



Tecnomen Lifetree Corporation Interim Report 1-9/2009

29.10.2009

Eero Mertano

President and CEO

Tecnotree Highlights

Lifetree consolidated from 6 May 2009

M€	1-9/2009	7-9/2009
Net sales	39.7 (55.5)	13.2 (18.2)
Ebit (incl. 1.0 M€ one-time costs in Q3 2009)	-6.3 (6.5)	-3.0 (3.3)
Net result	-8.9 (5.3)	-4.3 (3.1)
Order intake	45.3 (69.3)	6.9 (10.3)
Order book	15.2 (17.2)	
Cash flow after investments (w/o net payment of Lifetree acquisition)	-0.8 (11.9)	-1.7 (9.8)
Net cash flow	-20.7 (7.8)	-2.1 (9.8)
Cash	30.5 (25.2)	
Equity ratio	68.8 (83.9%)	
Net gearing	-13.7 (-31.8%)	

Improvements for 2010

- Tecnotree is implementing actions resulting in annual cost savings of over 10 M€
 - Reduction in subcontracting work and personnel in some locations
 - These savings will be effective from the beginning of 2010
- We have a much wider product and solution portfolio than before, and more resources
- Our customer base has been extended in emerging economies with strong organic market growth
- These actions considerably improve our efficiency and competitiveness



Tecnotree Business Units

VAS

- Net sales were 15.8 M€ (29.2)
- Sales came mainly from Next Generation Messaging products
 - NGM deliveries for new customers in Europe and Africa
 - NGM expansions in Africa and Latin America
 - Telco Server - based EAIP expansion in Europe
- Steady maintenance revenues

BSS/OSS

- Net sales were 24.0 M€ (26.3)
- Demand has remained strong in Middle East and Africa and moderate in Latin America
- Steady maintenance contract income
- Good project completion and cash flow levels

Consolidated Income Statement

Lifetree consolidated from 6 May 2009

EUR Million	7-9/2009	7-9/2008	Change %
Net sales	13.2	18.2	-27.4
Other operating income	0.2	0.0	
Materials and services	-2.3	-4.1	-43.9
Employee benefit expenses	-7.3	-5.1	42.7
Other operating expenses	-5.1	-4.3	19.2
Depreciation	-1.8	-1.4	28.0
Operating result	-3.0	3.3	
% of net sales	-23.0	18.2	
Financial income and expenses	-0.5	0.9	
Result after financial income and expenses	-3.5	4.2	
Income taxes	-0.8	-1.1	-31.3
Result for the period	-4.3	3.1	

Consolidated Income Statement

Lifetree consolidated from 6 May 2009

EUR Million	1-9/2009	1-9/2008	Change %
Net sales	39.7	55.5	-28.4
Other operating income	0.3	0.0	
Materials and services	-7.7	-13.0	-40.6
Employee benefit expenses	-19.0	-17.1	11.7
Other operating expenses	-14.6	-14.8	-1.7
Depreciation	-4.9	-4.1	19.0
Operating result	-6.3	6.5	
% of net sales	-15.7	11.8	
Financial income and expenses	-0.4	1.1	
Result after financial income and expenses	-6.7	7.7	
Income taxes	-2.2	-2.3	-6.6
Result for the period	-8.9	5.3	

Consolidated Income Statement

(Pro forma, Tecnotree India included Jul-Sep of both years)

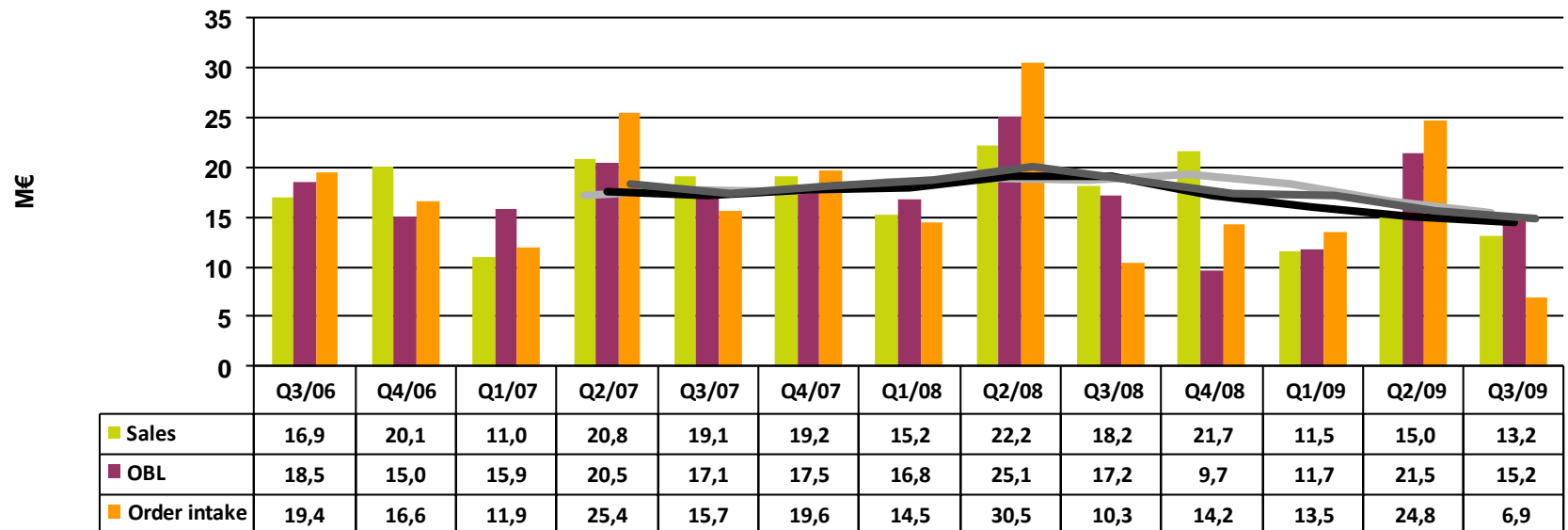
EUR Million	7-9/2009	7-9/2008	Change %
Net sales	13.2	20.9	-36.9
Other operating income	0.2	0.1	84.5
Materials and services	-2.3	-4.7	-51.5
Employee benefit expenses	-7.3	-6.0	20.7
Other operating expenses	-5.1	-5.1	0.9
Depreciation	-1.8	-1.5	22.3
Operating result	-3.0	3.8	
% of net sales	-23.0	18.0	
Financial income and expenses	-0.5	0.9	
Result after financial income and expenses	-3.5	4.7	
Income taxes	-0.8	-1.1	-32.1
Result for the period	-4.3	3.6	

Consolidated Income Statement

(Pro forma, Tecnotree India included Jan-Sep of both years)

EUR Million	1-9/2009	1-9/2008	Change %
Net sales	44.7	65.3	-31.5
Other operating income	0.4	0.6	-32.7
Materials and services	-9.2	-15.0	-38.7
Employee benefit expenses	-21.0	-19.7	6.3
Other operating expenses	-15.9	-17.0	-6.1
Depreciation	-5.1	-4.3	18.6
Operating result	-6.1	9.9	
% of net sales	-13.7	15.1	
Financial income and expenses	-0.3	1.3	
Result after financial income and expenses	-6.4	11.1	
Income taxes	-2.2	-2.4	-7.5
Result for the period	-8.6	8.8	

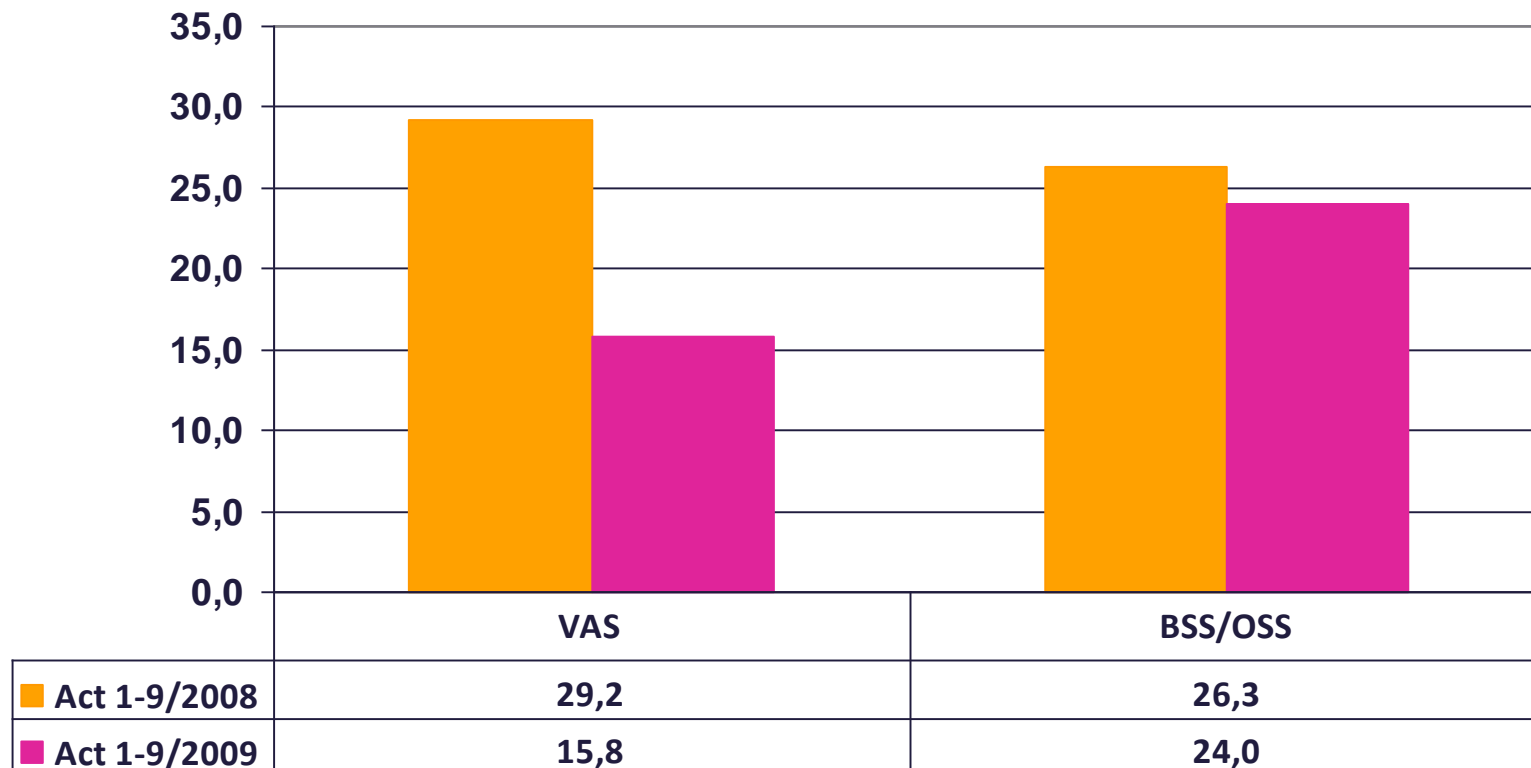
Sales and Orders by Quarter



■ Sales
 ■ OBL
 ■ Order intake
 — 4 per. Mov. Avg. (Sales)
 — 4 per. Mov. Avg. (OBL)
 — 4 per. Mov. Avg. (Order intake)

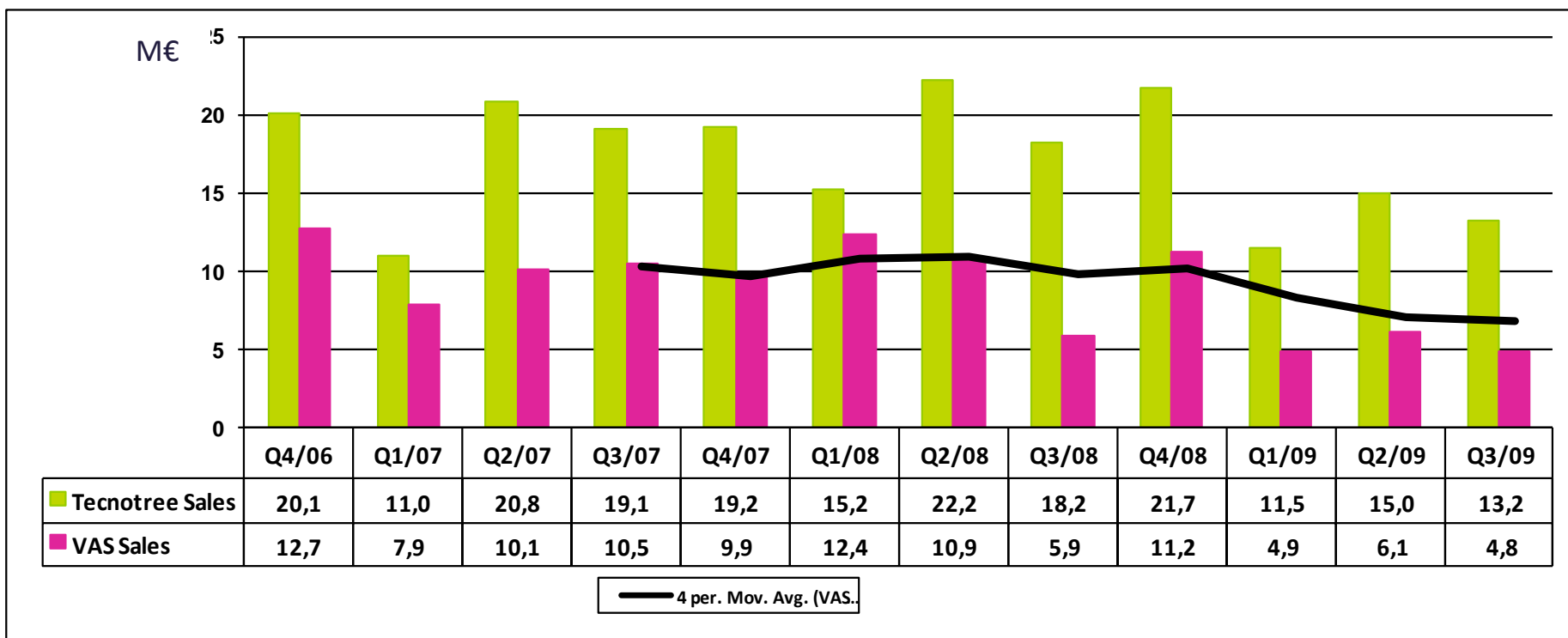
Net Sales by Business Unit

VAS 40 % (53 %), BSS/OSS 60 % (47 %) of Net Sales



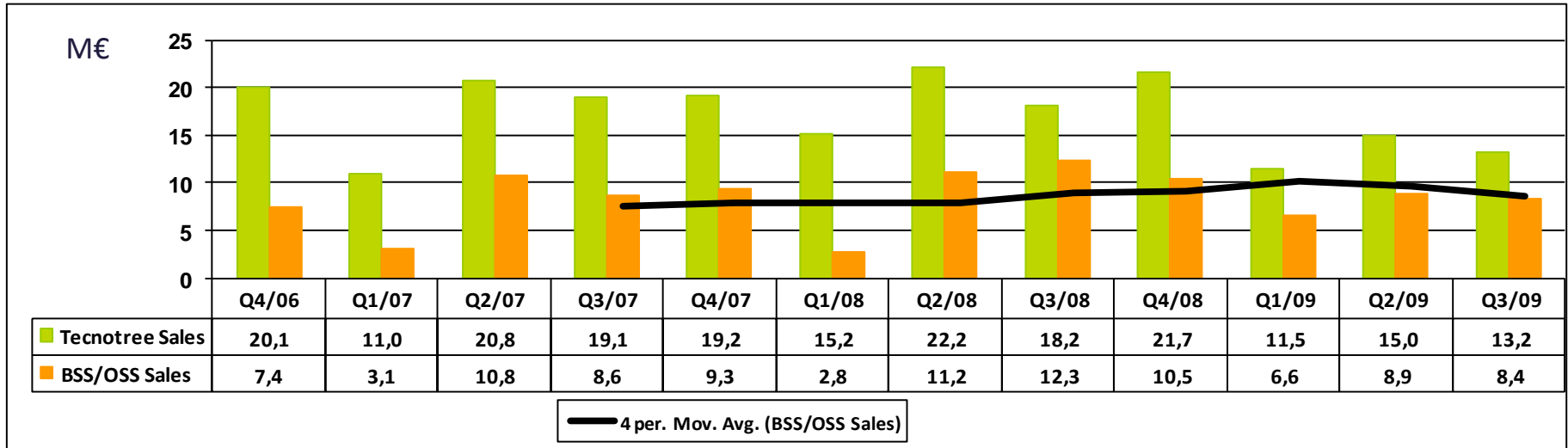
Sales by Business Unit

VAS



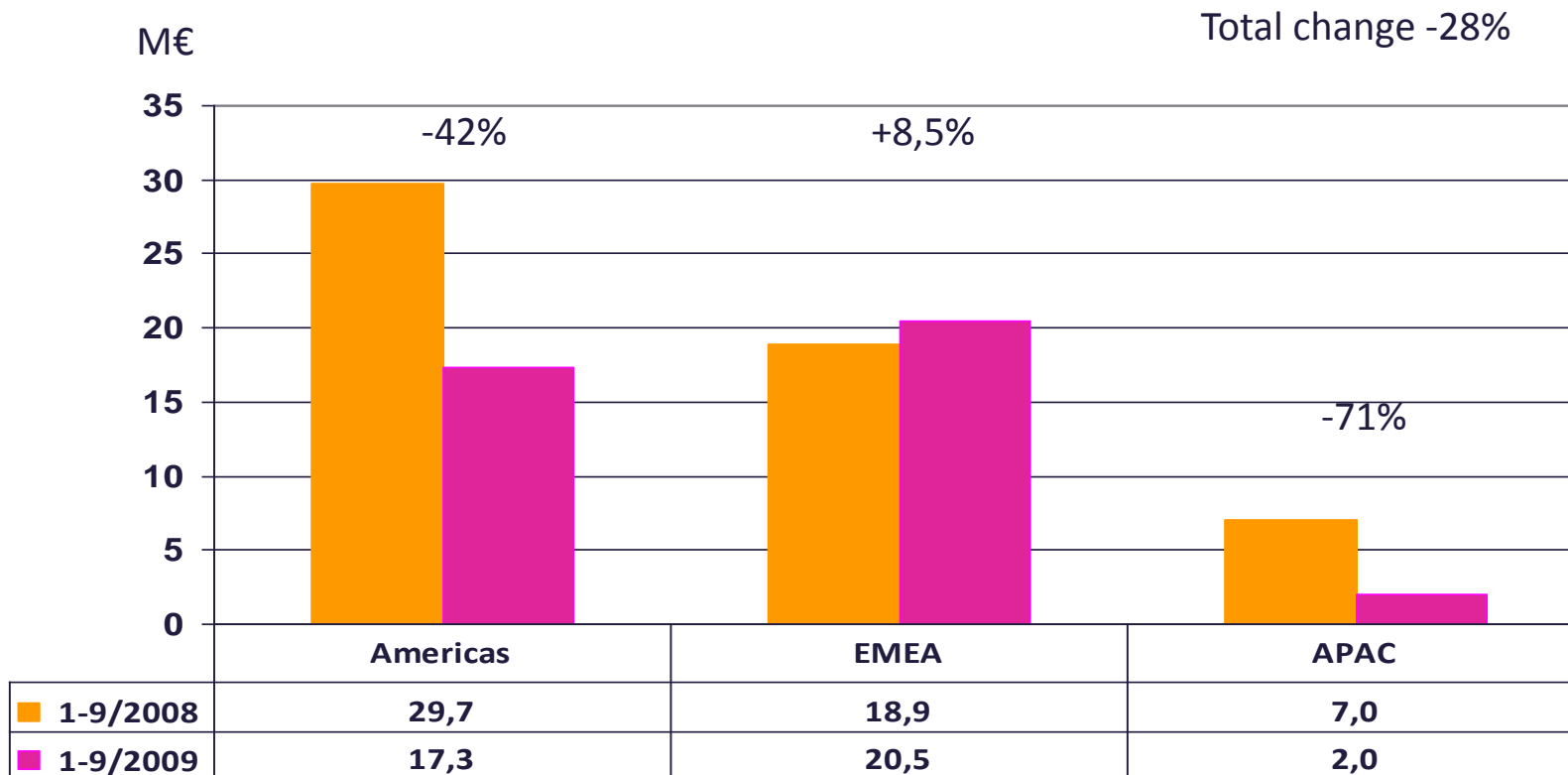
Sales by Business Unit

BSS/OSS



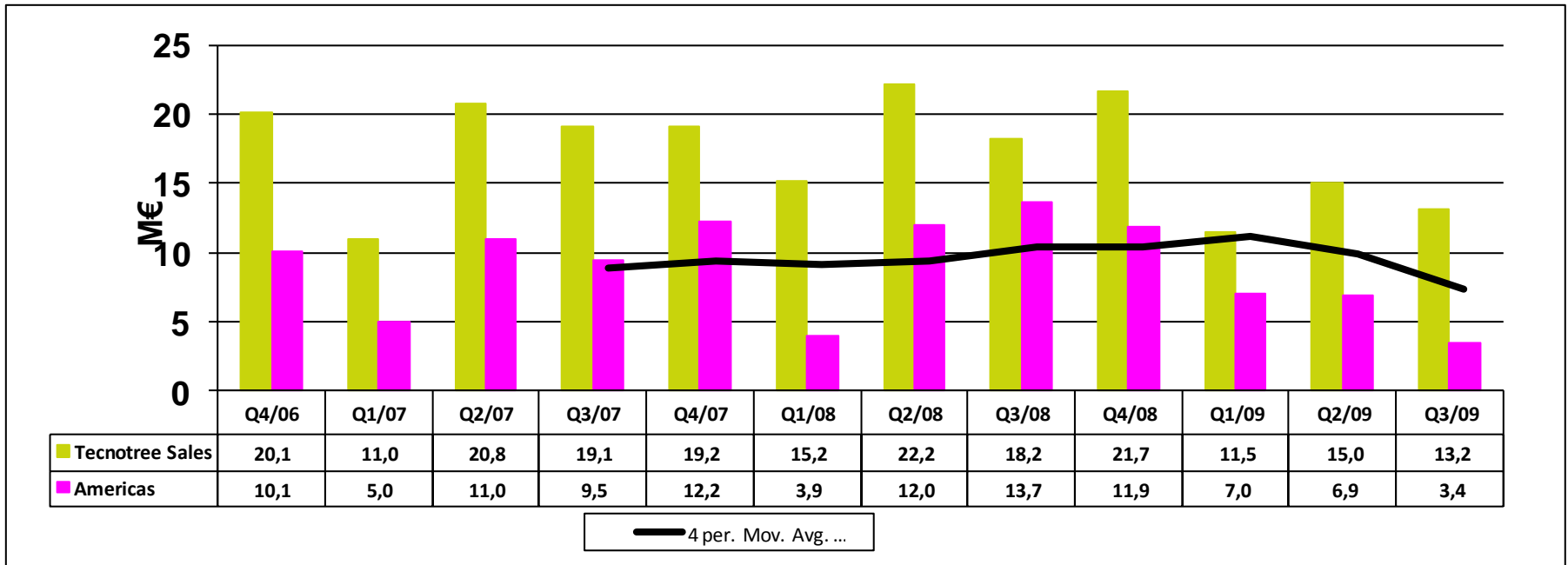
Net Sales by Area

Americas 43,5%(53,5%), EMEA 51,6%(33,9%), APAC 12,6% (16,1%)



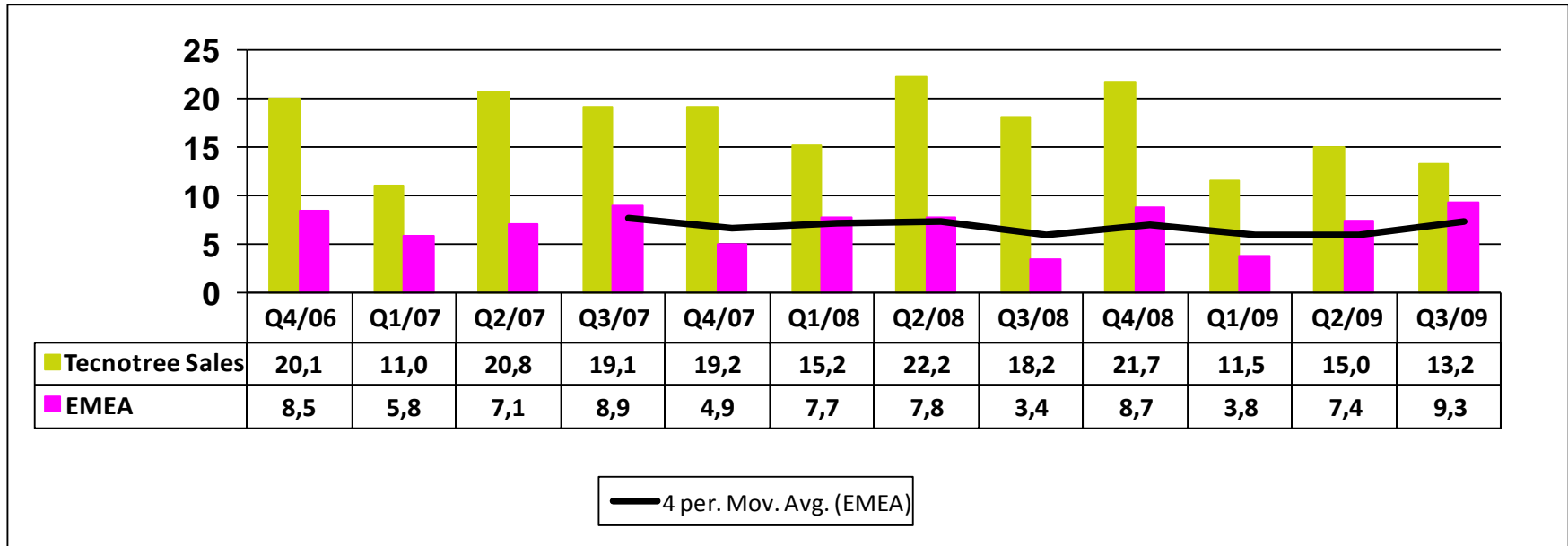
Sales by Area

Americas



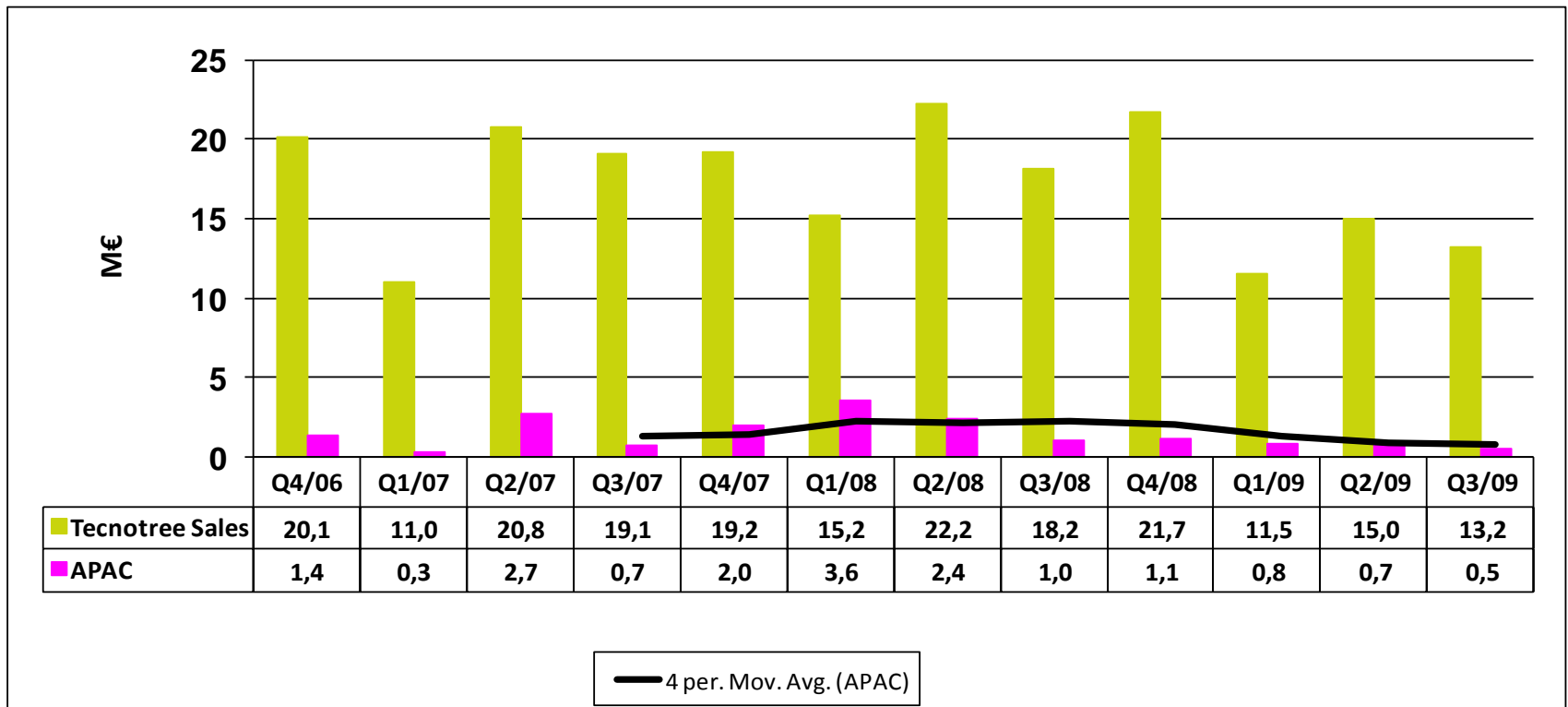
Sales by Area

EMEA

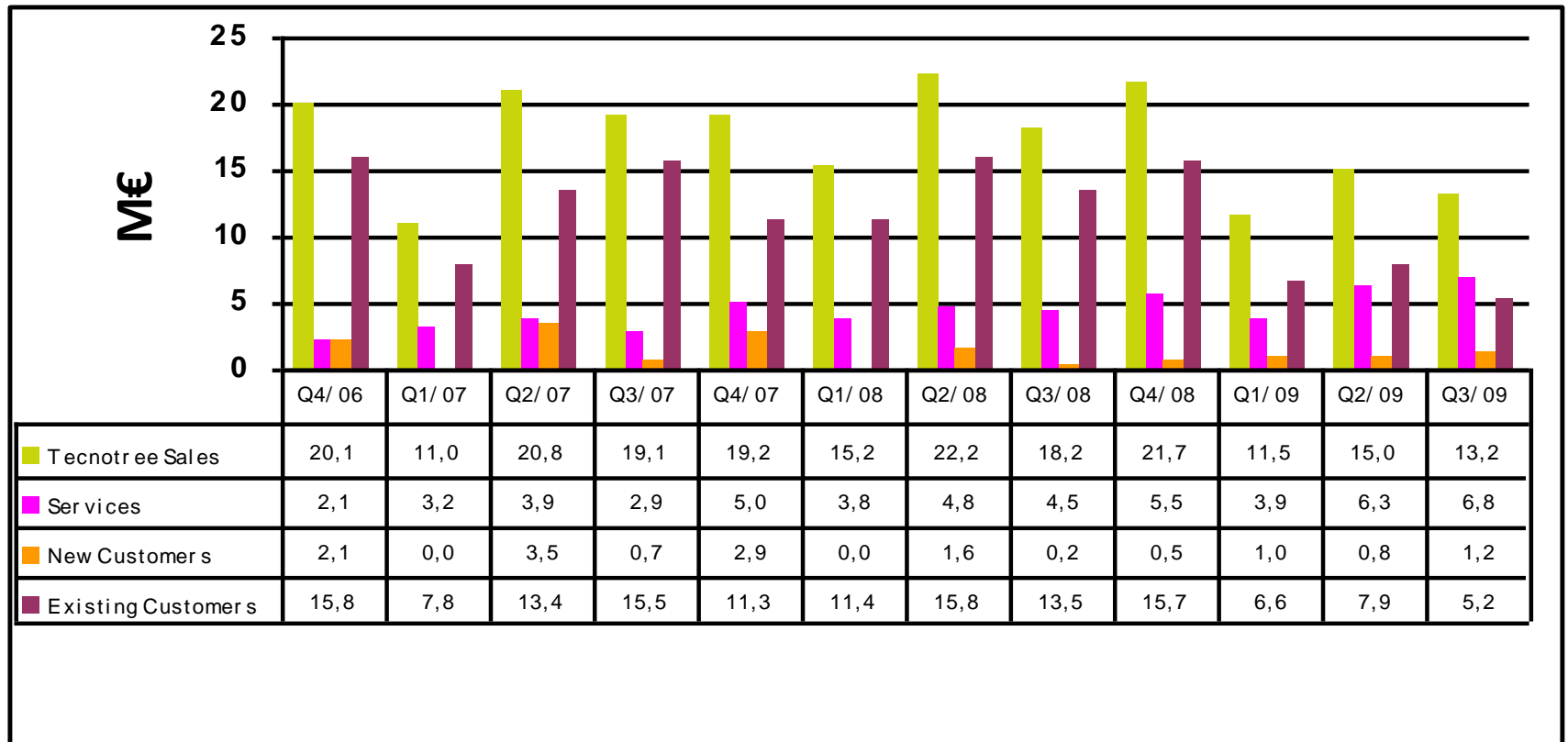


Sales by Area

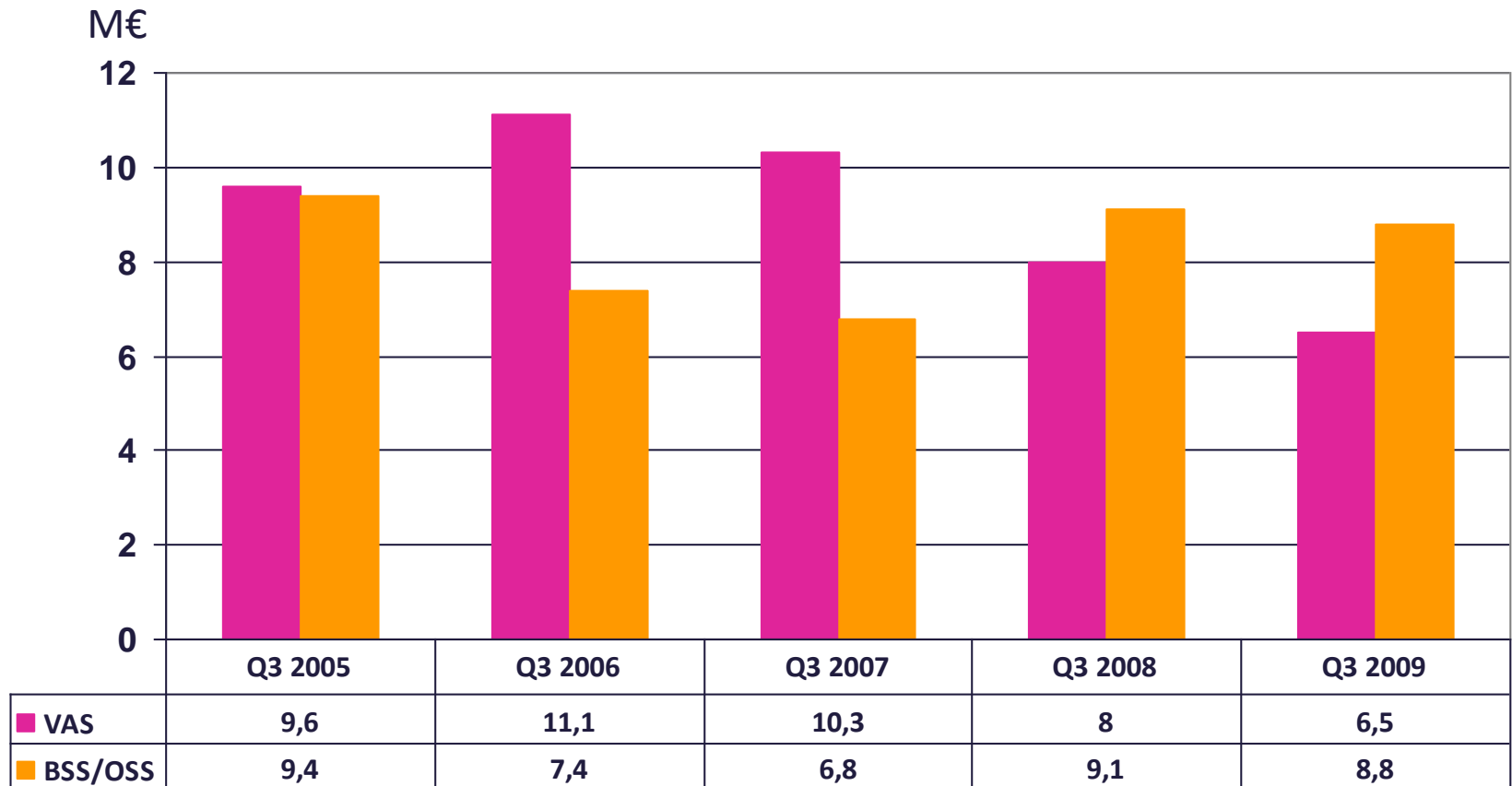
APAC



Sales Distribution

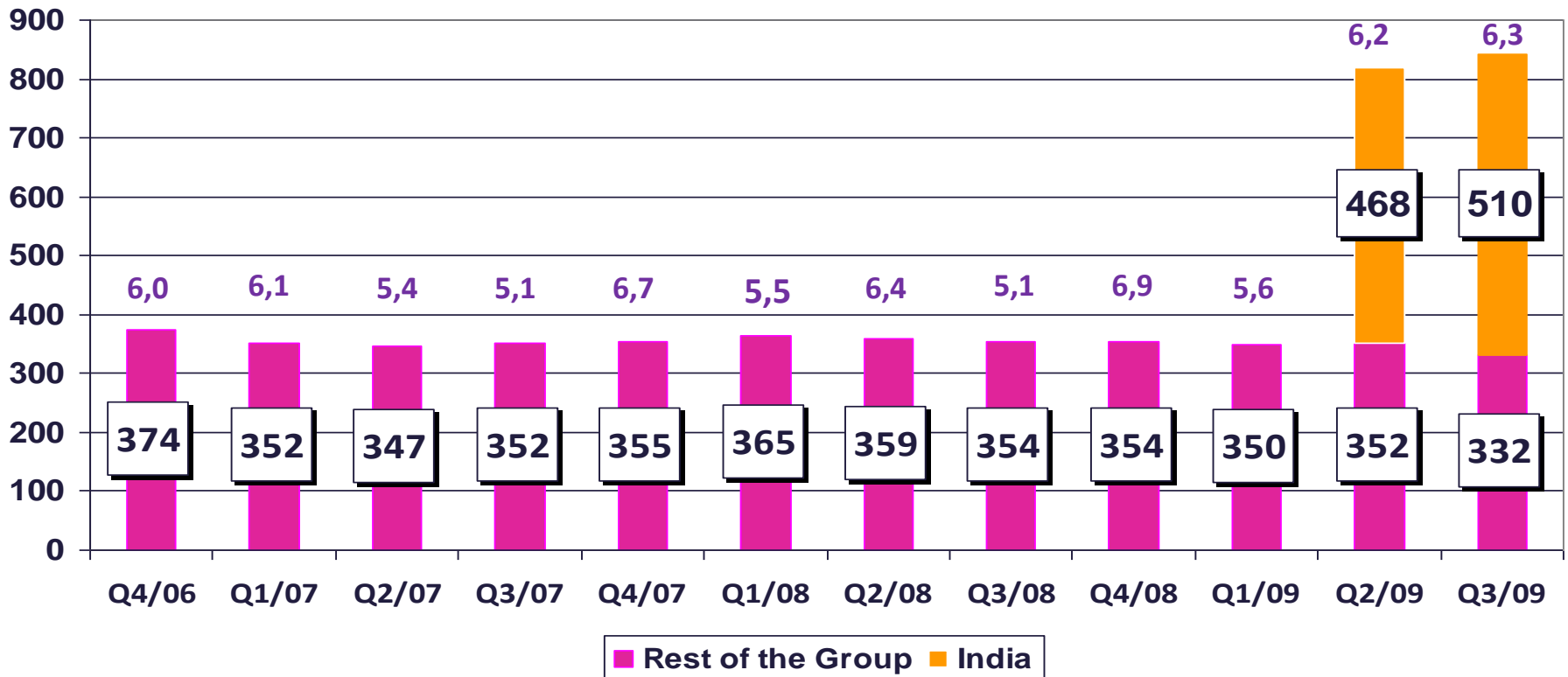


Orderbook by Product Line

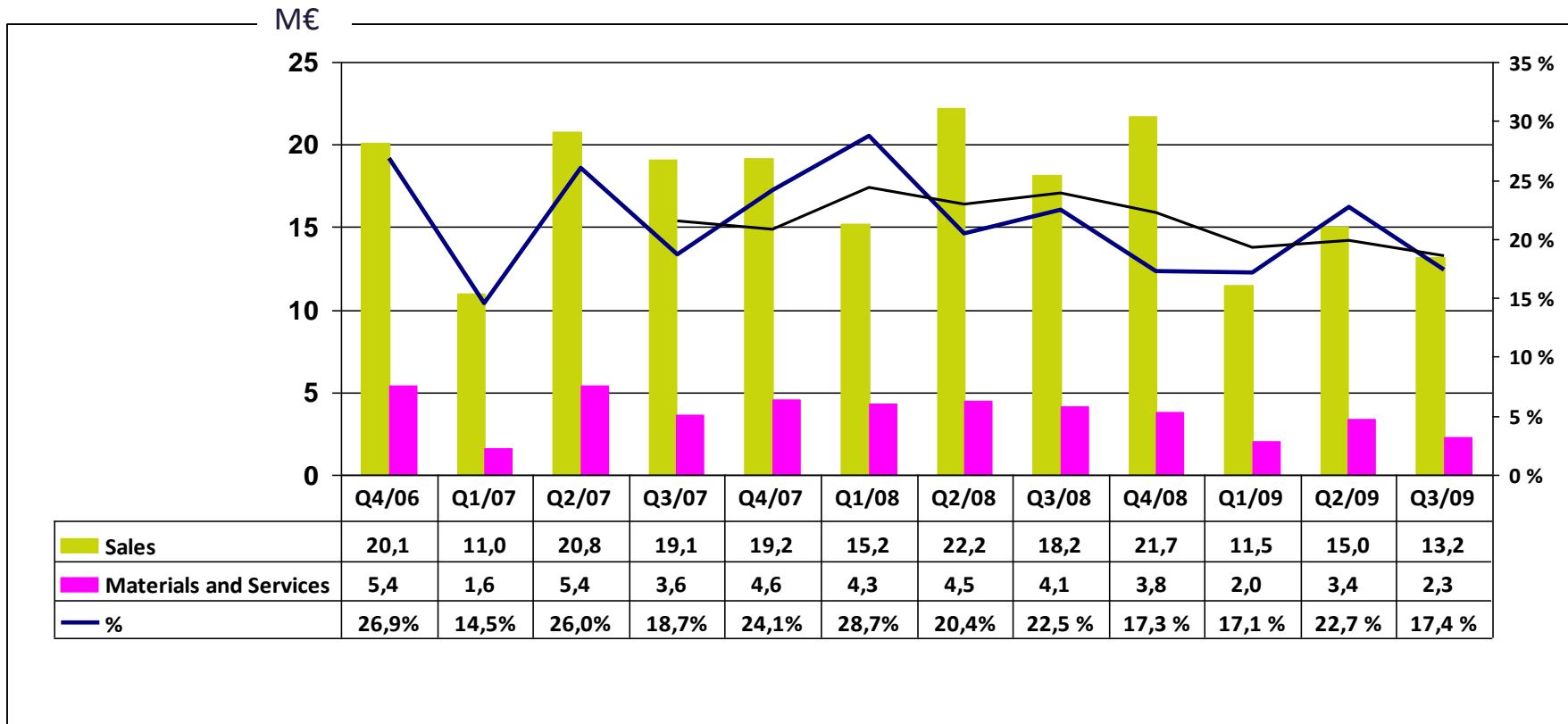


Number of Personnel

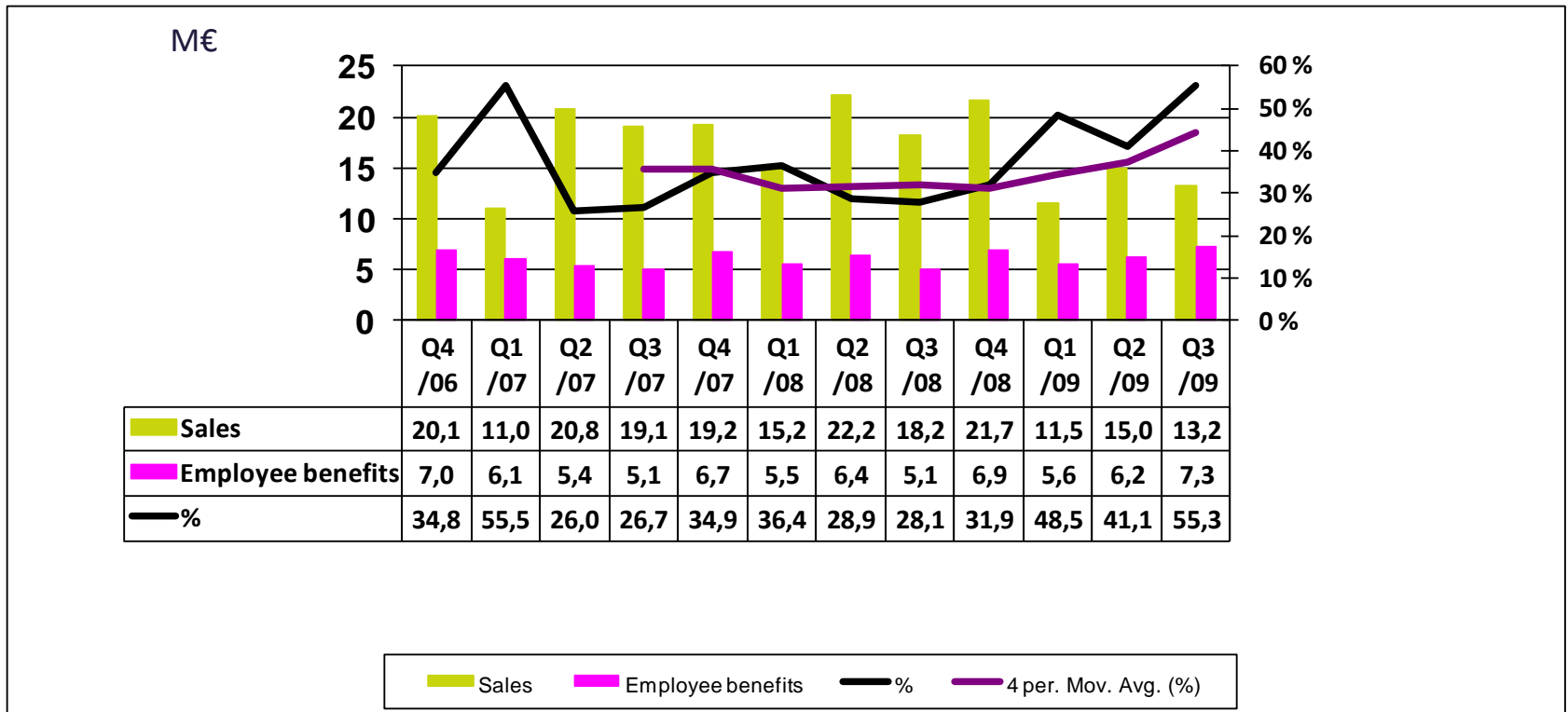
Employee Benefit Costs (excluding one-time costs) M€



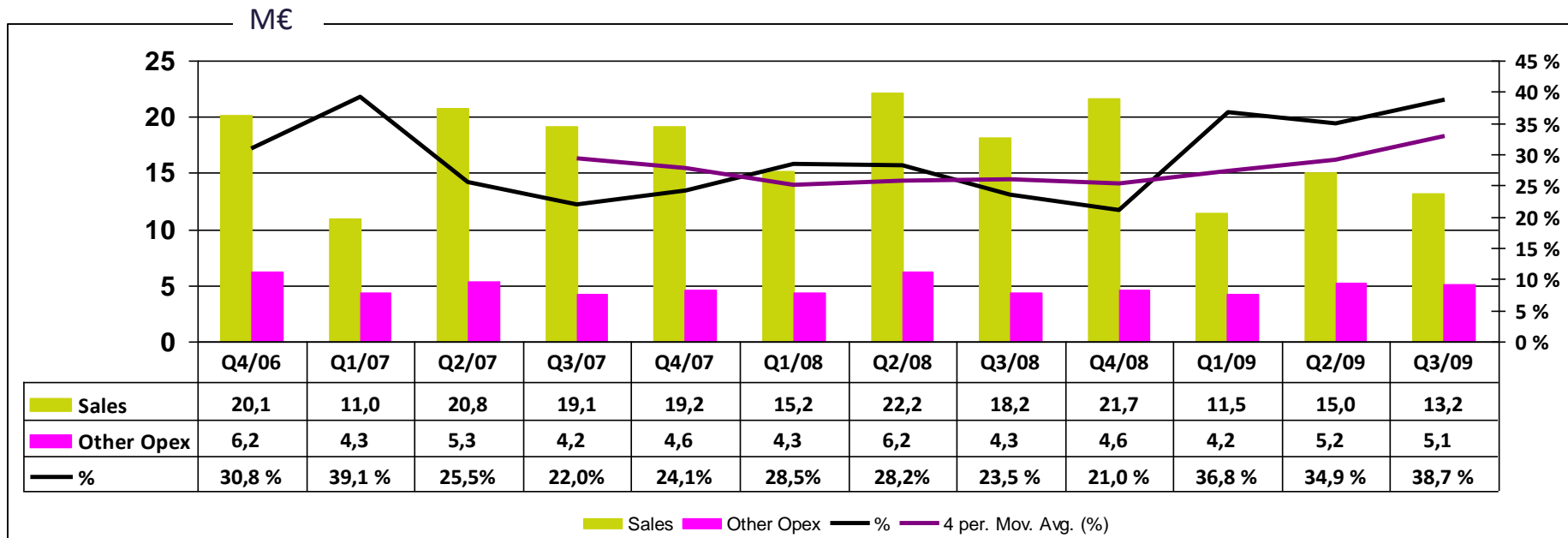
Materials and Services



Employee Benefits



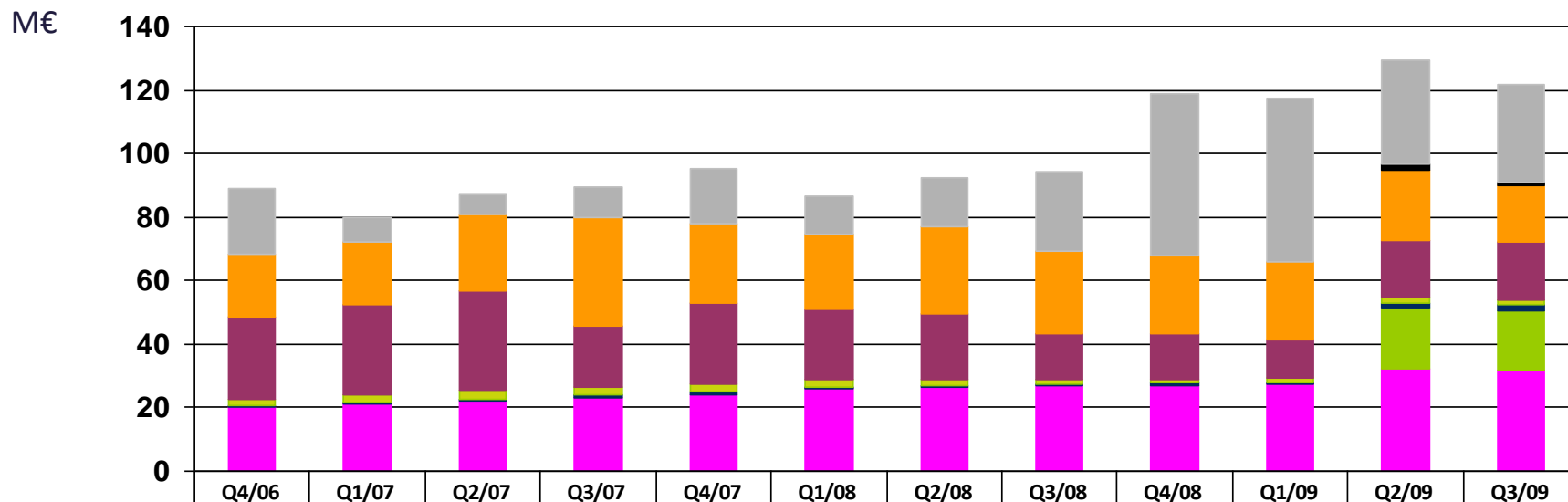
Other Operating Expenses



Consolidated Balance Sheet

EUR Million	30.9.2009	30.9.2008	Change %
Non-current assets			
Fixed assets	31.7	26.3	20.3
Consolidated goodwill	18.8	0.7	
Other non-current assets	2.0	0.5	
Current assets			
Inventories	1.5	1.5	5.2
Trade receivables	18.0	14.1	27.6
Other receivables	18.2	26.1	-30.3
Investments	0.8	-	
Cash and cash equivalents	30.5	25.2	21.2
Total assets	121.6	94.3	28.9

Assets by Quarter



	Q4/06	Q1/07	Q2/07	Q3/07	Q4/07	Q1/08	Q2/08	Q3/08	Q4/08	Q1/09	Q2/09	Q3/09
■ Cash	20,4	7,3	6,3	9,2	17,5	11,8	15,5	25,2	51,0	51,5	32,8	30,5
■ Investments											1,6	0,8
■ Other rec. (mainly WIP)	19,7	19,8	23,6	34,4	24,8	23,6	27,4	26,1	24,6	24,4	22,2	18,2
■ Trade receivables	26,2	28,4	31,7	19,4	25,8	22,3	20,5	14,1	14,4	12,1	18,1	18,0
■ Inventories	1,9	2,6	2,8	2,3	2,4	2,5	1,8	1,5	1,1	1,5	1,6	1,5
■ Other long term	0,5	0,6	0,3	0,7	0,7	0,5	0,5	0,5	0,7	0,6	1,8	2,0
■ Consolidated goodwill											19,2	18,8
■ Fixed assets	20,1	21,0	22,2	23,3	24,2	25,8	26,6	27,0	27,1	27,3	32,1	31,7

Consolidated Balance Sheet

EUR Million	30.9.2009	30.9.2008	Change %
Shareholders' equity	82.3	79.1	4.0
Interest-bearing liabilities	17.8	-	
Deferred tax liabilities	6.2	4.4	41.5
Other non-current liabilities	0.3	0.0	
Current liabilities			
Interest-bearing liabilities	2.2	-	
Non-interest-bearing liabilities	12.8	10.8	18.8
Equity and liabilities	121.6	94.3	28.9

Prospects for 2009

The fall in demand and the global financial crisis, as per our release on 6th October, has continued. Whole year net sales are estimated to be significantly lower than last year and the operating result is expected to show a substantial loss.

The integration of Tecnomen and Lifetree is going according to plan and the acquisition is expected to create considerable synergy benefits, which will have their full impact in the next few years.

Variations between quarterly figures are expected to be considerable.