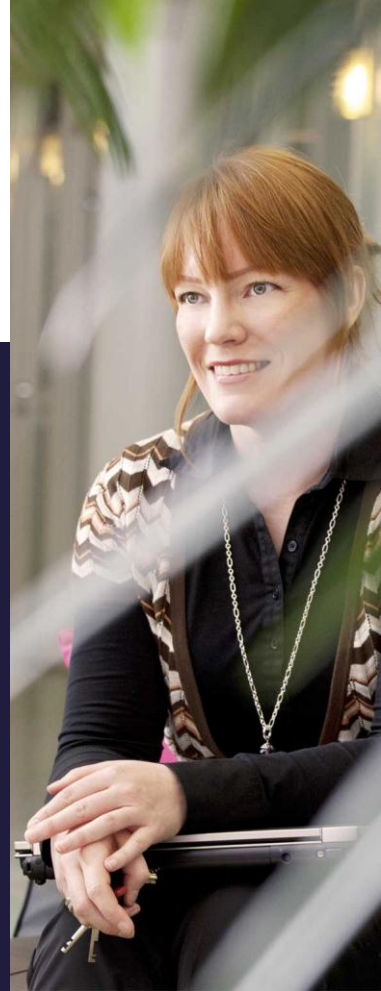




Tecnotree Corporation Interim Report 1-9/2011



October 26th, 2011



Tecnotree Group in Brief

Highlights for 1-9 / 2011 (comparisons to 1-9 / 2010)

- Robust Q2 & Q3 after low revenue in Q1

MEUR	Q1	Q2	Q3	Q1-Q3
2011	10.6	18.5	17.2	46.2
2010	14.1	19.3	13.3	46.7

- Adjusted operating result was good in Q2 & Q3

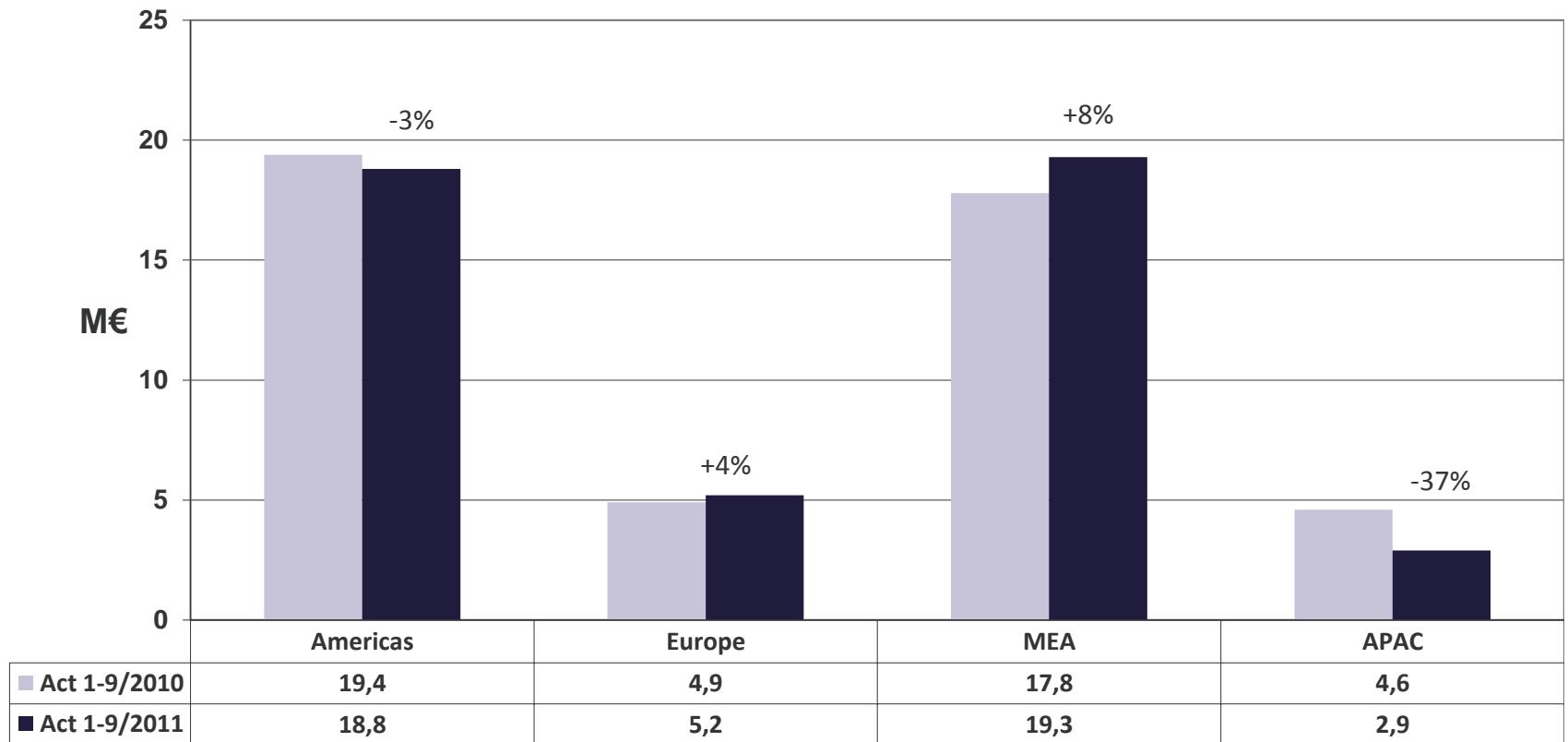
MEUR	Q1	Q2	Q3	Q1-Q3
2011	-4.9	3.3	1.9	0.3
2010	-0.6	2.0	-0.7	0.7

- Order book at the end of period was 21.0 M€ (20.1 M€)
- Updated strategy has resulted in encouraging new orders in our focus areas around the "Digital Marketplace"

Financial Highlight

M€	1-9/2011	1-9/2010
Net sales	46.2	46.7
Adjusted operating result	0.3	0.7
EBIT BEFORE R&D CAPITALISATION & AMORTISATION AND ONE-TIME COSTS		
Ebit	-7.6	-3.2
Net result	-8.1	-5.7
Order intake	52.9	55.1
Cash flow after investments	-14.6	-11.1
Net Cash Flow	-8.8	-12.2
Cash	7.8	14.1
Equity Ratio	56.6	68.8
Net Gearing	28.9	3.1

Net Sales by Area



Americas **-3% (+12%)** – Europe **+4% (-11%)** – MEA **+8% (+19%)** – APAC **-37% (+130%)**

Consolidated Balance Sheet

EUR Million	30.9.2011	30.9.2010	Change %
NON-CURRENT ASSETS			
Fixed Assets	17.8	26.6	-33.1
Consolidated goodwill	19.8	21.2	-6.3
Other non-current assets	4.0	3.1	30.1
CURRENT ASSETS			
Inventories	1.0	1.7	-42.9
Trade Receivables	22.5	19.8	13.5
Other Receivables	31.8	23.4	35.8
Investments	0.9	1.4	-37.1
Cash and Cash Equivalents	7.8	14.1	-44.8
TOTAL ASSETS	105.6	111.3	-5.1

Consolidated Balance Sheet

EUR Million	30.9.2011	30.9.2010	Change %
SHAREHOLDER'S EQUITY	58.6	75.9	-22.8
Interest-bearing liabilities	13.4	15.6	-14.3
Deferred tax liabilities	2.4	3.5	-33.2
Other non-current liabilities	0.5	0.9	-39.0
CURRENT LIABILITIES			
Interest-bearing liabilities	12.2	2.2	
Non-interest-bearing liabilities	18.5	13.2	40.7
EQUITY AND LIABILITIES	105.6	111.3	-5.1

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 capitalisation of development costs, amortization of these and one-time costs.

ADDITIONAL FINANCIAL INFORMATION FOR INVESTORS



Consolidated Income Statement

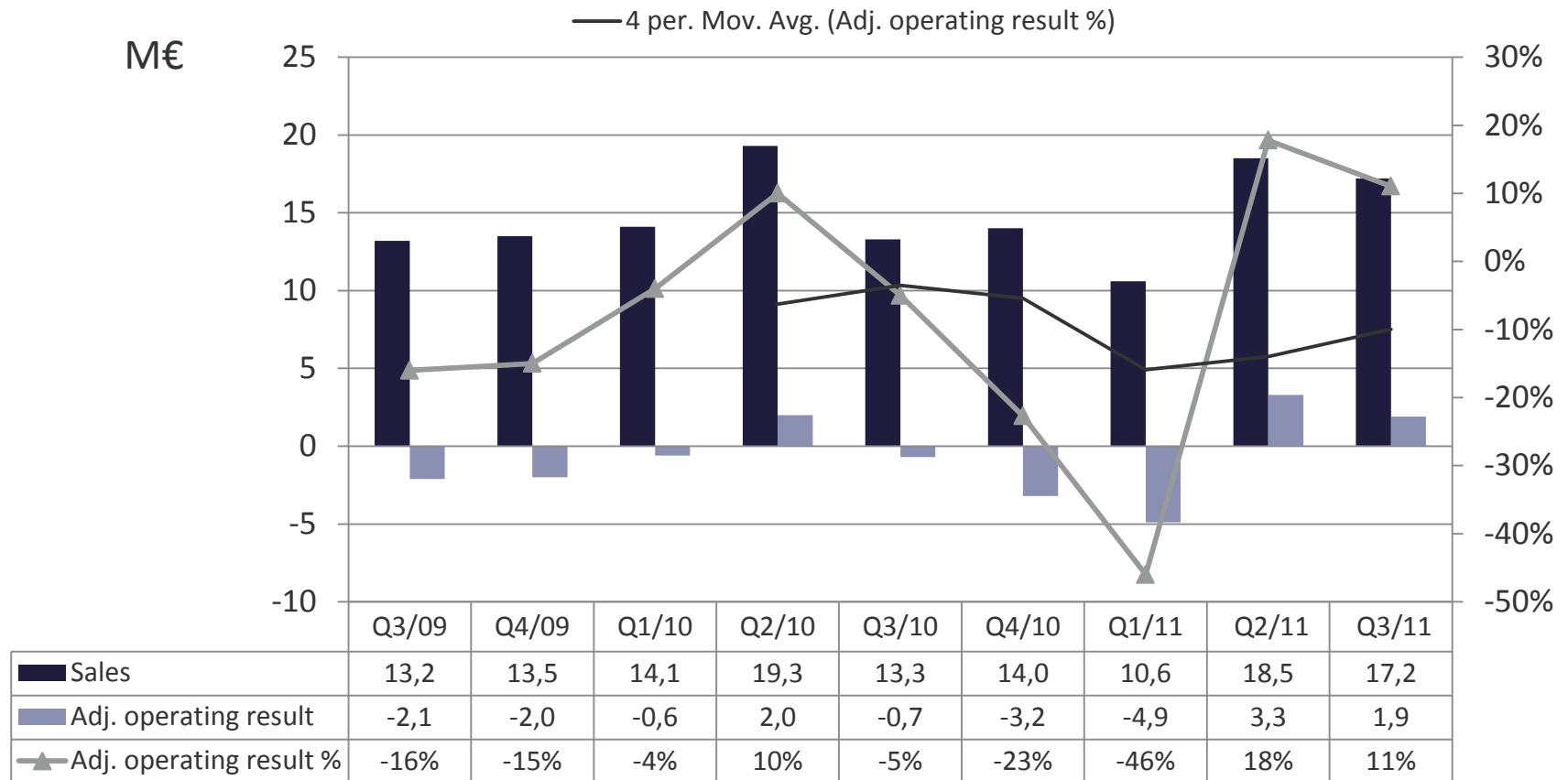
EUR Million	1-9/2011	1-9/2010	Change %
Net sales	46.2	46.7	-1.1
Other operating income	0.2	0.0	
Materials and services	-8.7	-7.7	12.0
Employee benefit expenses	-23.2	-21.3	9.2
Depreciation	-7.3	-6.3	15.0
Other operating expenses	-14.8	-14.6	1.2
Operating result	-7.6	-3.2	-139.0
Financial income and expenses	0.9	-1.1	
Result after financial income and expenses	-6.7	-4.3	-57.0
Income taxes	-1.4	-1.4	-0.7
Result for the period	-8.1	-5.7	-42.6

Adjusted Income Statement

EUR Million	1-9/2011	1-9/2010	Change %
Net sales	46.2	46.7	-1.1
Other operating income	0.2	0.0	
<i>Total revenue</i>	46.4	46.7	-0.8
<i>Adjusted operating expenses *)</i>	-46.1	-46.0	0.7
Adjusted operating result	0.3	0.7	-63.8
- Net impact of R&D capitalizations	-5.4	-3.9	38.1
- One-time costs	-2.4		
Operating result	-7.6	-3.2	-139.0

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

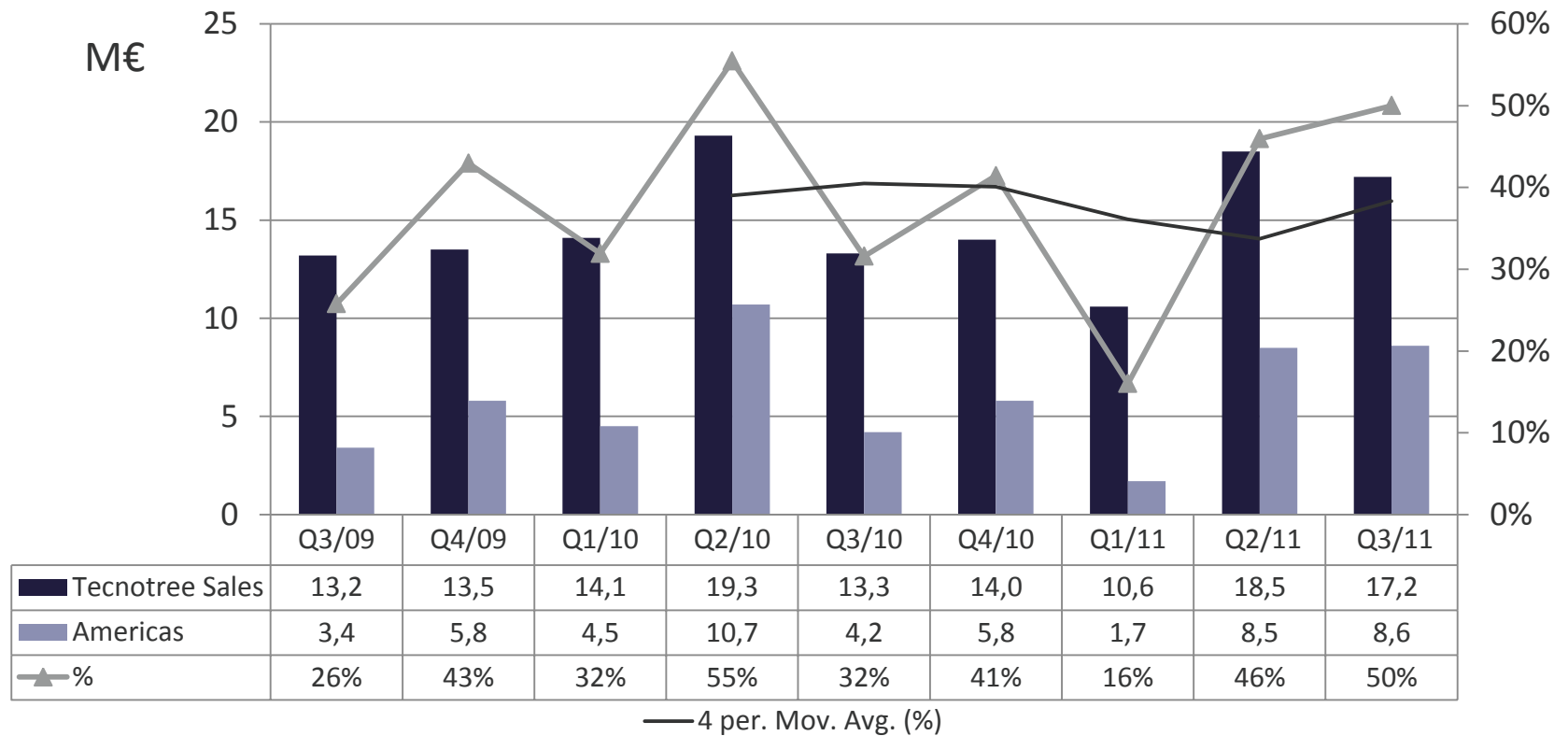
Sales and Adjusted Operating Result



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

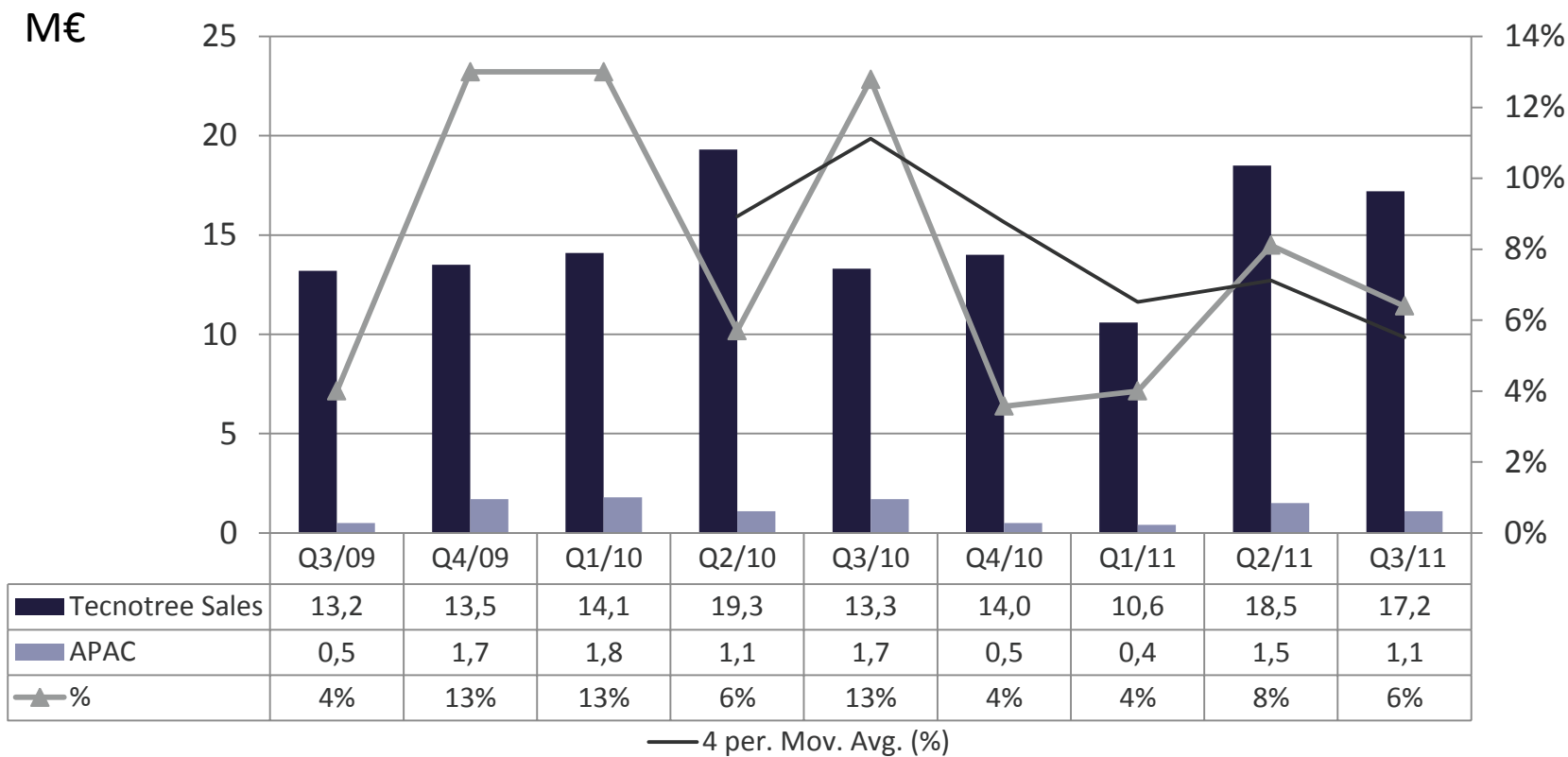
Sales by Area

Americas



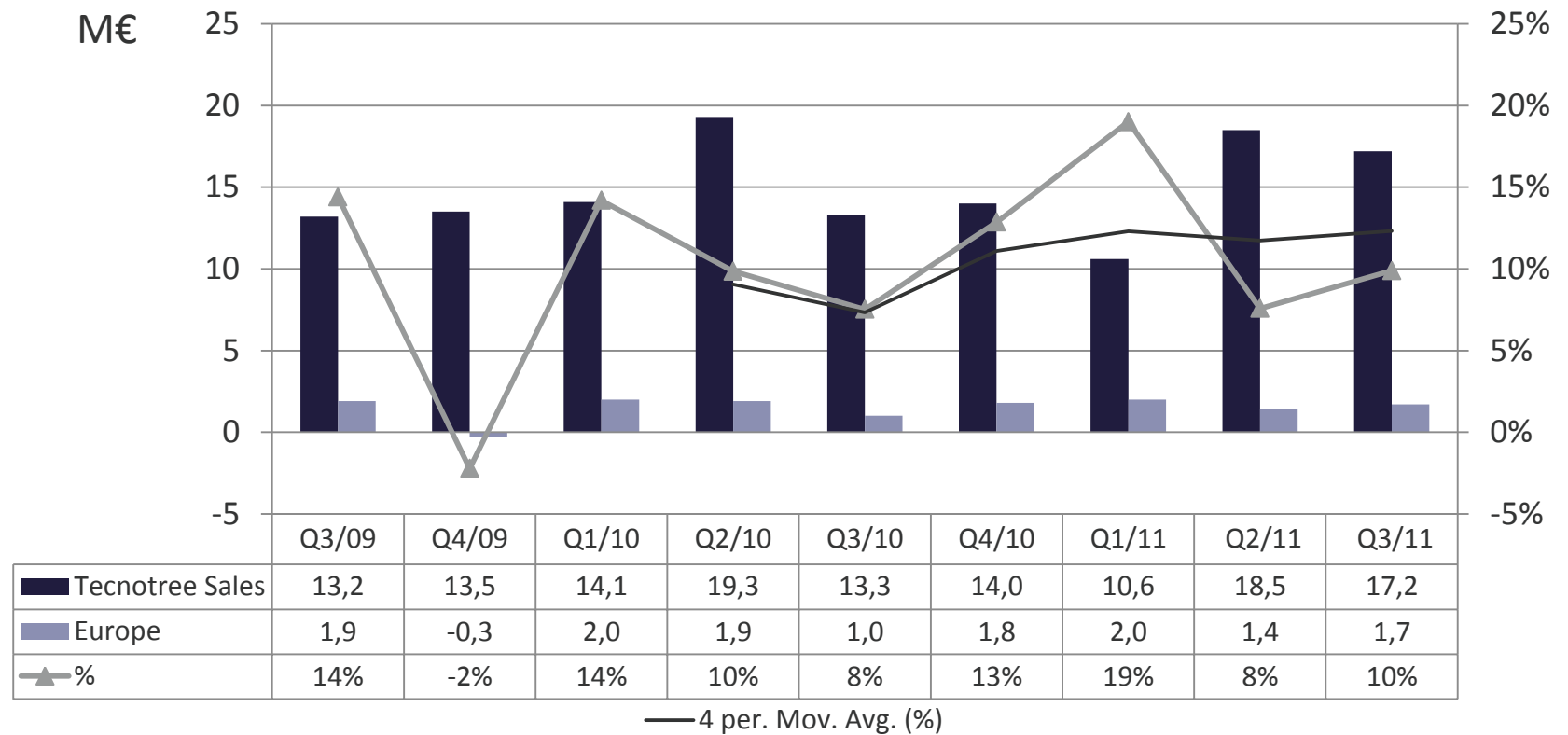
Sales by Area

APAC



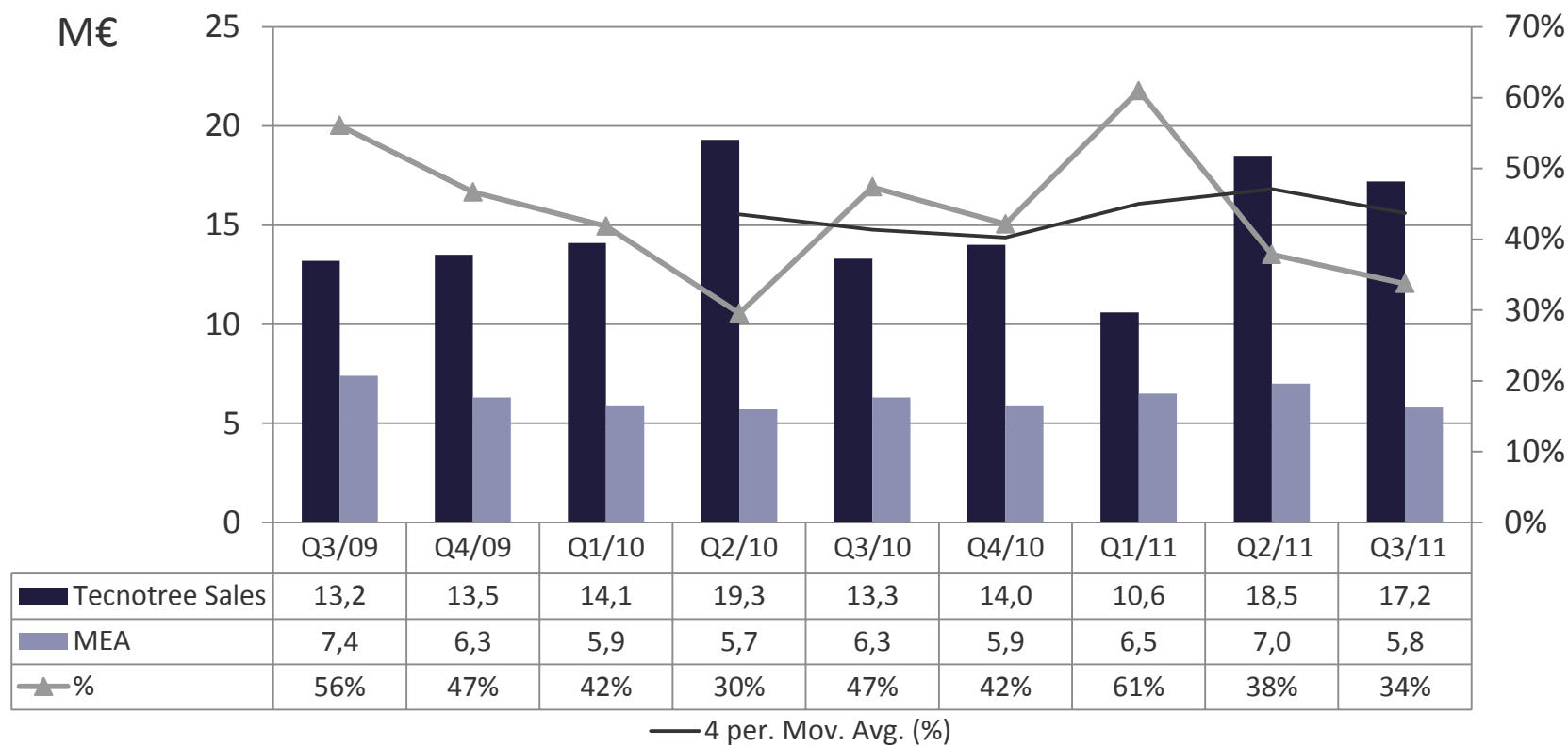
Sales by Area

Europe

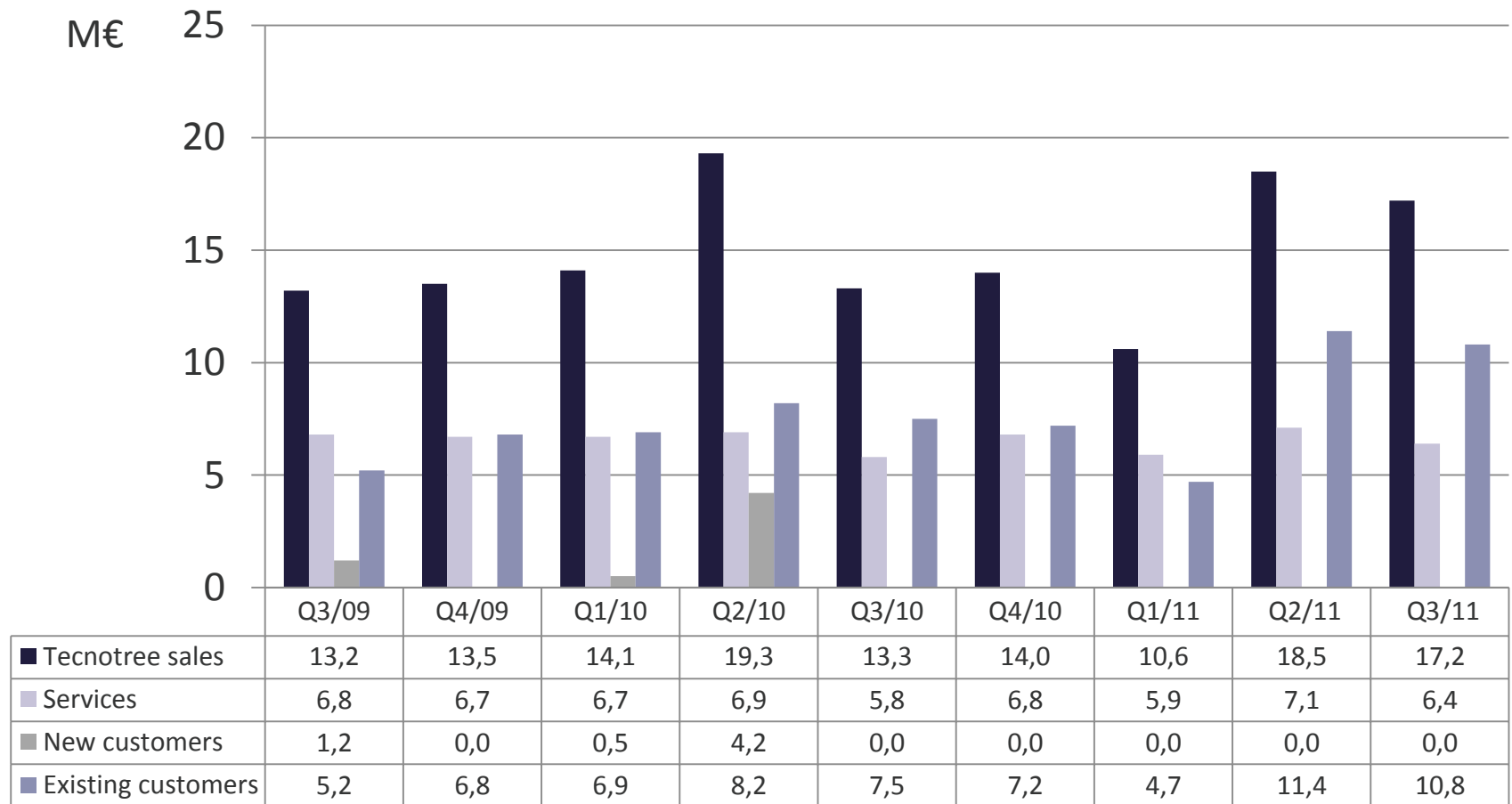


Sales by Area

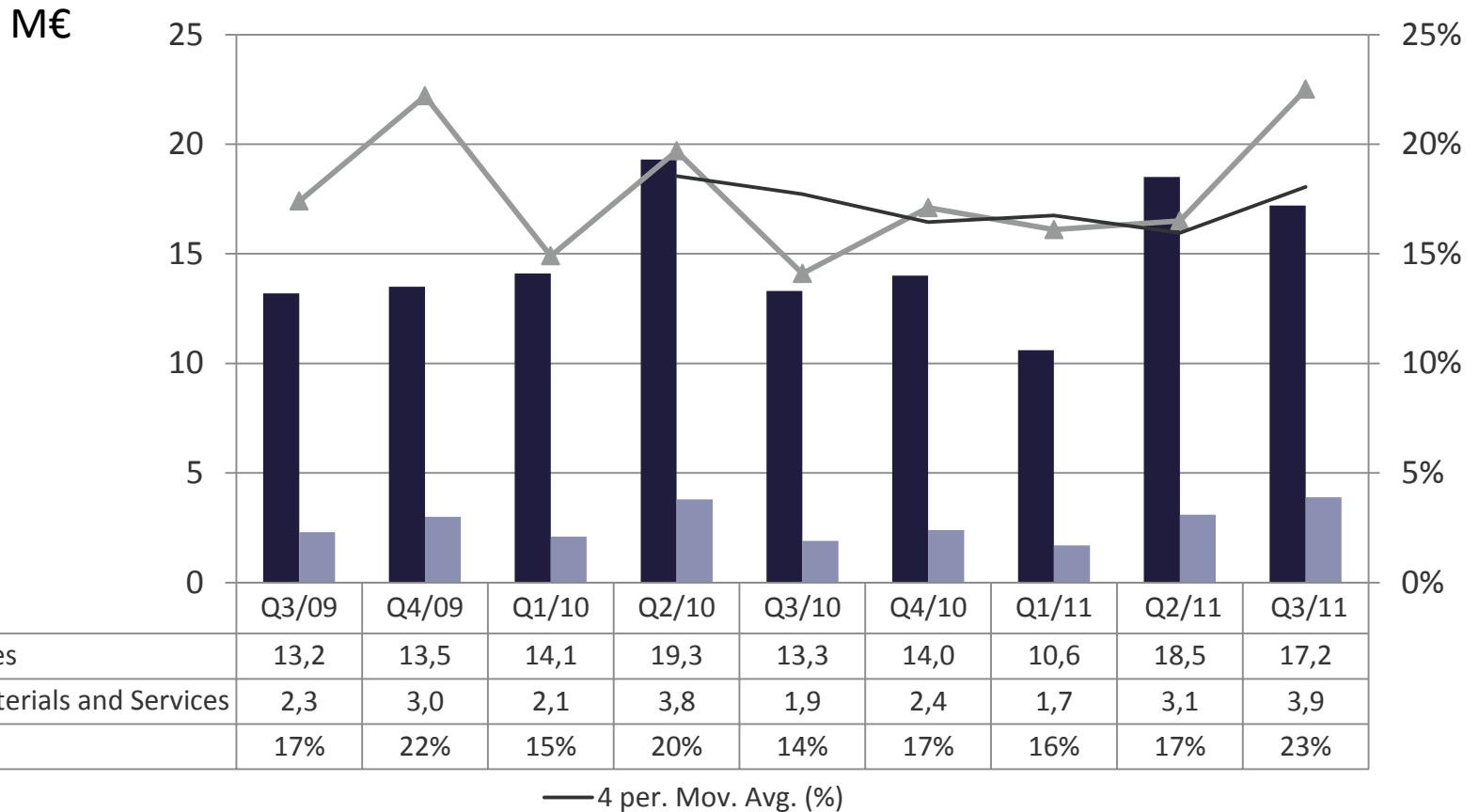
MEA



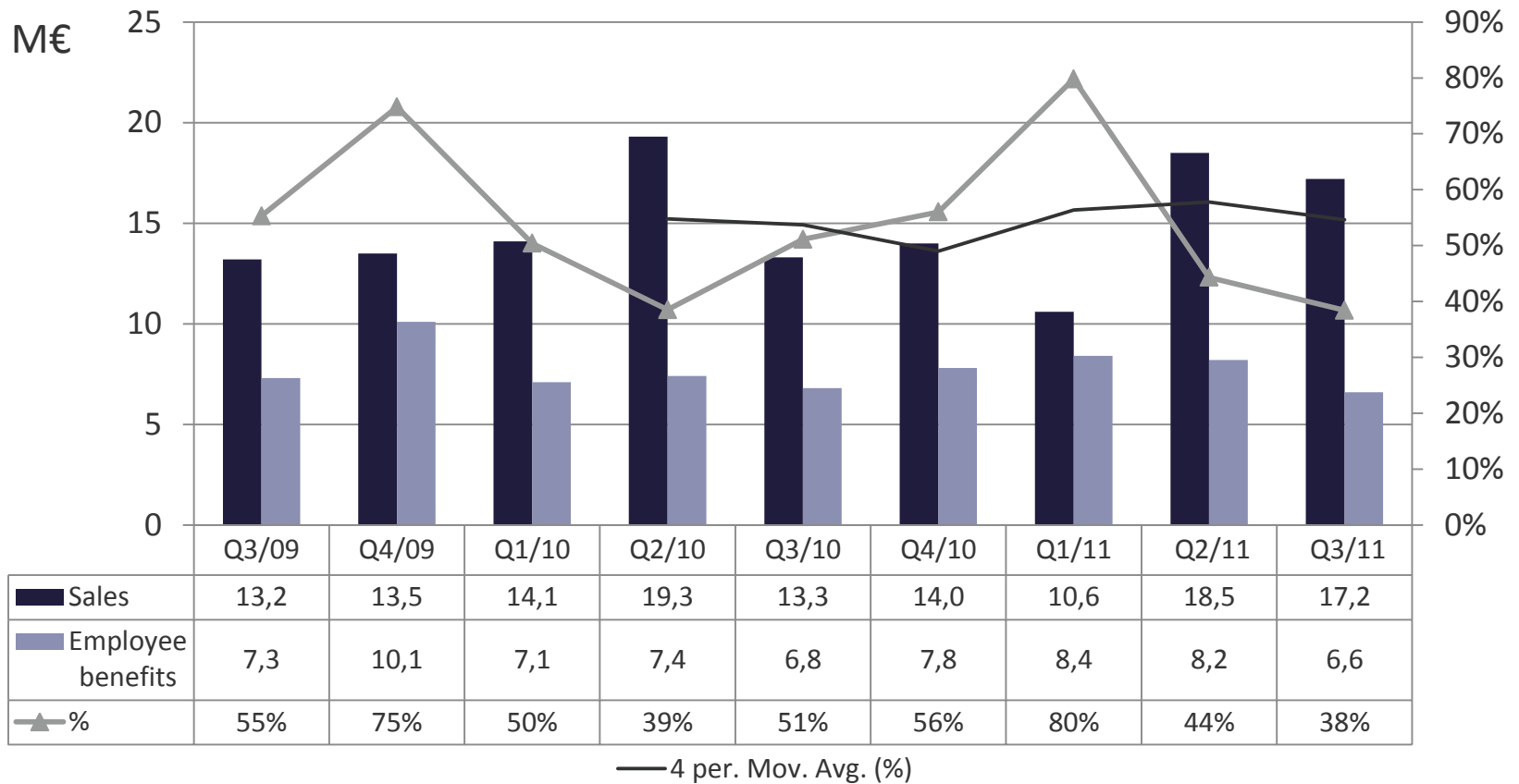
Sales Distribution



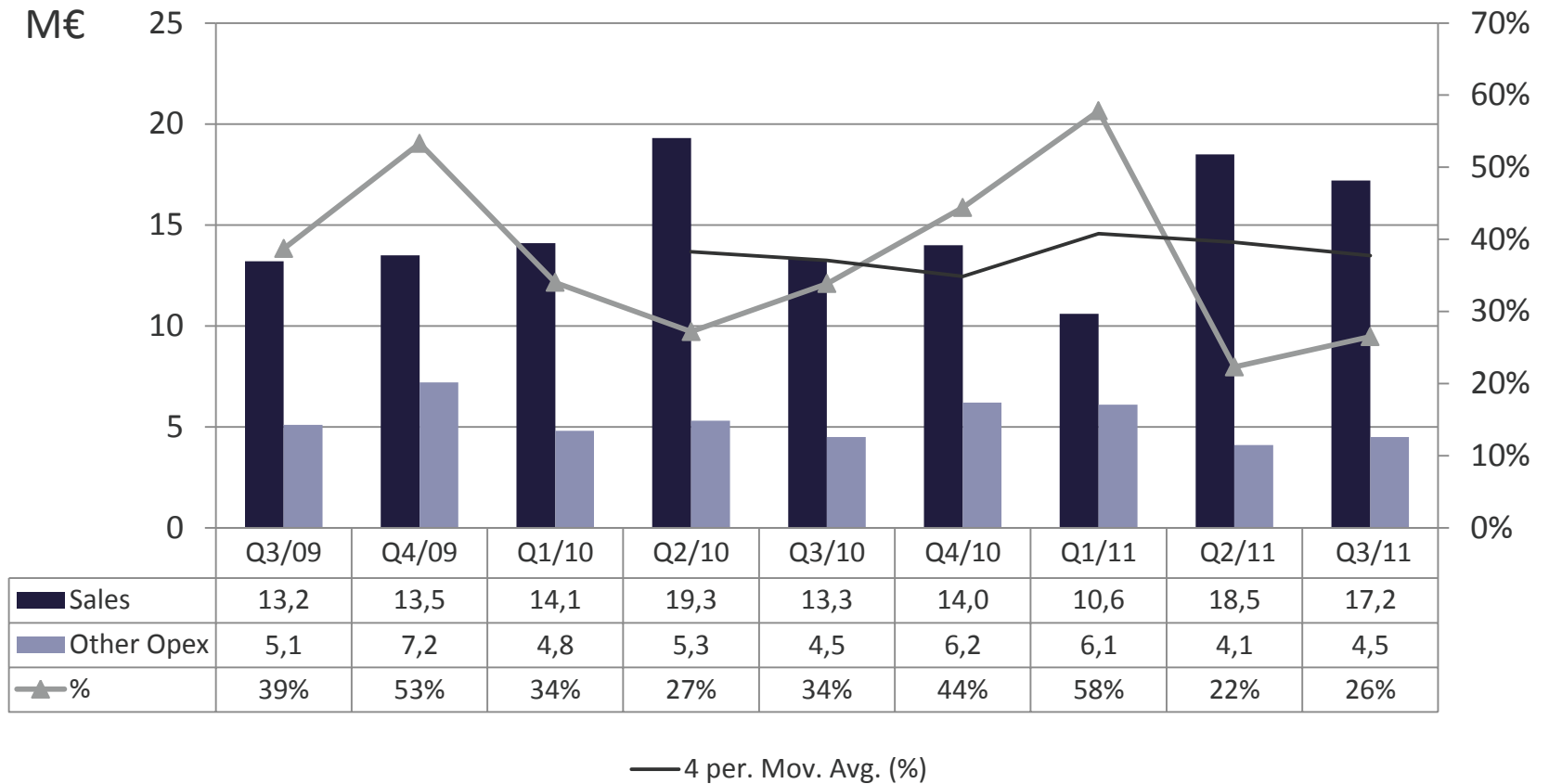
Materials and Services



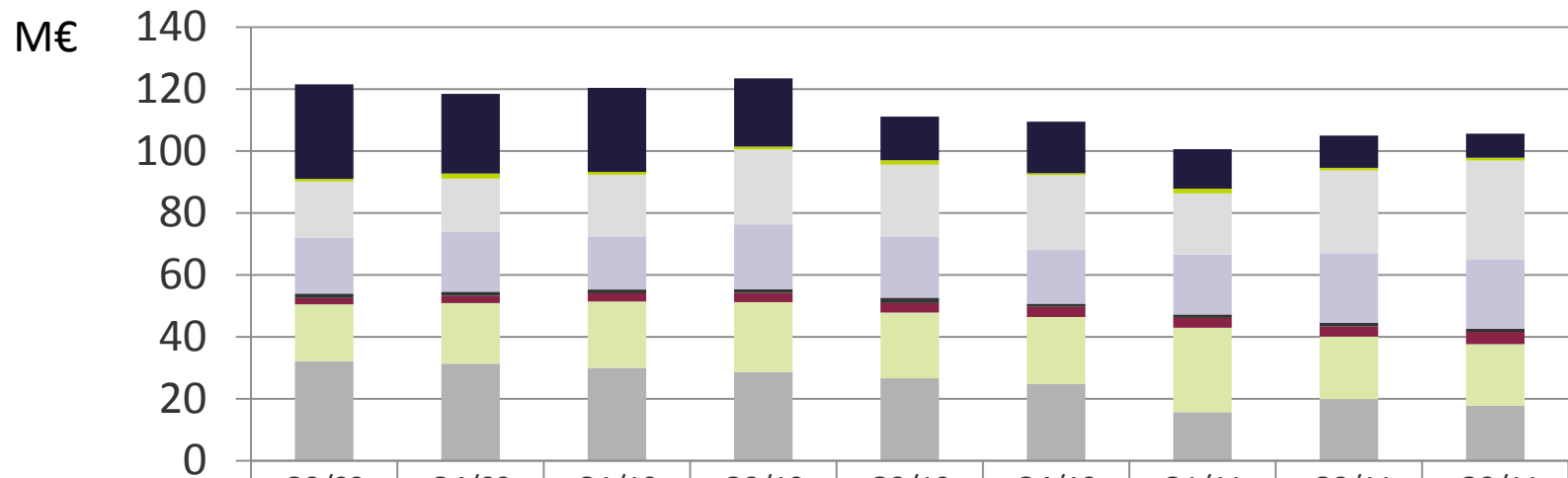
Employee Benefits



Other Operating Expenses

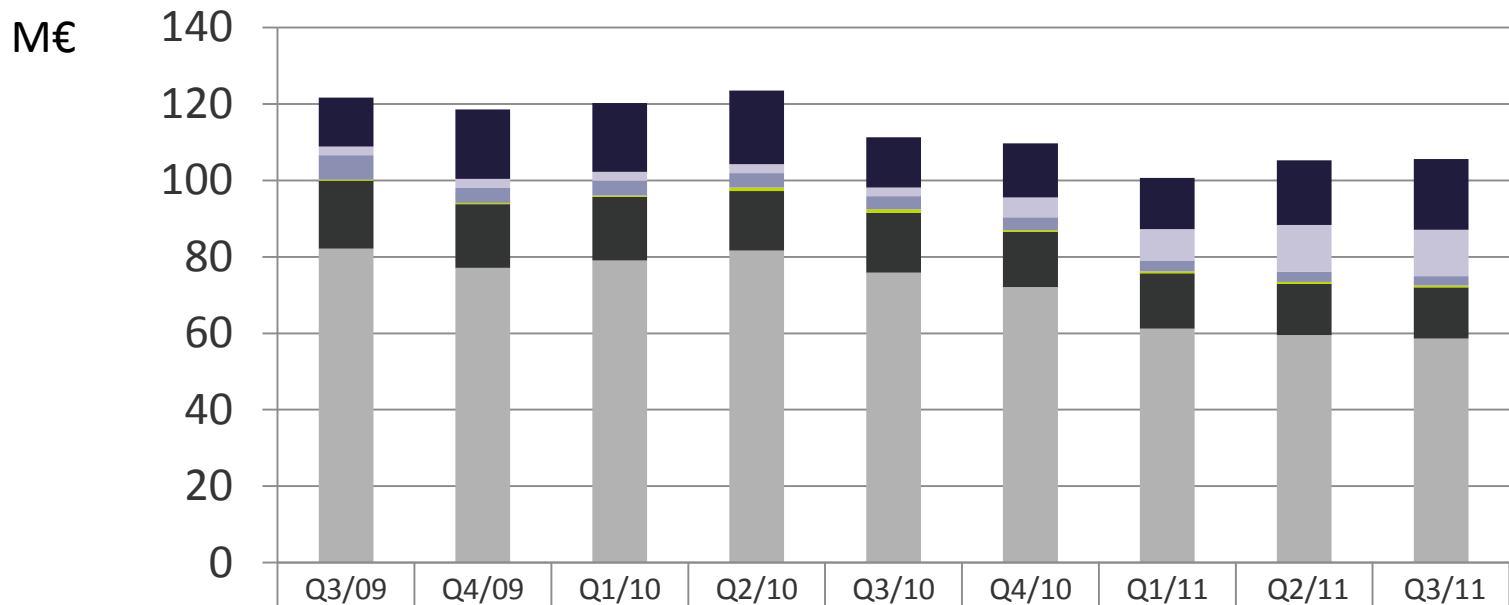


Assets by Quarter



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

Equity and Liabilities by Quarter



	Q3/09	Q4/09	Q1/10	Q2/10	Q3/10	Q4/10	Q1/11	Q2/11	Q3/11
Current non-interest bearing	12,8	18,1	18,0	19,3	13,2	14,2	13,4	16,9	18,5
Current interest bearing	2,2	2,3	2,3	2,3	2,2	5,2	8,2	12,2	12,2
Deferred tax	6,4	4,0	3,9	3,8	3,5	3,3	2,8	2,7	2,4
Long term non-interest bearing	0,3	0,3	0,3	0,9	0,9	0,4	0,5	0,5	0,5
Long term Interest bearing	17,8	16,7	16,7	15,6	15,6	14,5	14,5	13,4	13,4
Shareholders' equity	82,1	77,1	79,0	81,6	75,9	72,1	61,2	59,5	58,6



TECNOTREE

powering the digital marketplace