



TECNOTREE

Tecnotree Corporation Interim Report 1-6/2011

August 10th, 2011



Tecnotree Group in Brief

H1 Highlights (comparisons to H1/2010)

- Robust Q2 after low revenue in Q1
 - Net sales of H1 were 29.1 M€ (33.5)
 - Net sales in Q2 were 18.5 M€ (19.3 M€)
 - Adjusted operating result was -1.6 M€ (1.4), profitable Q2
 - Order book at the end of period was 21.5 M€ (21.0)
- Middle East and Africa produced higher revenue compared to 2010 while all other regions fell short
 - However most regions expected to improve from 2010 during H2
- Updated strategy resulted in encouraging new orders during Q2 in our focus areas around the "Digital Marketplace"
- Order backlog in Latin America in particular has increased significantly

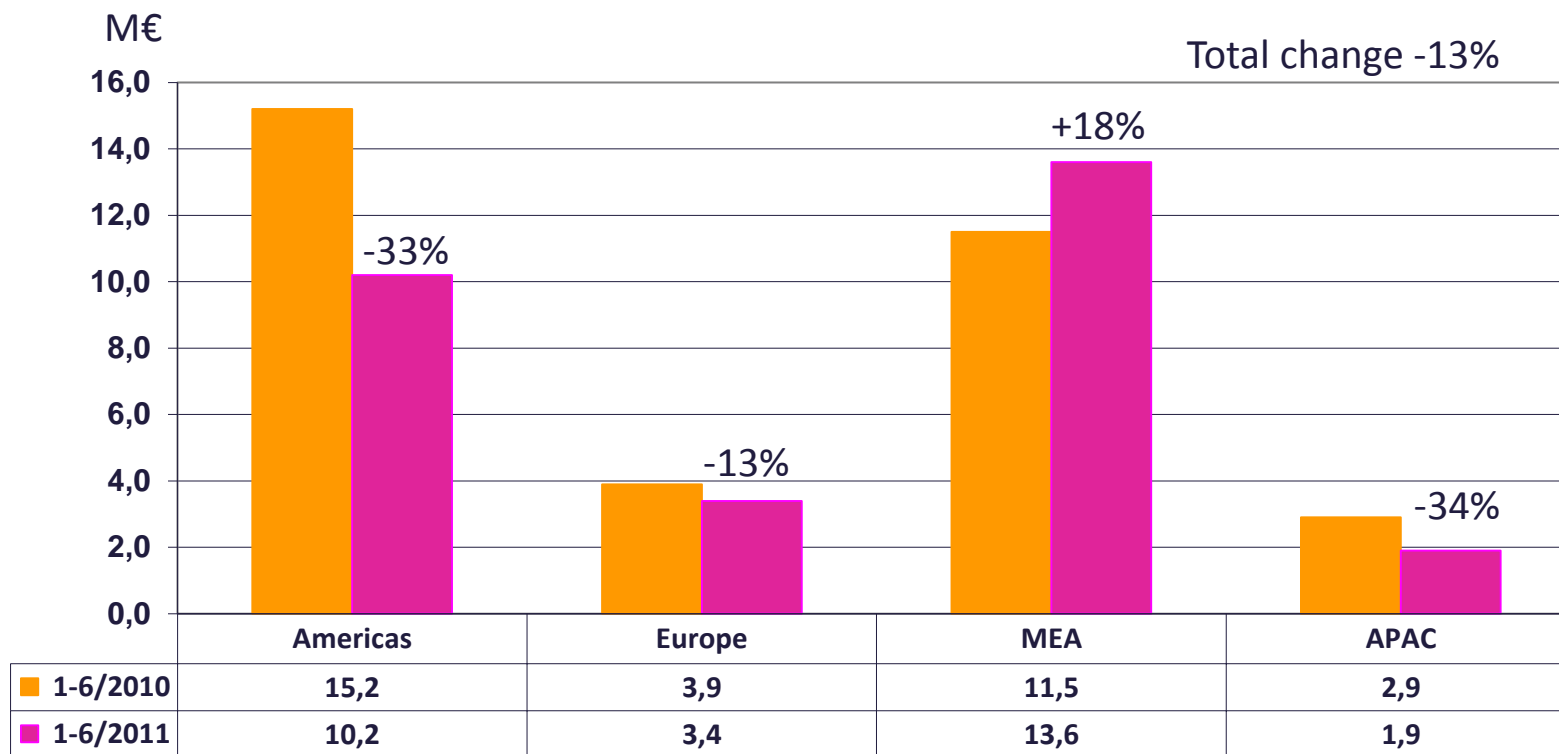
Financial Highlights

M€		1-6/2011	1-6/2010
Net sales		29.1	33.5
Adjusted operating result	Ebit before R&D capitalisation & amortisation and one-time costs	-1.6	1.4
Ebit		-7.7	-1.2
Net result		-9.0	-3.6
Order intake		36.3	42.7
Order book		21.5	21.0
Cash flow after investments		-12.2	-4.0
Net cash flow		-6.3	-5.1
Cash		10.4	22.0
Equity ratio		57.4	66.2
Net gearing		23.9	-6.2



Net Sales by Area

Americas 35%(45%), Europe 12%(12%), MEA 47%(34%), APAC 7% (9%)



Consolidated Balance Sheet

EUR Million	30.6.2011	30.6.2010	Change %
Non-current assets			
Fixed assets	19.9	28.7	-30.6
Consolidated goodwill	20.2	22.5	-10.1
Other non-current assets	3.3	3.0	10.0
Current assets			
Inventories	1.2	1.2	-6.8
Trade receivables	22.4	20.9	7.0
Other receivables	26.7	24.2	10.3
Investments	0.9	0.9	1.7
Cash and cash equivalents	10.4	22.0	-52.7
Total assets	105.1	123.4	-14.8

Consolidated Balance Sheet

EUR Million	30.6.2011	30.6.2010	Change %
Shareholders' equity	59.5	81.6	-27.1
Interest-bearing liabilities	13.4	15.6	-14.2
Deferred tax liabilities	2.7	3.8	-28.1
Other non-current liabilities	0.5	0.9	-44.4
Current liabilities			
Interest-bearing liabilities	12.2	2.3	441.0
Non-interest-bearing liabilities	16.9	19.3	-12.4
Equity and liabilities	105.1	123.4	-14.8

Prospects for 2011

The company is currently carrying out its strategy based on an expanded product range. Tecnotree is turning into an advanced supplier of telecommunications system solutions, operating in a broad sector. The company is anticipating new growth based on the new range of products and solutions that it announced on 14 February 2011.

Net sales and the adjusted operating result are expected to match or exceed the 2010 figures. Quarterly variations will be considerable.

The adjusted operating result is the operating result before capitalization of development costs, amortization of these and one-time costs.

Additional Financial Information for Investors



Consolidated Income Statement

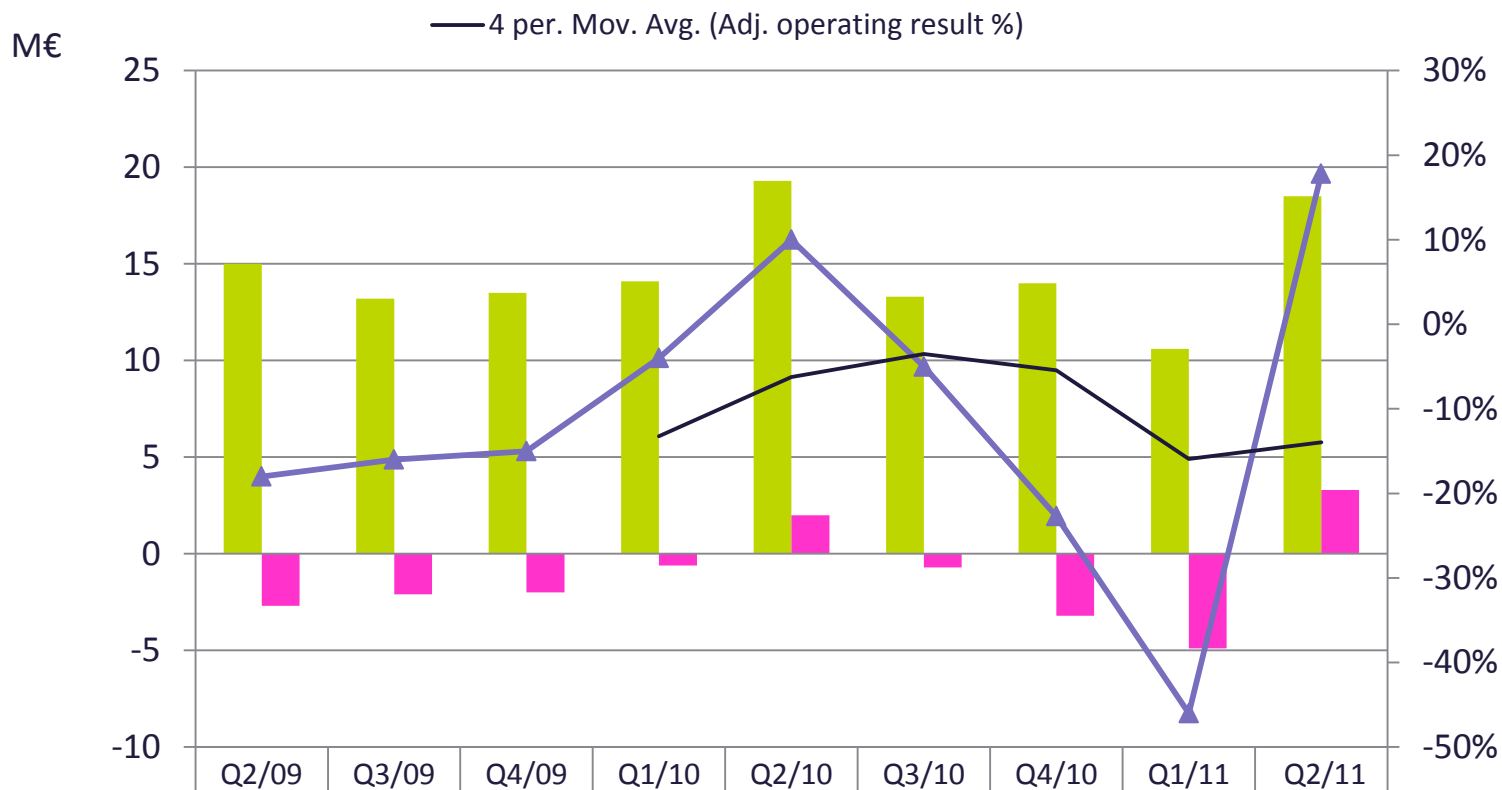
EUR Million	1-6/2011	1-6/2010	Change %
Net sales	29.1	33.5	-13.2
Other operating income	0.0	0.0	
Materials and services	-4.8	-5.9	-18.2
Employee benefit expenses	-16.6	-14.5	14.8
Depreciation	-5.1	-4.2	19.3
Other operating expenses	-10.2	-10.1	1.0
Operating result	-7.7	-1.2	-537.2
Financial income and expenses	0.5	-1.3	
Result after financial income and expenses	-7.2	-2.5	-188.2
Income taxes	-1.8	-1.1	64.1
Result for the period	-9.0	-3.6	-149.6

Adjusted Income Statement

EUR Million	1-6/2011	1-6/2010	Difference
Net sales	29.1	33.5	-4.4
Other operating income	0.0	0.0	0.0
<i>Total revenue</i>	<i>29.1</i>	<i>33.5</i>	<i>-4.4</i>
<i>Adjusted operating expenses *)</i>	<i>-30.7</i>	<i>-32.1</i>	<i>1.4</i>
Adjusted operating result	-1.6	1.4	-3.0
- Net impact of R&D capitalizations	-3.7	-2.5	-1.2
- One-time costs	-2.4	0.0	-2.4
Operating result	-7.7	-1.2	-6.5

*) Operating expenses less the net impact of the R&D capitalisations and one-time costs

Sales and Adjusted Operating Result



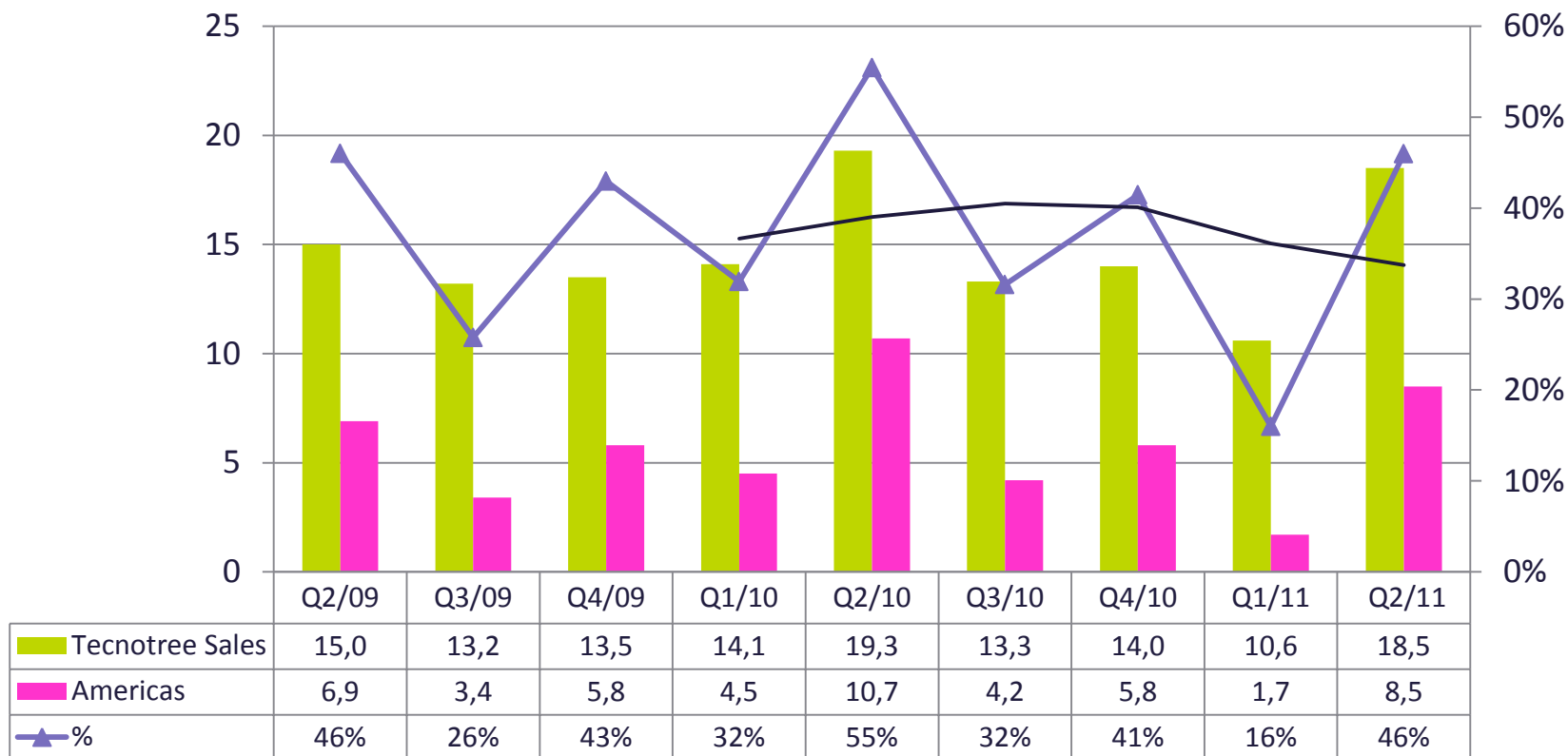
■ Sales	15,0	13,2	13,5	14,1	19,3	13,3	14,0	10,6	18,5
■ Adj. operating result	-2,7	-2,1	-2,0	-0,6	2,0	-0,7	-3,2	-4,9	3,3
▲ Adj. operating result %	-18%	-16%	-15%	-4%	10%	-5%	-23%	-46%	18%

Adjusted operating result = Ebit before R&D capitalisation & amortisation and one-time costs

Sales by Area

Americas

M€

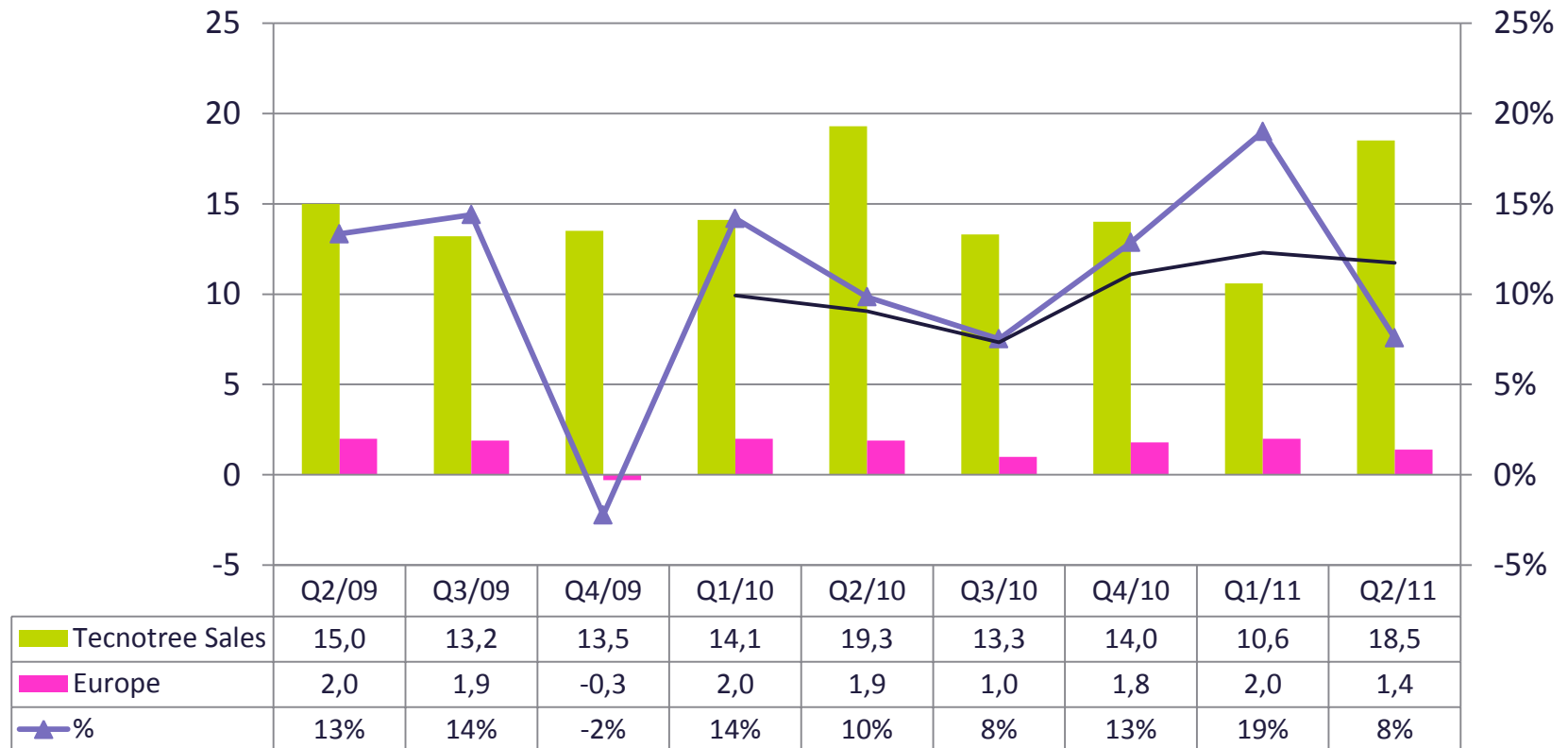


— 4 per. Mov. Avg. (%)

Sales by Area

Europe

M€



— 4 per. Mov. Avg. (%)

Sales by Area

MEA

M€

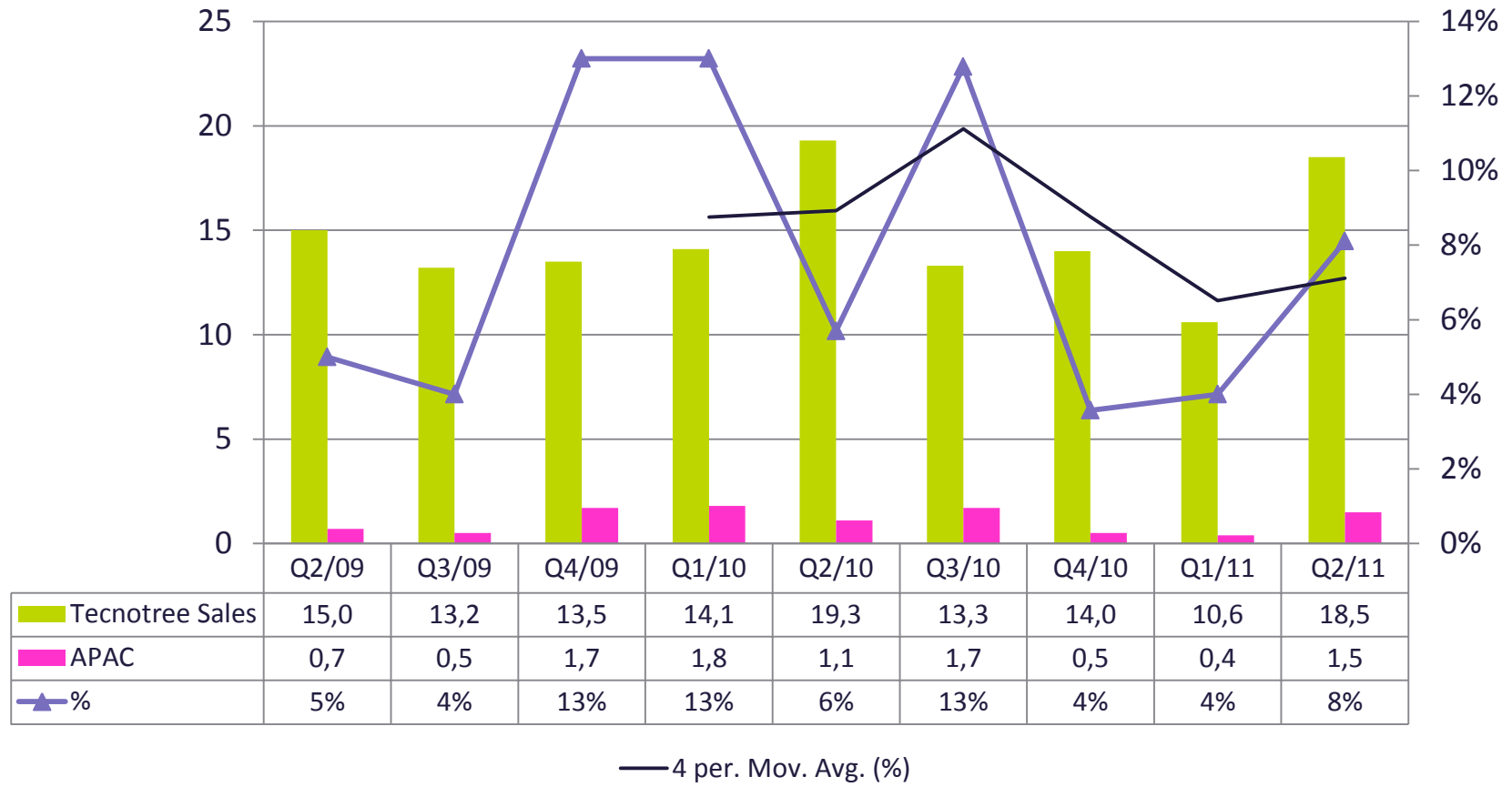


— 4 per. Mov. Avg. (%)

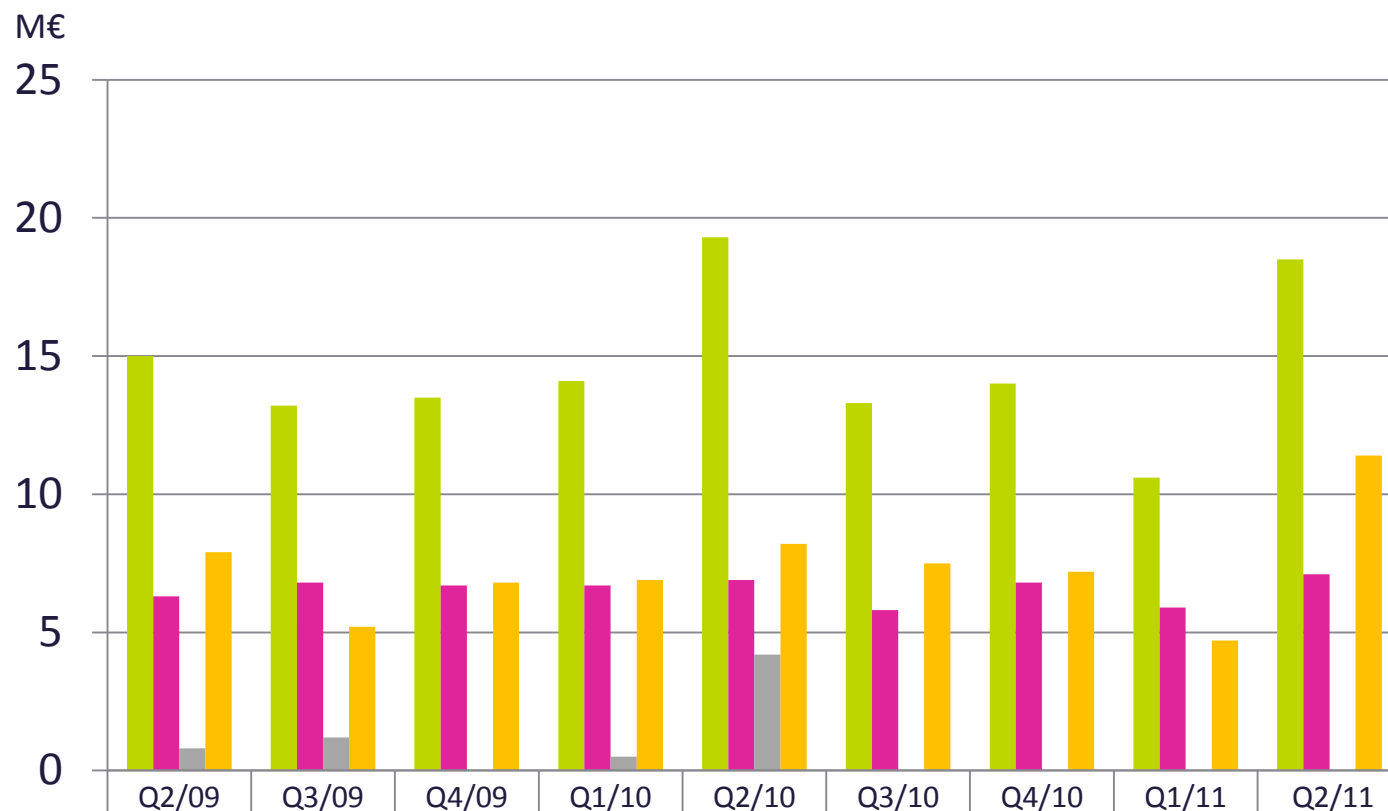
Sales by Area

APAC

M€

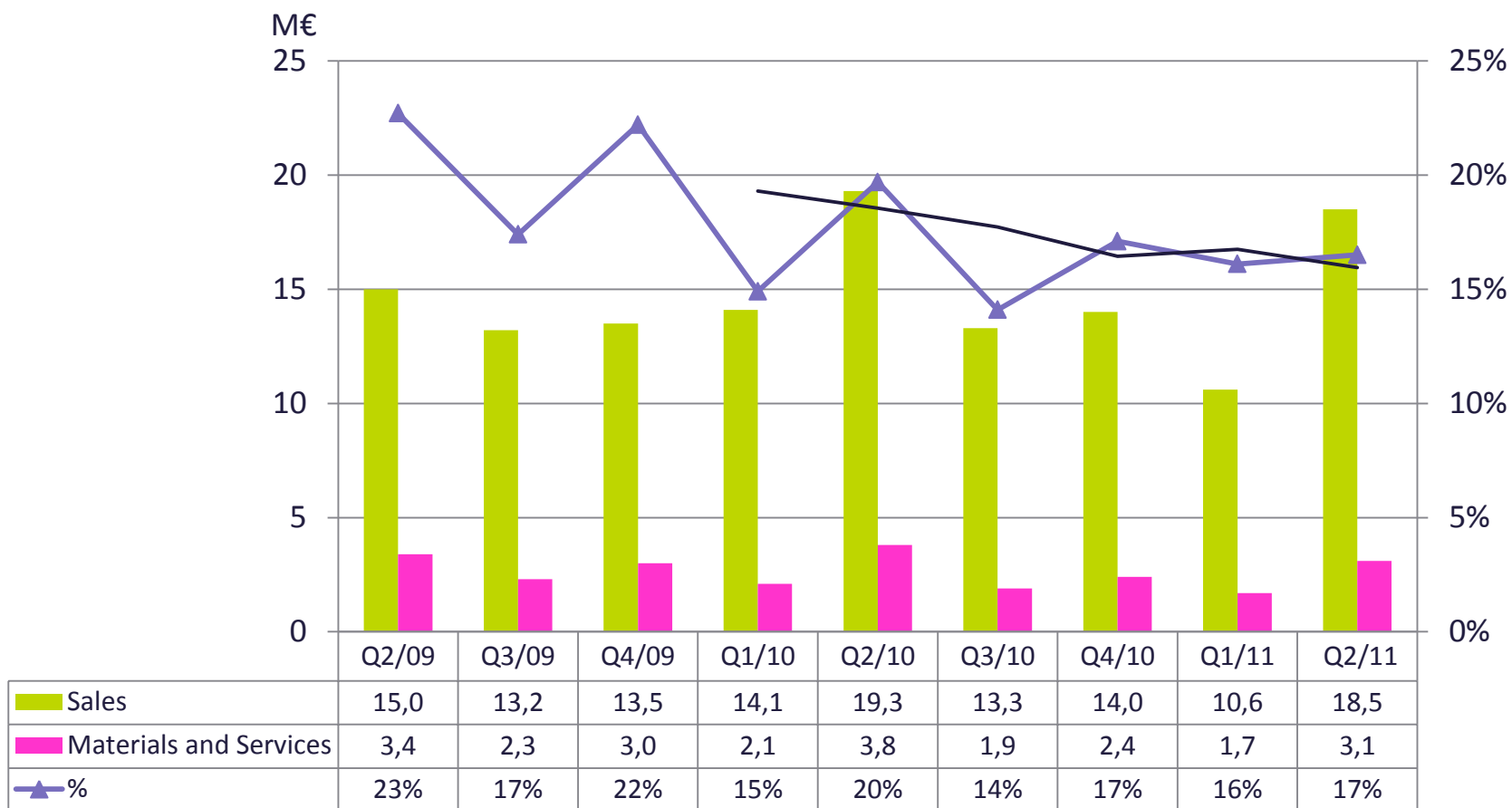


Sales Distribution



■ Tecnotree sales	15,0	13,2	13,5	14,1	19,3	13,3	14,0	10,6	18,5
■ Services	6,3	6,8	6,7	6,7	6,9	5,8	6,8	5,9	7,1
■ New customers	0,8	1,2	0,0	0,5	4,2	0,0	0,0	0,0	0,0
■ Existing customers	7,9	5,2	6,8	6,9	8,2	7,5	7,2	4,7	11,4

Materials and Services

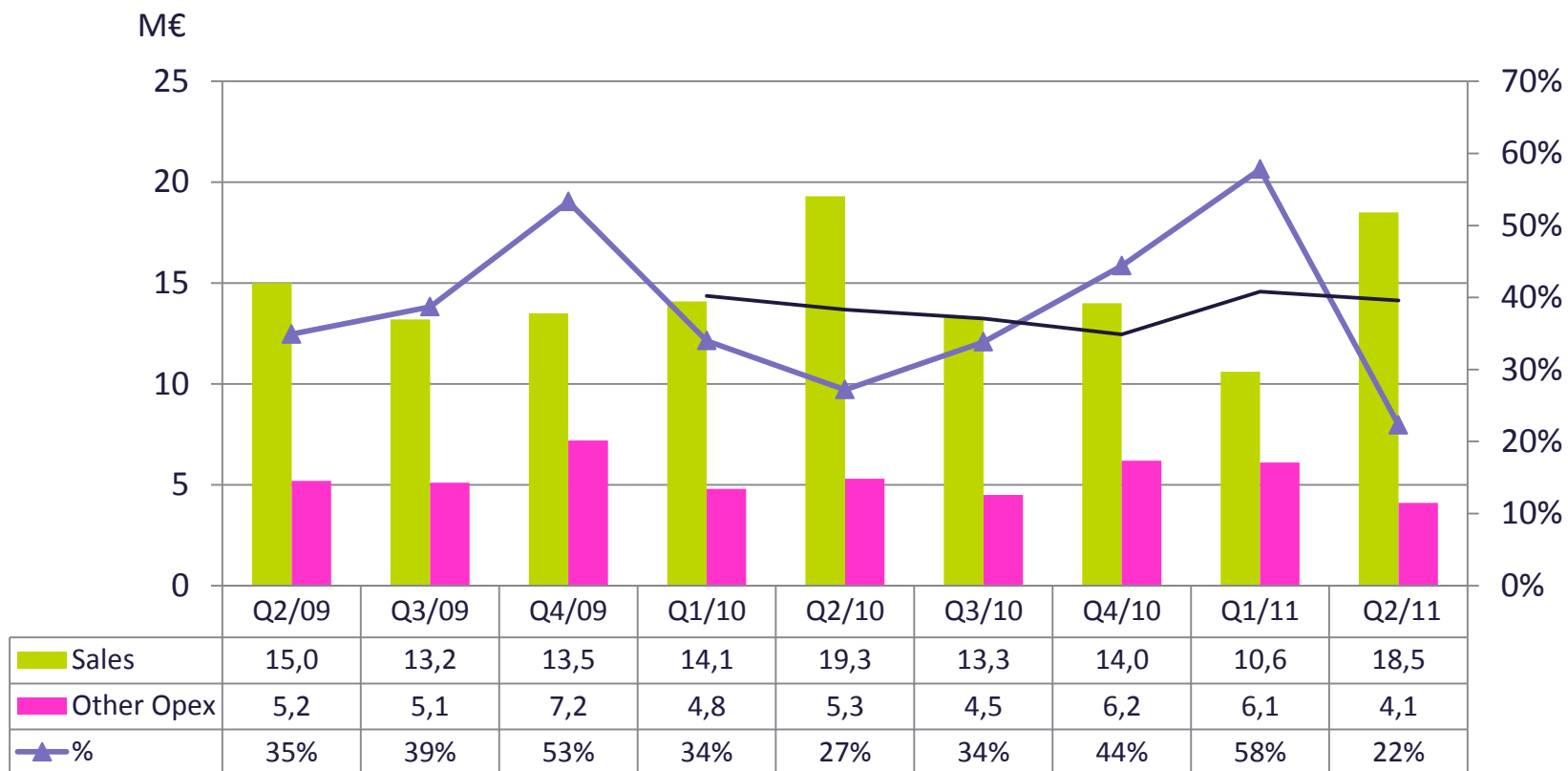


— 4 per. Mov. Avg. (%)

Employee Benefits



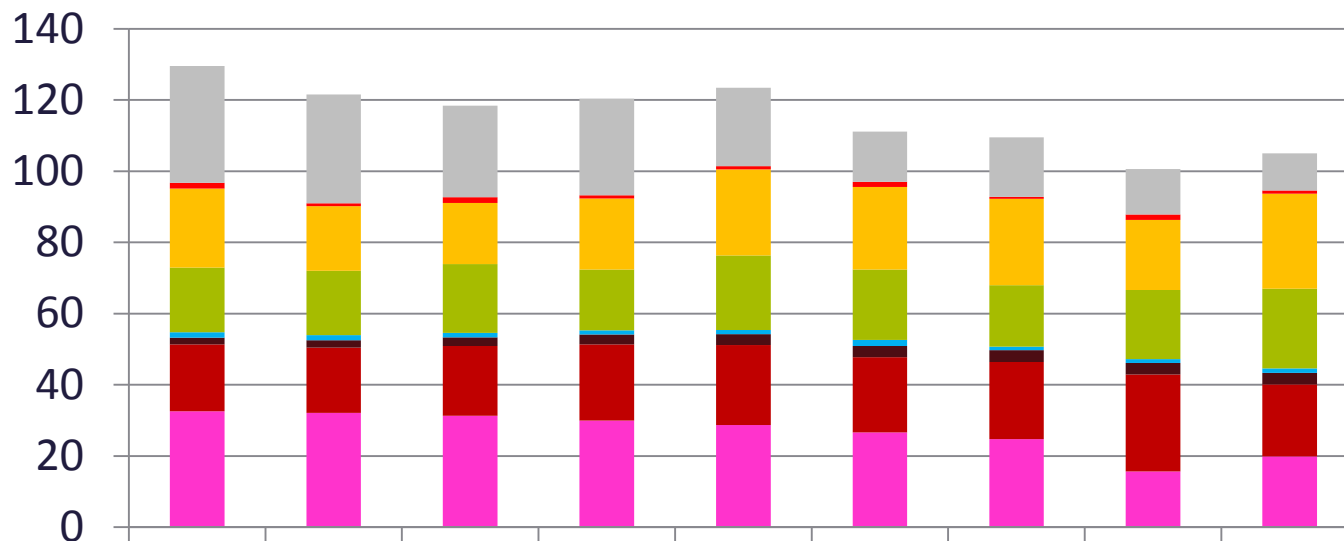
Other Operating Expenses



— 4 per. Mov. Avg. (%)

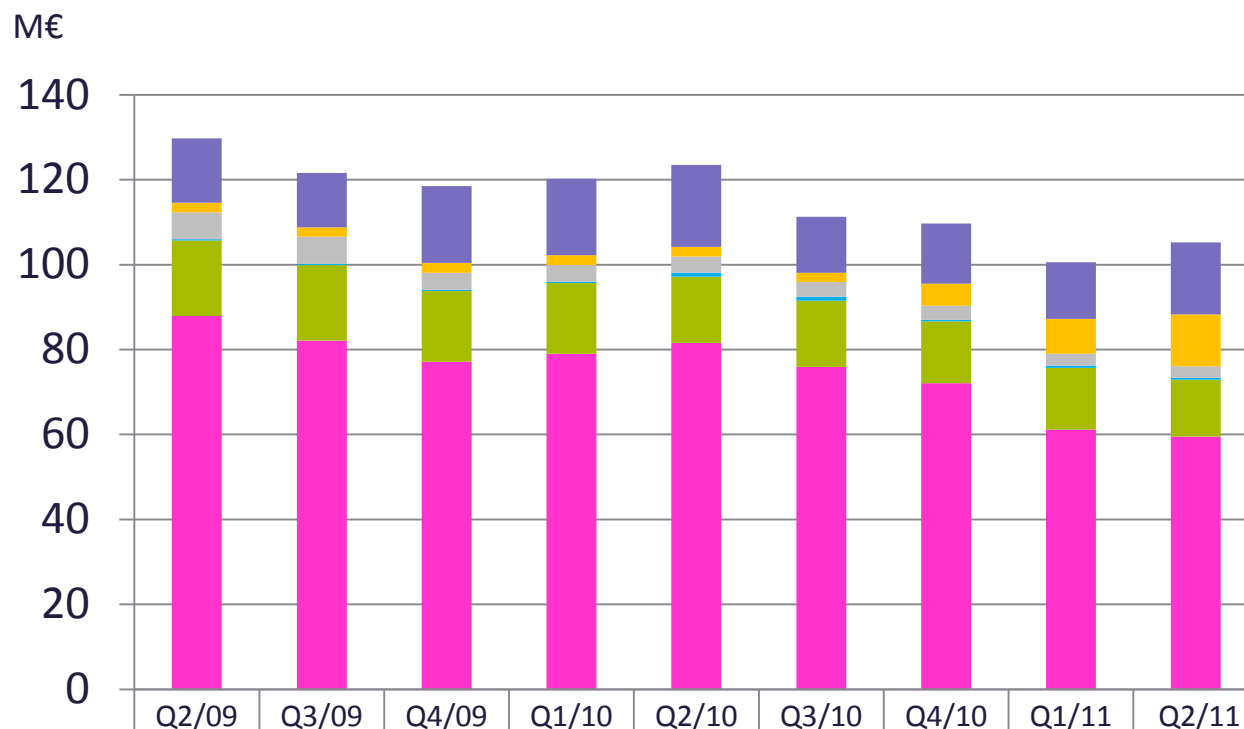
Assets by Quarter

M€



	Q2/09	Q3/09	Q4/09	Q1/10	Q2/10	Q3/10	Q4/10	Q1/11	Q2/11
■ Cash	32,8	30,5	25,7	27,2	22,0	14,1	16,7	12,8	10,4
■ Investments	1,6	0,8	1,6	0,9	0,9	1,4	0,6	1,5	0,9
■ Other rec. (mainly WIP)	22,2	18,2	17,2	19,9	24,2	23,2	24,2	19,7	26,7
■ Trade receivables	18,1	18,0	19,3	17,1	20,9	19,8	17,3	19,4	22,4
■ Inventories	1,6	1,5	1,3	1,2	1,2	1,7	1,0	1,1	1,2
■ Other long term	1,8	2,0	2,4	2,7	3,0	3,1	3,3	3,2	3,3
■ Consolidated goodwill	18,8	18,4	19,6	21,4	22,5	21,2	21,6	27,2	20,2
■ Fixed assets	32,6	32,1	31,3	30,0	28,7	26,6	24,8	15,7	19,9

Equity and Liabilities by Quarter



■ Current non-interest bearing	15,1	12,8	18,1	18,0	19,3	13,2	14,2	13,4	16,9
■ Current interest bearing	2,3	2,2	2,3	2,3	2,3	2,2	5,2	8,2	12,2
■ Deferred tax	6,3	6,4	4,0	3,9	3,8	3,5	3,3	2,8	2,7
■ Long term non-interest bearing	0,3	0,3	0,3	0,3	0,9	0,9	0,4	0,5	0,5
■ Long term Interest bearing	17,8	17,8	16,7	16,7	15,6	15,6	14,5	14,5	13,4
■ Shareholders' equity	87,9	82,1	77,1	79,0	81,6	75,9	72,1	61,2	59,5

Q&A