

**PRESS RELEASE**

Tilgin appeals the decision of the Administrative Court regarding the Customs case

Stockholm, May 14, 2010: As previously announced, in 2007 and 2008 Tilgin appealed to the Administrative Court in Stockholm (previously the County Administrative Court in Stockholm) following the decision of the Swedish Customs to impose customs duties on certain imports during 2005 and 2006. The Administrative Court has now dismissed the appeal. Tilgin intends to appeal the decision of the Administrative Court to the Administrative Court of Appeal. If Tilgin should ultimately incur those customs duties, the company will claim compensation as set out in the contract with the relevant customer for whom the imports were made.

The customs duties included in this decision refers to 29 imports of Tilgin's IPTV set-top boxes in 2005 and 2006 and amounts to SEK 21,552,251 of which SEK 1,763,982 is VAT, according to the Administrative Court's decision.

"The Swedish Customs has claimed customs duties and VAT based on a different classification of the products than Tilgin. The Administrative Court has dismissed our appeal. We intend to appeal their decision to the Administrative Court of Appeal, and feel confident that we will receive review dispensation for this matter", says Mats Victorin, CEO of Tilgin.

To avoid having to provide full security for all customs duties, the company chose to pay the customs duties in full over 12 months in 2008 and 2009. This does not affect Tilgin's position in the court proceedings. If the Administrative Court of Appeal approves review dispensation and will judge in favour of Tilgin, the amount paid will be refunded immediately.

Customs duties are excluded from the price in the customer agreement that applies to all 29 imports. If Tilgin should ultimately incur those customs duties, the company will claim compensation from the customer for the amount paid to the Swedish Customs.

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"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 develops and delivers systems and software for the digitally connected home. Using Tilgin's home gateways, gateway-based software and remote management solutions for provisioning, broadband operators can offer next generation broadband services. Tilgin's solutions are operator-managed, software intensive and focused on next generation access. They enable operators to create new revenue streams, strengthen their brand and increase subscribers' quality of service. For the end-user the value lies in new broadband services and the possibility to integrate all electronic devices in the home. With more than 30 customers in over ten countries Tilgin has a strong client base with a broad international reach. Tilgin was founded in 1997 and is listed at NASDAQ OMX Nordic Exchange i Stockholm. Tilgin is headquartered in Kista, Sweden, and the company has a network of international sales channels. For more information, please visit www.tilgin.com