

Transmode implements cost and efficiency program

Stockholm, Sweden – 25 August 2014 –Transmode, a global provider of packet-optical networking solutions, today announced that it has decided to implement a cost and efficiency program to increase profitability and ensure continued investments in product and market development. The measures will affect up to 30 employees.

Transmode has been affected by reduced growth and profitability for some time, mainly due to weaker sales. In order to increase profitability and ensure continued investments in product and market development, the company is now implementing a cost and efficiency program.

The program is intended to reduce costs by some SEK 40 m annually and includes a combination of personnel cutbacks, other savings and measures to increase efficiency. Up to 30 employees in Sweden and abroad will potentially be affected by the program. The costs of implementing the program are estimated at SEK 10 m, which will be posted to the third and fourth quarters 2014.

The personnel cutbacks are subject to negotiation with the trade unions. The negotiations are scheduled to be completed in September.

“We’ve had to make a tough announcement to our staff today,” commented Karl Thedéen, CEO of Transmode. “The competition is intense and the cost and efficiency program is necessary to meet Transmode’s high profitability target. It also creates scope for continued investments in product and market development, which are necessary to reach our growth targets. We still perceive significant market potential for our products, including the new 100G products as well as Mobile Backhaul and Fronthaul, where we’re very well positioned,” concluded Karl Thedéen.

The information in this announcement is required to be disclosed by Transmode AB under the Swedish Securities Markets Act (Sw. lagen om värdepappersmarknaden). This information was released for publication at 10:00 AM CEST on 25 August 2014.

This is a translation of the Swedish original. In case of any inconsistency between the Swedish and English version, the Swedish version shall prevail.

For more information please contact:

Ola Elmeland
Vice President Marketing & Communications

Transmode AB (publ)
P.O. Box 42114
SE-126 14 Stockholm

Telephone
+46 8 410 88 000
info@transmode.com

Web
www.transmode.com

Transmode Systems AB

Telephone: +46 8 506 882 71

Email: ola.elmeland@transmode.com

About Transmode

Transmode is a global provider of packet-optical networking solutions that enable fixed line and mobile network operators to cost effectively address the capacity needs created by the rapid growth in video and data traffic. These solutions are important building blocks in next-generation high-speed optical networks that support services such as broadband backhaul, mobile data backhaul, video delivery services and cloud computing. Transmode's solutions are designed to increase the capacity, flexibility and functionality of metro and regional networks and are based on Wavelength Division Multiplexing (WDM) and transport technologies such as Ethernet. Transmode's Native Packet Optical 2.0 architecture gives customers key advantages such as cost efficient Ethernet services, ultra-low latency, low power consumption and future proof network design.

Transmode is headquartered in Stockholm, Sweden and is listed on the NASDAQ OMX Stockholm Exchange (TRMO). Since 2000 the company has installed more than 45,000 systems for over 550 fixed and mobile network operators, service providers, large enterprises and public institutions in over 50 countries across the globe.

For additional information about Transmode, please visit www.transmode.com.