



Tilgin chooses a payment schedule for custom duties

Stockholm, Sweden, 17 October 2008: Tilgin has decided to withdraw its request for postponement of payments regarding the previously communicated customs duties from 2007 and 2008. Instead, Tilgin will pay the duties according to a payment schedule for all customs duties. Tilgin's position is that the Swedish Customs has no basis for its claims and has as earlier communicated appealed all claims to the County Administrative Court. Today's announcement does not in any way affect Tilgin's position in future court proceedings.

Customs duties are excluded from the price in the customer agreement that applies to the relevant imports. If Tilgin should ultimately incur any customs duties, the company will claim compensation in accordance with the contract from the relevant customer with respect to the amounts that the company may have to pay.

As previously announced, Tilgin has appealed the two customs duties that the company received in 2008 amounting to SEK 16.7 million and the one from 2007 amounting to SEK 4.8 million. Security has been provided for the first customs duty from 2007.

To avoid having to provide further security for the amount of SEK 16,7 million, Tilgin has now decided to withdraw its request for postponement of payments. Instead, Tilgin chooses a payment schedule for all customs duties, a total of SEK 21.5 million, whereof SEK 1.8 million is VAT. The payment schedule is over 12 months. Thus, the Swedish Customs has released the requirement of security for customs duties from 2007. This means that less capital is tied up in these customs duties until the trial in the County Administrative Court, which Tilgin expects will happen before the end of the year.

Tilgin's position is that the Swedish Customs has no basis for its claims and that the customs duty imposed is incorrect. If the County Administrative Court judge in favor of Tilgin, the amount paid will be refunded immediately.

End

"Tilgin makes this information public in accordance with the Swedish Securities Exchange Act and/or in accordance with the Swedish Financial Supervisory Authority."

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About Tilgin

Tilgin designs and delivers premier IP customer premises equipment (CPE) for advanced Triple Play and IMS-based services. Supporting the full

convergence of voice, video and data, Tilgin takes a network systems approach to CPE that enables service providers to offer a broad range portfolio of innovative and competitive broadband services. Tilgin's comprehensive product portfolio of IP residential gateways, set-top boxes and related management applications, offers service providers unprecedented return on investment - delivering new service revenues and impressive cost savings over the lifetime of the product. Tilgin was founded in 1997 under the name i3 micro technology and listed on the Stockholm Stock Exchange on the Nordic List as of December 2006. It is headquartered in Kista, Sweden, with European sales representation in France and Germany. www.tilgin.com