



# 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

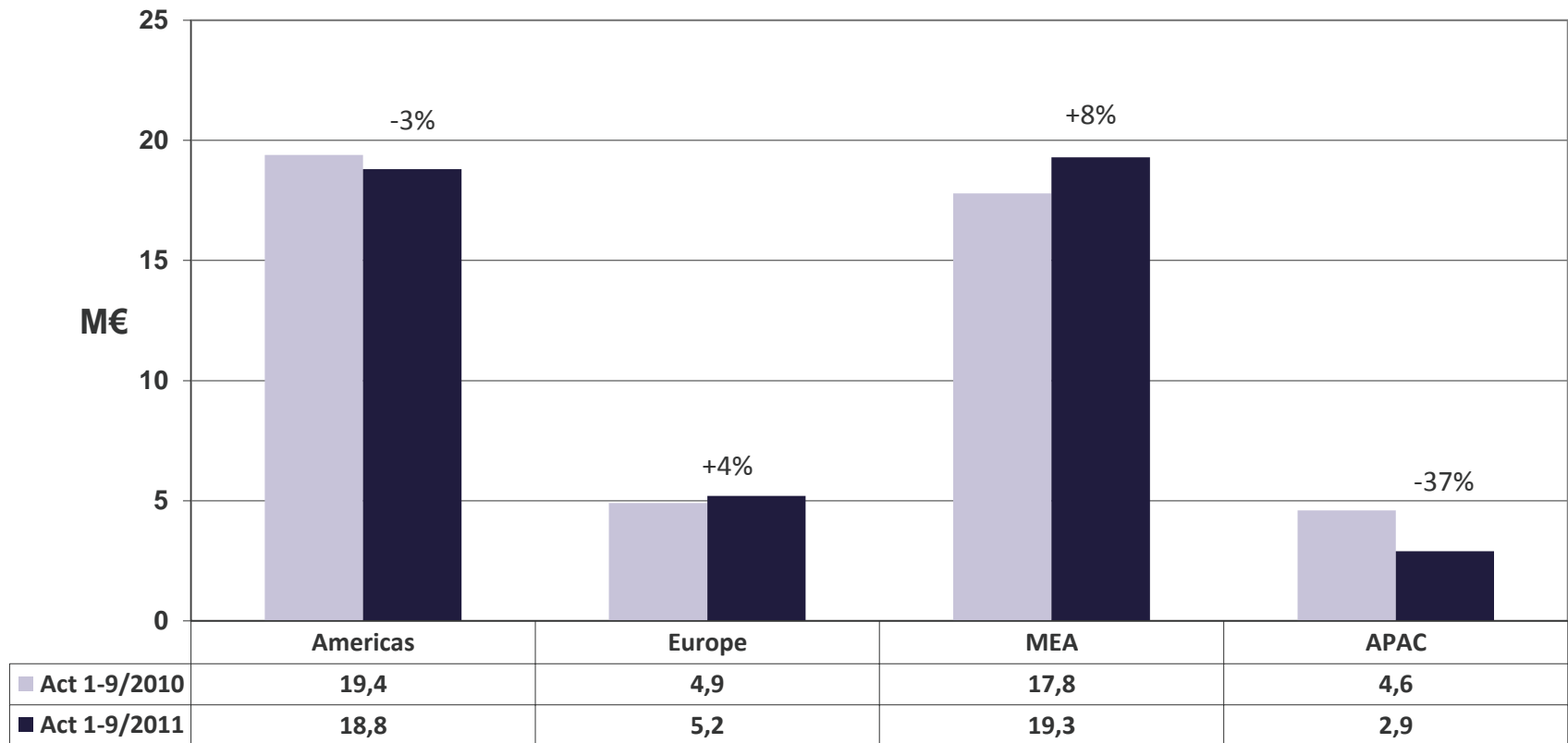
MEUR	Q1	Q2	Q3	Q1-Q3
2011	-4.9	3.3	1.9	0.3
2010	-0.6	2.0	-0.7	0.7

- 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 %
<b>NON-CURRENT ASSETS</b>			
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
<b>CURRENT ASSETS</b>			
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
<b>TOTAL ASSETS</b>	<b>105.6</b>	<b>111.3</b>	<b>-5.1</b>

# Consolidated Balance Sheet

EUR Million	30.9.2011	30.9.2010	Change %
<b>SHAREHOLDER'S EQUITY</b>	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
<b>CURRENT LIABILITIES</b>			
Interest-bearing liabilities	12.2	2.2	
Non-interest-bearing liabilities	18.5	13.2	40.7
<b>EQUITY AND LIABILITIES</b>	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

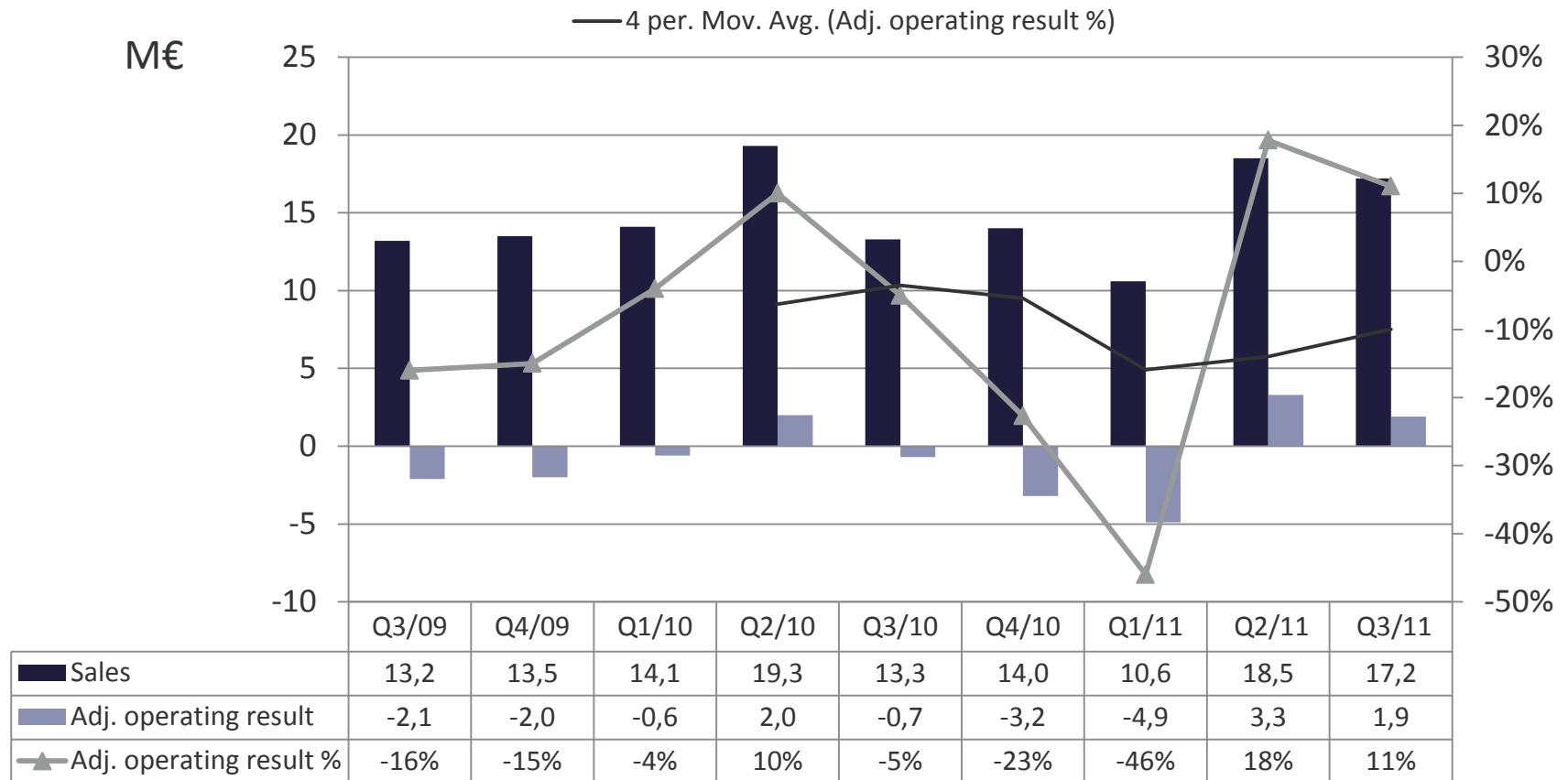
EUR Million	1-9/2011	1-9/2010	Change %
Net sales	46.2	46.7	-1.1
Other operating income	0.2	0.0	
Materials and services	-8.7	-7.7	12.0
Employee benefit expenses	-23.2	-21.3	9.2
Depreciation	-7.3	-6.3	15.0
Other operating expenses	-14.8	-14.6	1.2
Operating result	-7.6	-3.2	-139.0
Financial income and expenses	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
<b>Adjusted operating result</b>	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

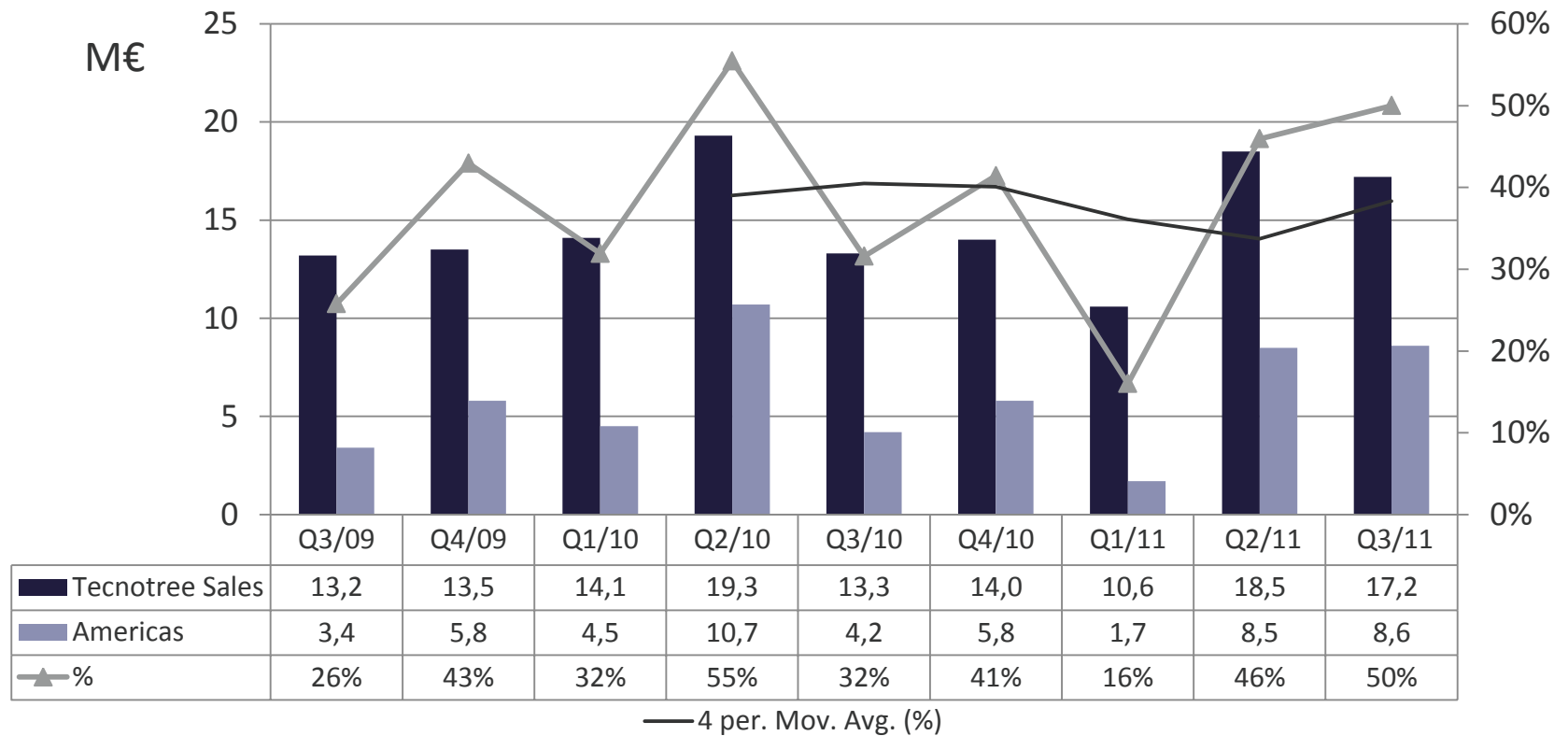
# Sales and Adjusted Operating Result



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

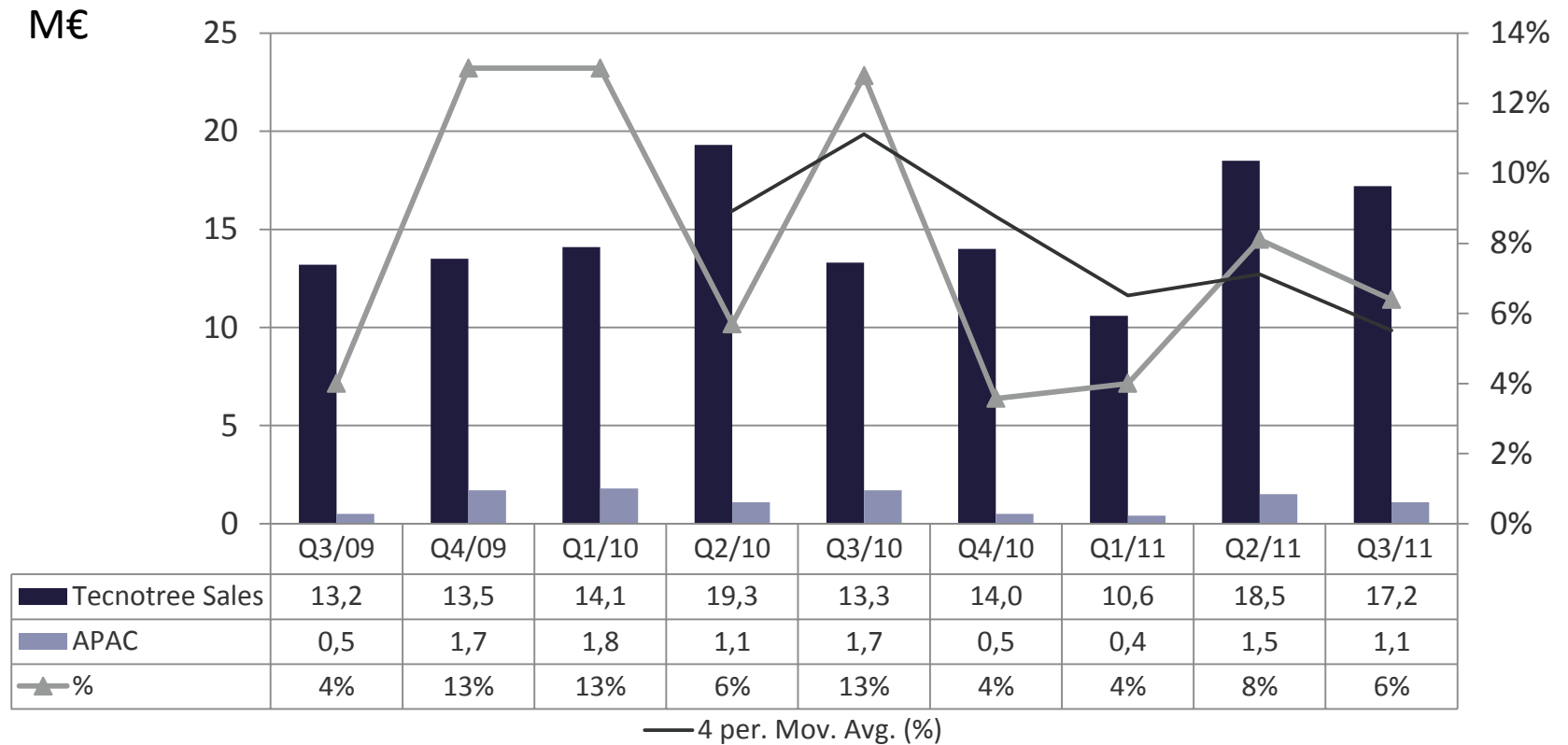
# Sales by Area

## Americas



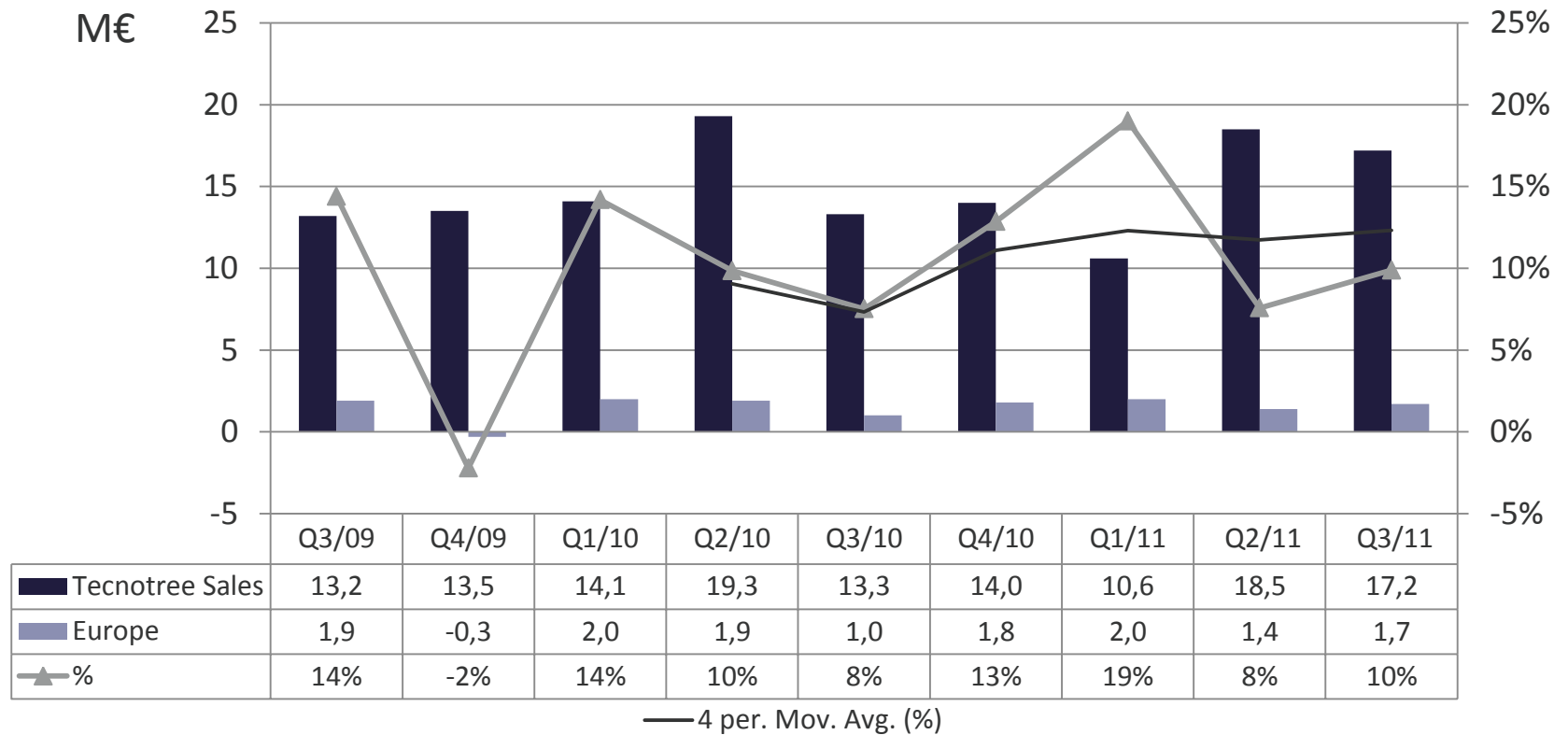
# Sales by Area

## APAC



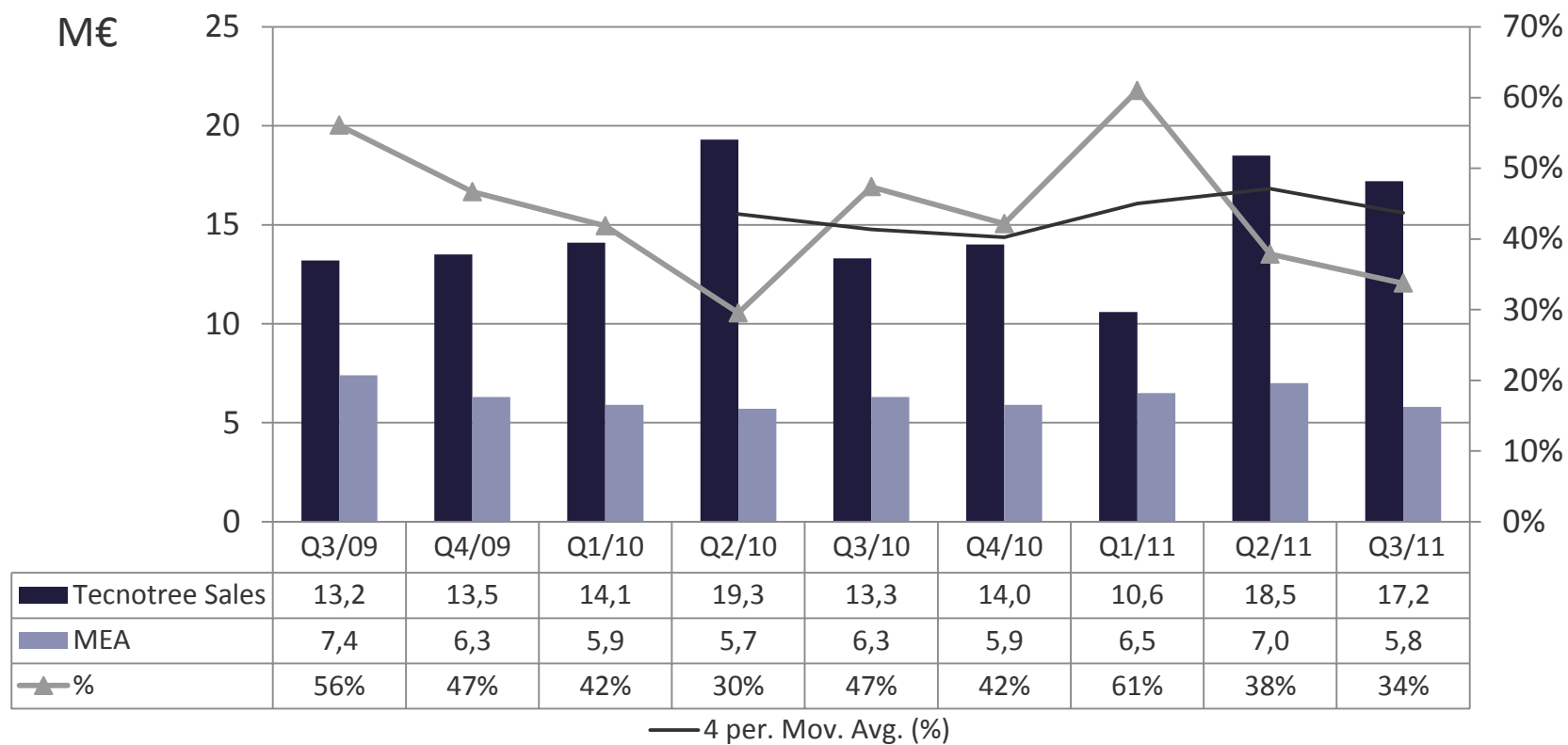
# Sales by Area

## Europe

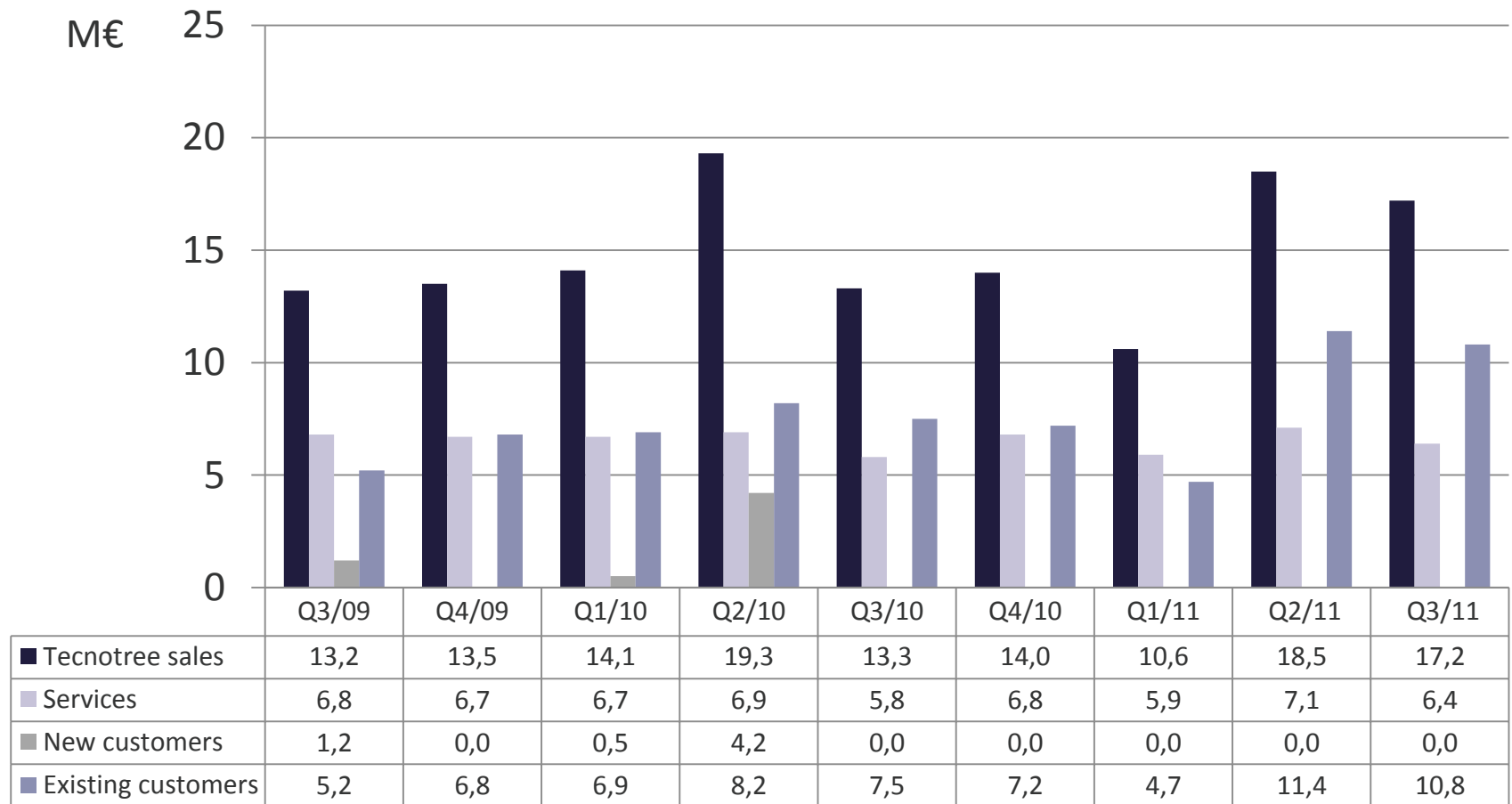


# Sales by Area

## MEA

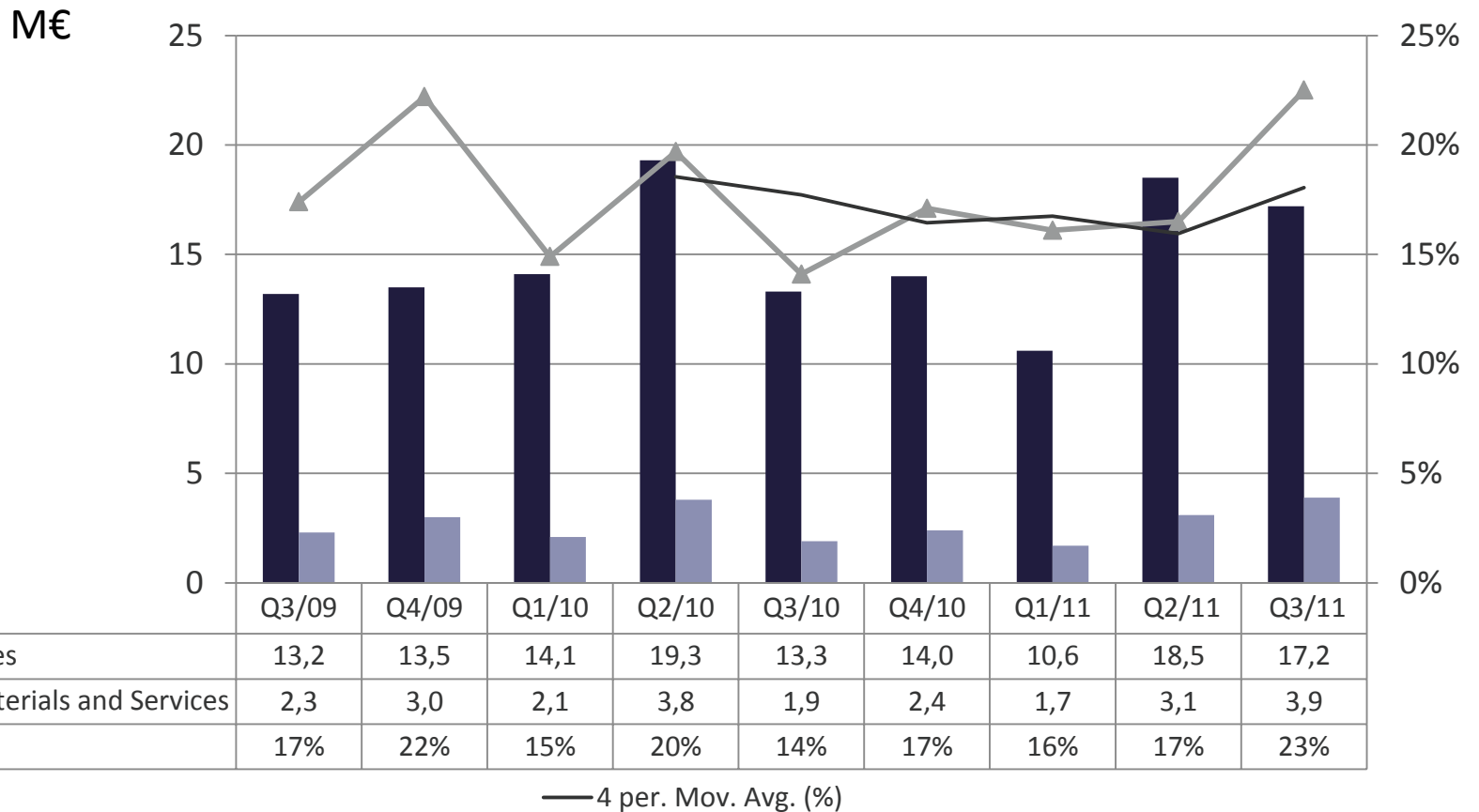


# Sales Distribution

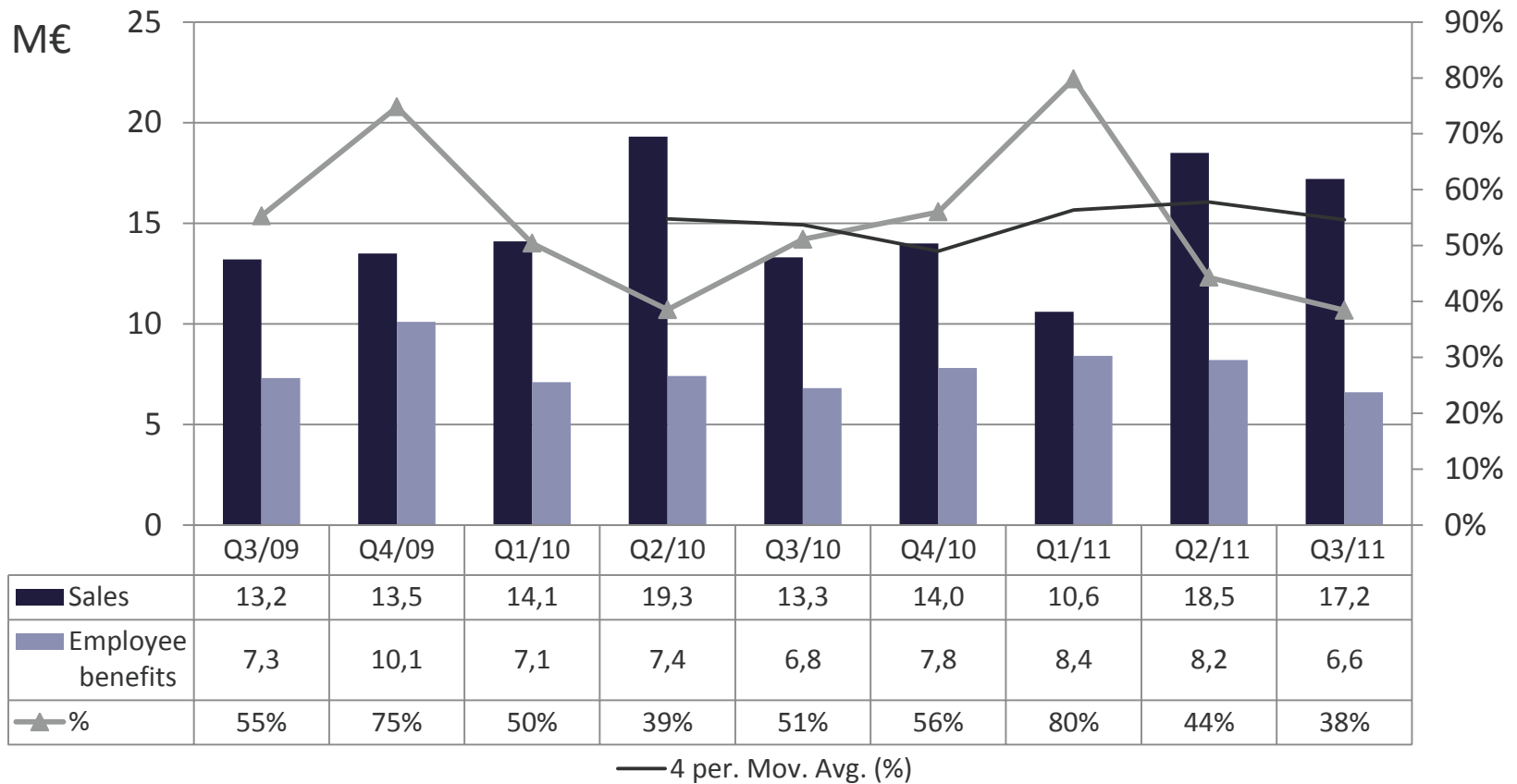




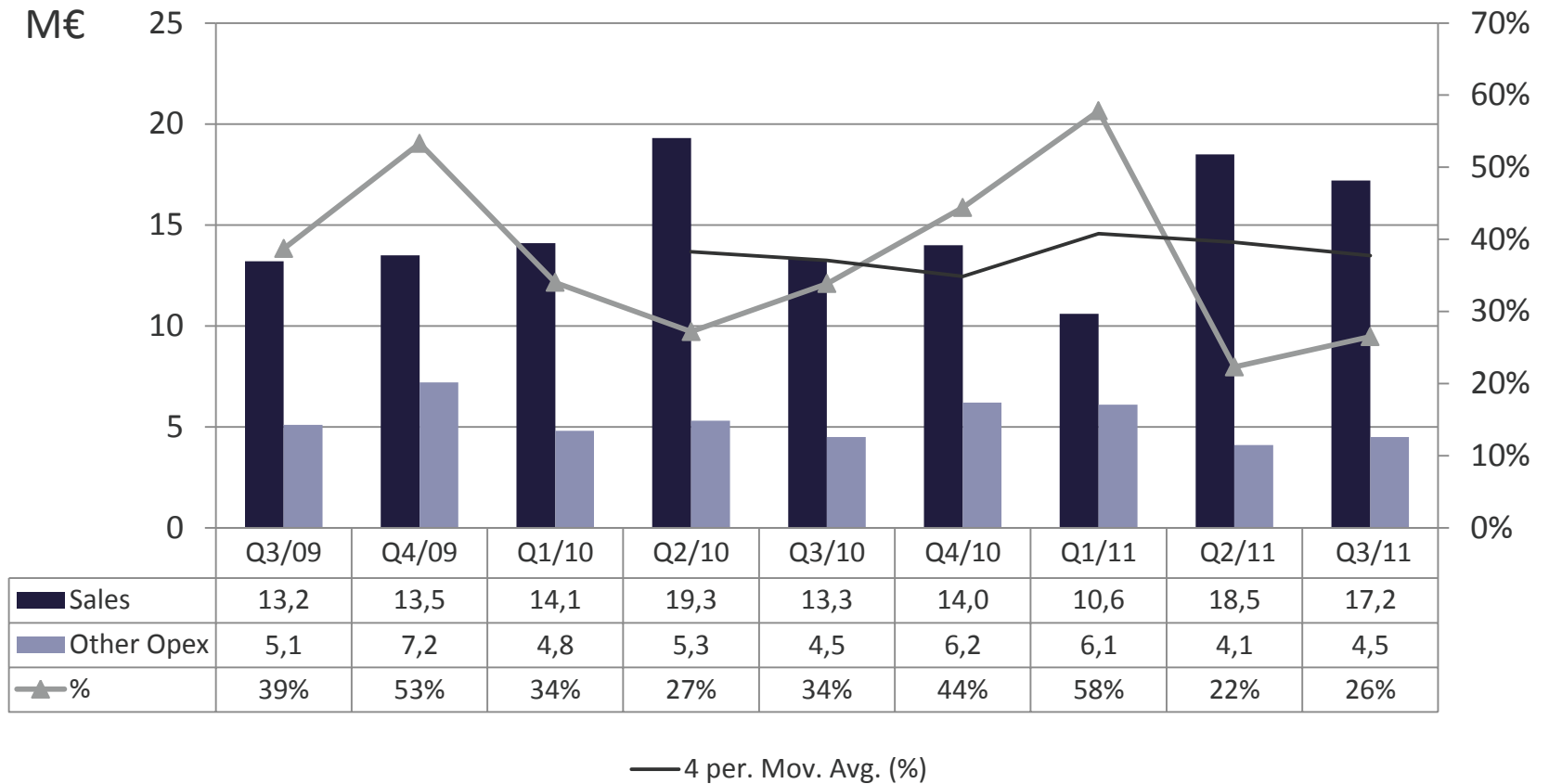
# Materials and Services



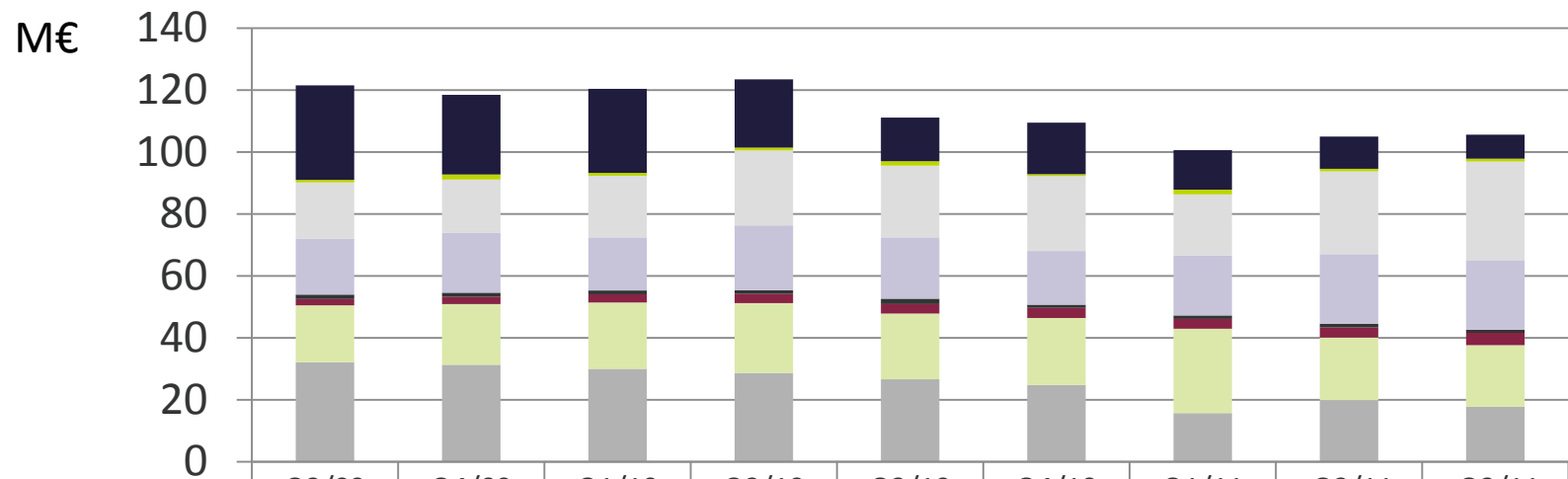
# Employee Benefits



# Other Operating Expenses

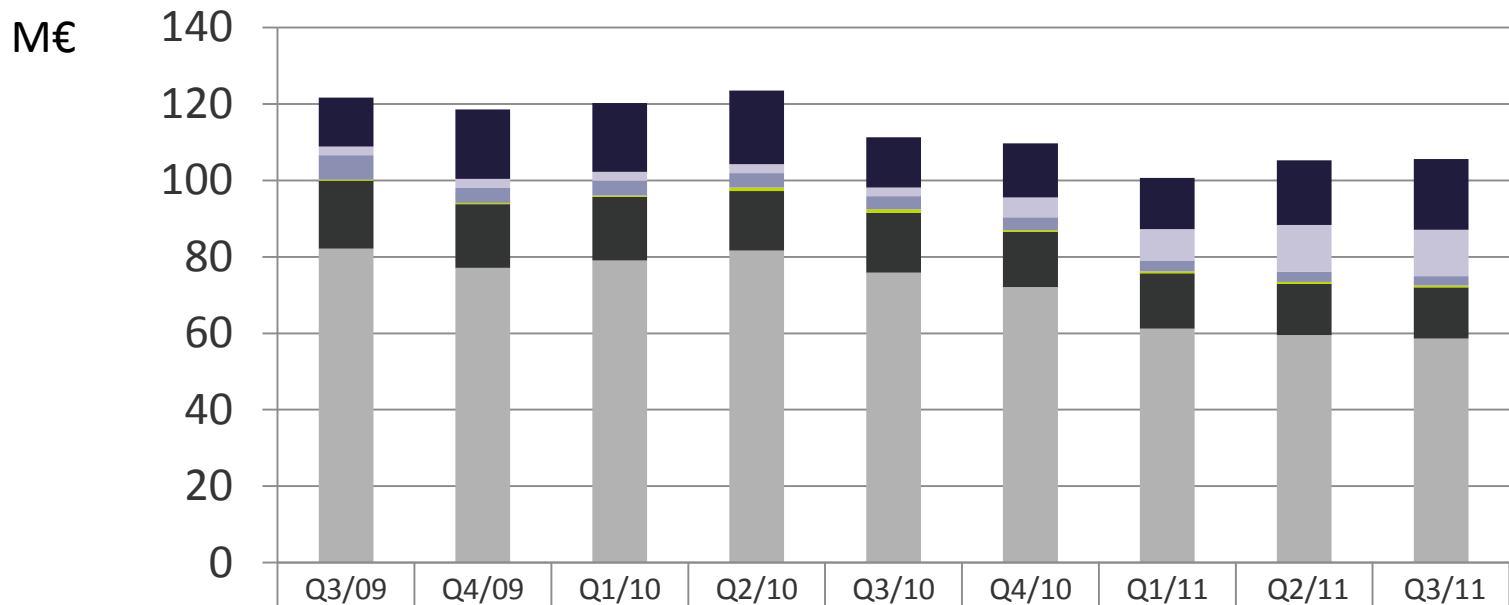


# Assets by Quarter



	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



■ 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**

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