.4 million.
3. Current assets and Short-term liabilities: The decrease in business volume during the first quarter has led to less capital being tied up in operations, with lower accounts receivable, inventory, accounts payable together with the accounts receivable financing facility with the bank, compared with 31 December 2007.

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, 2007	**22 189**	**535 478**	**-408 458**	**149 209**
Loss for the period	-	-	1 093	1 093
Total change in capital excl. transactions with the company's owners	-	-	1 093	1 093
Conversion of convertible loan	86	770	-	855
Closing balance Mar 31, 2007	**22 275**	**536 247**	**-407 364**	**151 158**
Opening balance Jan 1, 2008	**22 275**	**536 247**	**-459 925**	**98 597**
Loss for the period	-	-	-31 401	-31 401
Total change in capital excl. transactions with the company's owners	-	-	-31 401	-31 401
Closing balance Mar 31, 2008	**22 275**	**536 247**	**-491 327**	**67 195**
Opening balance Jan 1, 2007	**22 189**	**535 478**	**-408 458**	**149 209**
Loss for the period	-	-	-51 467	-51 467
Total change in capital excl. transactions with the company's owners	-	-	-51 467	-51 467
Conversion in part on convertible loan	86	769	-	855
Closing balance Dec 31, 2006	**22 275**	**536 247**	**-459 925**	**98 597**

Utilization of the statutory reserve for covering of losses was previously taken to Accumulated loss.
This has been adjusted and the item is now taken to Other paid-in capital

Segment information, group

(SEK thousand)

Q1 2008

	IPTV	IP-RG	Other	Group
Net sales	5 718	25 540	0	31 258
Operating result	**-17 354**	**-9 835**	**-4 325**	**-31 514**
Investments in fixed assets	3 878	3 509	20	7 408
Assets	40 650	72 184	19 031	131 866
Liabilities	21 916	37 554	5 200	64 670

Q1 2007

	IPTV	IP-RG	Other	Group
Net sales	92 494	36 107	0	128 601
Operating result	**1 173**	**3 384**	**-2 503**	**2 054**
Investments in fixed assets	6 267	4 205	107	10 579
Assets	132 108	78 201	73 332	283 641
Liabilities	78 312	47 931	6 241	132 484

Full year 2007

	IPTV	IP-RG	Other	Group
Net sales	252 976	138 267	0	391 243
Operating result	**-44 237**	**2 825**	**-9 271**	**-50 684**
Investments in fixed assets	21 441	16 219	210	37 869
Assets	40 650	72 184	19 031	131 866
Liabilities	21 916	37 554	5 200	64 670

April 2007 - March 2008

	IPTV	IP-RG	Other	Group
Net sales	166 200	127 700	0	293 900
Operating result	**-62 665**	**-10 493**	**-11 093**	**-84 251**
Investments in fixed assets	19 052	15 523	123	34 698
Assets	40 650	72 184	19 031	131 866
Liabilities	21 916	37 554	5 200	64 670

Key ratios and definitions, group

(SEK thousand if not otherwise stated)	Q1 2008	Q1 2007	Full year 2007	Apr 2007 - Mar 2008
Gross profit	11 551	33 188	93 450	71 813
Gross margin, %	37%	26%	24%	33%
Operating margin, %	-101%	2%	-13%	-29%
Net margin, %	-100%	1%	-13%	-29%
Shareholders' equity	67 195	151 158	98 597	67 195
Average shareholders' equity	82 896	150 183	123 903	109 176
Capital employed	76 471	208 700	122 000	76 471
Average capital employed	99 236	227 947	184 597	142 585
Interest-bearing debt	9 275	57 543	23 404	9 275
Balance sheet total	131 866	283 641	173 384	131 866
Financial expenses	-489	-1 329	-3 565	-2 725
Investments in tangible fixed assets	-604	-964	-2 095	-1 735
Return on average shareholders' equity, %	-38%	1%	-42%	-77%
Return on average capital employed, %	-31%	1%	-26%	-57%
Equity/assets ratio, %	51%	53%	57%	51%
Debt/equity ratio, times	0.1	0.4	0.2	0.1
Interest coverage ratio, times	-63	2	-13	-30
Share of risk-bearing capital, %	51%	53%	57%	51%
Net debt(+)/receivable(-)	-4 451	-10 252	-10 624	-4 451
Net debt ratio, times (- = receivable)	-0.1	-0.1	-0.1	-0.1
Working capital as a percentage of sales	5%	21%	10%	5%
Number of employees at period end	115	106	115	115
Average number of employees in period	116	106	109	111
Sales per employee	270	1 214	3 611	2 654
Operating profit/loss per employee	-272	19	-465	-759
Dividend per share (SEK)	-	-	-	-
Number of shares before dilution	22 274 600	22 274 600	22 274 600	22 274 600
Number of shares after dilution	22 274 600	22 274 600	22 274 600	22 274 600
Average number of shares in period, before dilution	22 274 600	22 237 300	22 265 403	22 274 600
Average number of shares in period, after dilution	22 274 600	22 284 066	22 276 934	22 274 600

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 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 profit/loss 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.
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 at the end of every day. When the company has emitted various 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.

Note that rounding to even SEK thousand may lead to errors in sums in the financial tables presented in this report.

Quarterly data, group

(SEK thousand)	Q2 2006	Q3 2006	Q4 2006	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Q1 2008
Net sales	104 074	86 626	167 973	128 601	55 166	89 860	117 616	31 258
Other operating income	64	975	0	112	26	488	911	16
Total sales	**104 138**	**87 601**	**167 973**	**128 713**	**55 192**	**90 348**	**118 527**	**31 273**
Gross profit	21 132	15 140	42 117	33 188	-2 336	25 245	37 353	11 551
Gross margin	20%	17%	25%	26%	-4%	28%	32%	37%
Operating result	**-21 687**	**-5 822**	**7 328**	**2 054**	**-41 753**	**-4 799**	**-6 186**	**-31 514**
Net loss	-22 218	-7 196	6 330	1 093	-42 255	-5 237	-5 100	-31 401
IPTV								
Net sales	78 498	63 120	135 491	92 494	15 277	58 734	86 471	5 718
Operating result	**-10 769**	**-6 928**	**6 186**	**1 173**	**-34 367**	**-5 651**	**-5 293**	**-17 354**
IP residential gateway								
Net sales	25 575	23 507	32 482	36 107	39 889	31 126	31 145	25 540
Operating result	**-2 420**	**-1 341**	**-163**	**3 384**	**-4 684**	**2 449**	**1 577**	**-9 835**
Other products and services								
Net sales	0	0	0	0	0	0	0	0
Operating result	**-8 498**	**2 447**	**1 304**	**-2 503**	**-2 701**	**-1 597**	**-2 470**	**-4 325**
Net sales per product segment, %								
IPTV	75%	73%	81%	72%	28%	65%	74%	18%
IP residential gateway	25%	27%	19%	28%	72%	35%	26%	82%
Other	0%	0%	0%	0%	0%	0%	0%	0%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Shipped CPEs per product segment								
IPTV (Mood, set-top boxes)	45 282	35 938	78 476	53 300	7 957	32 448	51 995	3 697
IP residential gateway (Vood)	45 138	44 325	59 714	67 187	80 979	59 356	54 588	43 753
Total	**90 420**	**80 263**	**138 190**	**120 487**	**88 936**	**91 804**	**106 583**	**47 450**
Net sales per geographical area								
EMEA	101 287	82 841	162 850	123 895	53 180	86 544	114 120	29 565
North America	2 633	2 192	4 233	2 869	993	2 192	875	504
ROW	154	1 594	890	1 837	993	1 123	2 621	1 189
Total	**104 074**	**86 626**	**167 973**	**128 601**	**55 166**	**89 860**	**117 616**	**31 258**
(EMEA = Europe, Middle East, Africa)								
Net sales per geographical area, %								
EMEA	97%	96%	97%	96%	96%	96%	97%	95%
North America	3%	3%	3%	2%	2%	2%	1%	2%
ROW	0%	2%	1%	1%	2%	1%	2%	4%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Orders received and order backlog								
Orders received in period	123 822	118 761	153 208	77 253	86 695	117 878	52 004	66 554
Order backlog	87 524	121 708	102 973	43 369	72 641	106 976	40 233	66 382
Avg. rate used for orders received, USD	7.40	7.24	7.08	7.01	6.87	6.75	6.42	6.28
Avg. rate used for orders received, EUR	9.30	9.23	9.13	9.19	9.26	9.27	9.30	9.40
Avg. rate used for order backlog, USD	7.26	7.31	6.87	7.00	6.88	6.50	6.47	5.95
Avg. rate used for order backlog, EUR	9.22	9.27	9.05	9.33	9.24	9.21	9.47	9.39