

# *Tecnotree Corporation* **Short Report Q1 2016**

27 April, 2016



# Summary of the Report

	Q1 2016	Q1 2015
Net sales	13.0	17.1
Orders received	14.4	26.3
Order backlog	28.2	48.1
EBIT	-2.4	1.1
Adjusted net income	-5.1	-0.4
Net income	-4.6	-3.3
Cash flow after investments	-1.9	0.8

- **The net sales and EBIT include 1.1 MEUR worth foreign exchange losses booked vs. gains of 3.3 MEUR in Q1 2015**
- **The administrator of the corporate restructuring of Tecnotree filed a draft restructuring program to the court on 30 March 2016**
  - **This includes a cut of 5.6 MEUR of debt and a payment plan from 2016 till 2020 for the remaining debt under restructuring**
  - **1.6 MEUR worth accrued interest would be reversed**
- **An agreement was signed for the first sale of a BSS Express system**
- **A Convergent Billing System was delivered to an operator in West Africa to manage 60 million customers, including a Unified Product Catalogue system**

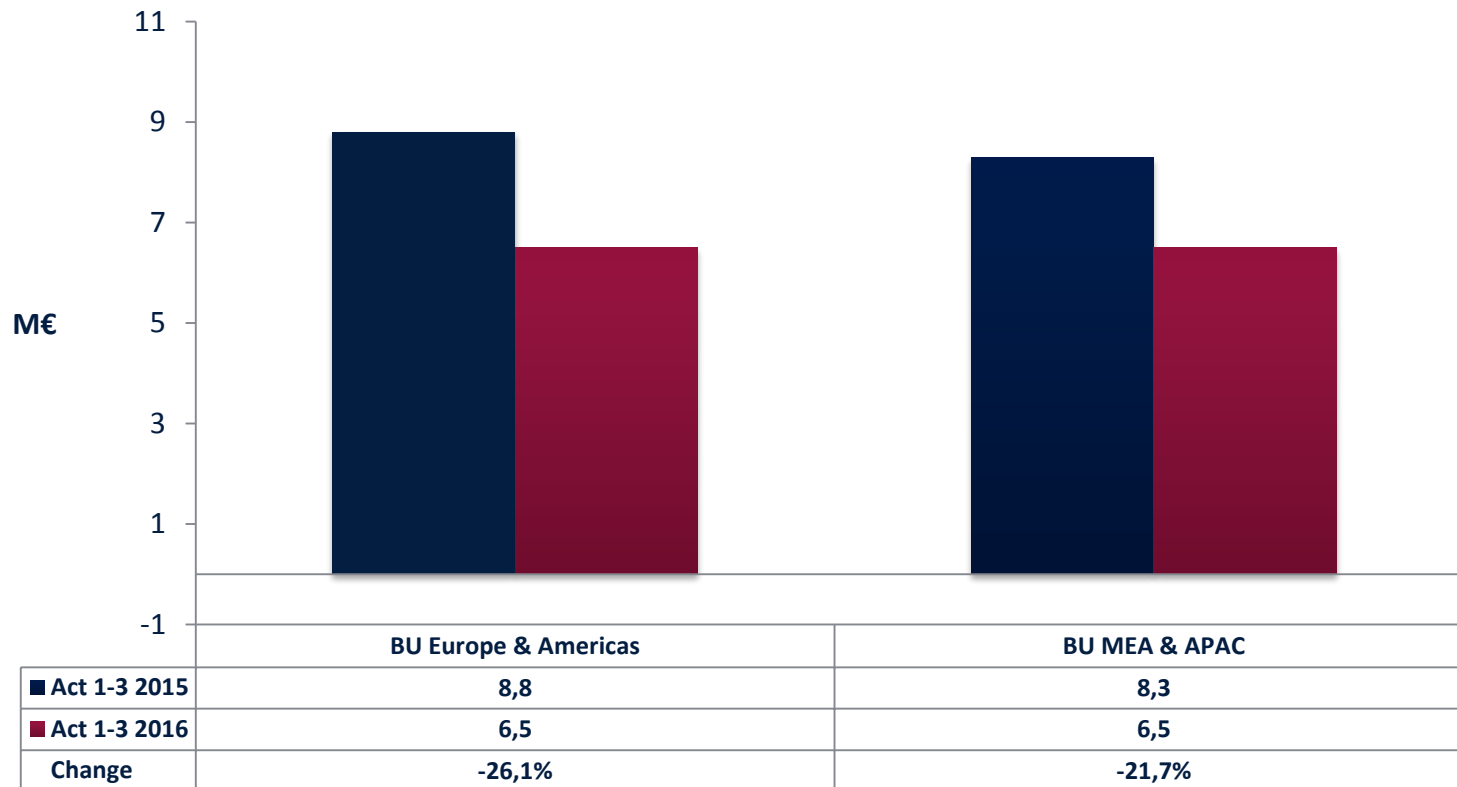
# Adjusted Income Statement

M€	1-3 2016	1-3 2015	Change %
Net sales	13.0	17.1	-23.7
Other operating income	0.0	0.0	
Total revenue	13.0	17.1	-23.8
Adjusted operating expenses*	-15.4	-15.7	-2.0
Adjusted operating result	-2.4	1.4	
- One-time costs		-0.3	
Operating Result	-2.4	1.1	
- Financial items excluding exchange rate gains and losses	-1.8	-0.5	
- Income taxes	-0.9	-0.9	-1.6
Adjusted net income	-5.1	-0.4	
+/- Exchange rate gains and losses in financial items**	0.5	-2.9	
Net income	-4.6	-3.3	38.0

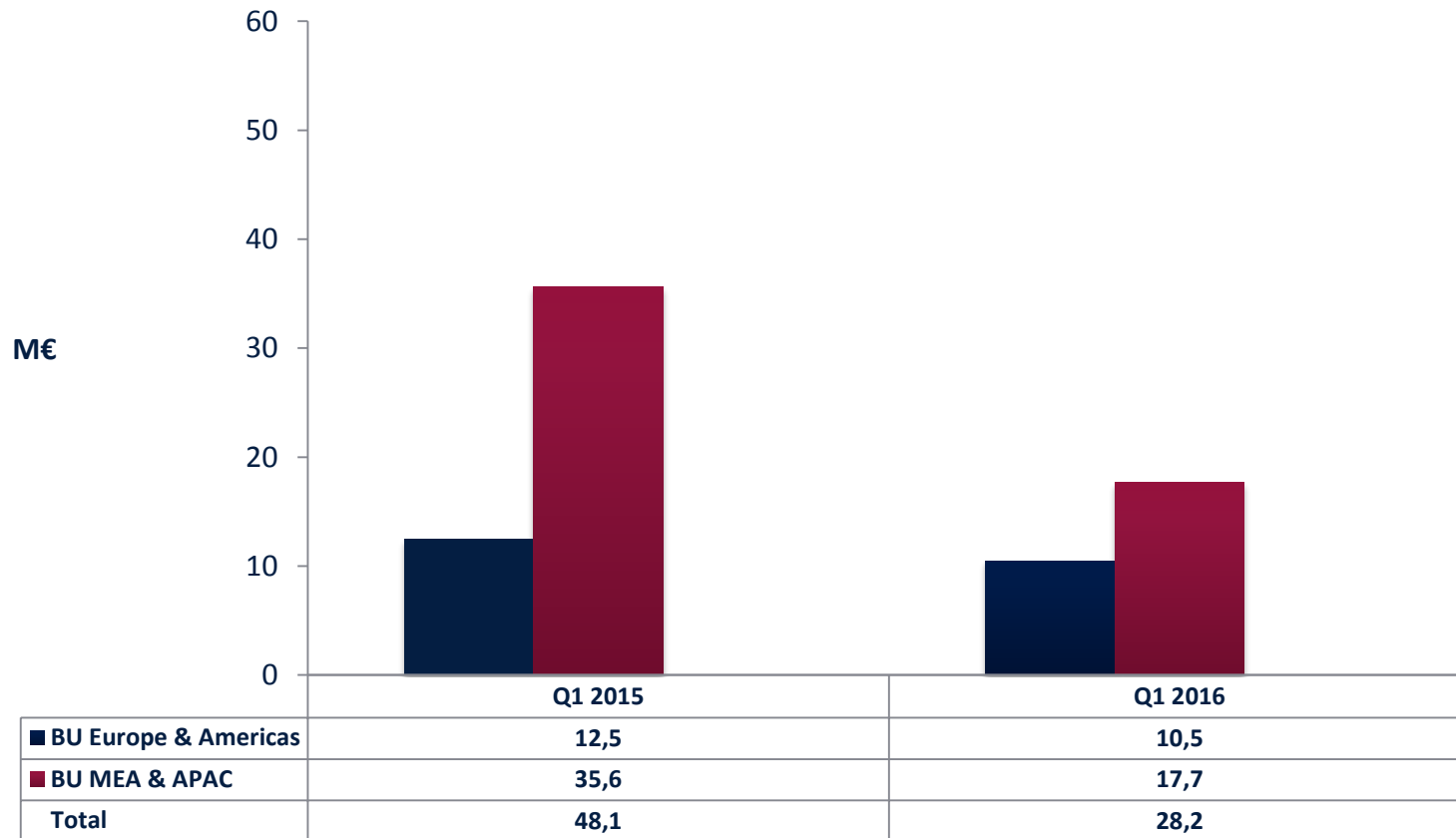
\* Operating expenses less one-time costs

\*\* Mainly for receivables by subsidiaries from the parent company without cash flow impact

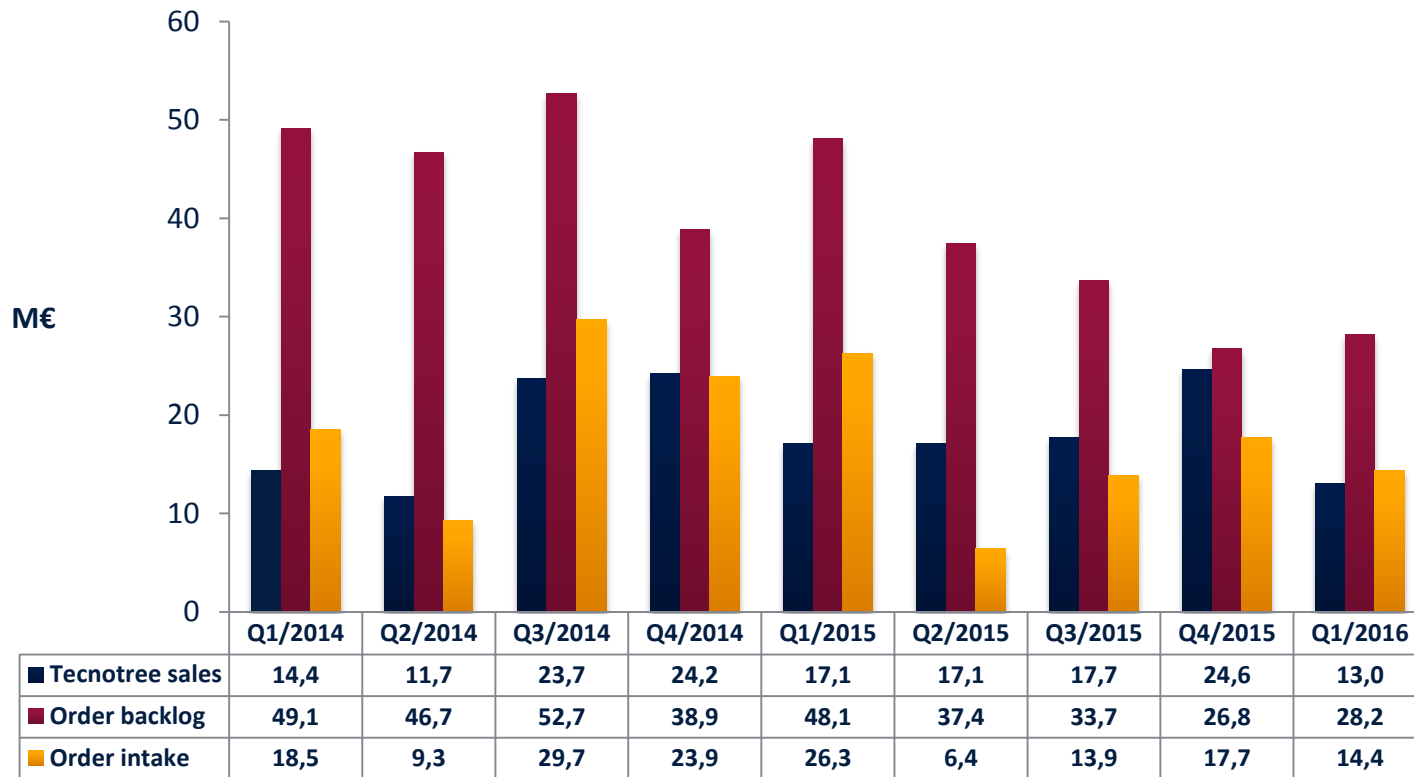
# Net Sales by Business Units



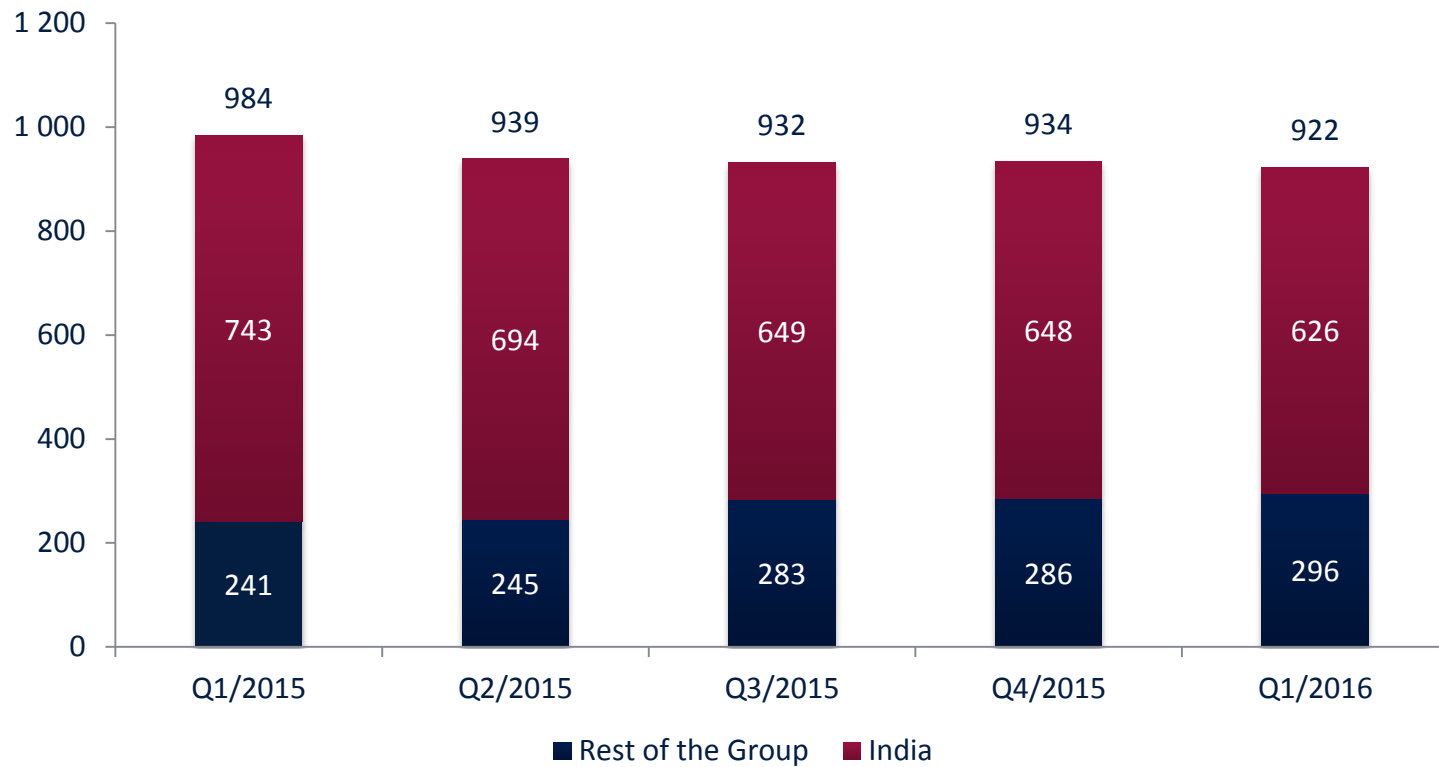
# Order Book by Business Units



# Sales and Orders



# Number of Personnel



# Consolidated Income Statement

M€	1-3 2016	1-3 2015	Change %
Net sales	13.0	17.1	-23.7
Other operating income	0.0	0.0	
Materials and services	-1.5	-1.1	34.2
Employee benefit expenses	-8.4	-8.7	-3.2
Depreciation	-0.2	-0.2	-4.3
Other operating expenses	-5.2	-5.9	-12.3
<b>Operating result</b>	<b>-2.4</b>	<b>1.1</b>	
Financial income and expenses	-1.3	-3.5	-62.7
<b>Result after financial income and expenses</b>	<b>-3.7</b>	<b>-2.4</b>	<b>-52.7</b>
Income taxes	-0.9	-0.9	-1.6
<b>Result for the period</b>	<b>-4.6</b>	<b>-3.3</b>	<b>-38.0</b>



# Consolidated Balance Sheet

M€	31.3.2016	31.3.2015	Change %
Non-current assets			
Fixed assets	4.1	4.0	1.8
Consolidated goodwill	16.9	18.5	-9.0
Other non-current assets	1.8	3.4	-46.1
Current assets			
Inventories	0.7	1.0	-34.8
Trade receivables	8.9	13.7	-35.5
Other receivables	33.8	33.1	2.0
Investments		0.2	
Cash and cash equivalents	3.3	3.4	-1.4
Total assets	69.4	77.4	-10.3

# Consolidated Balance Sheet

M€	31.3.2016	31.3.2015	Change %
Shareholder's Equity	11.3	18.9	-40.3
Non-current Liabilities			
Interest-bearing liabilities	0.4		
Deferred tax liabilities		3.1	
Other non-current liabilities	1.7	1.7	-1.6
Current Liabilities			
Interest-bearing liabilities	31.8	31.8	0.1
Non-interest-bearing liabilities	24.2	21.8	10.8
Equity and Liabilities	69.4	77.4	-10.3

# *Prospects for* **2016**

Tecnotree believes that the filing of its draft debt restructuring plan in early 2016, along with its continued focus on cost, product renewal and better serving its customers will give the company a solid base to continue to improve both its operating efficiency and addressable revenue opportunities.

However, Tecnotree does not provide an annual outlook for 2016 due to several uncertainty factors having impact on customer investments. These uncertainty factors relate to a strengthening dollar as well as the softening macroeconomic environment and political instability in some of its key markets in Latin America, the Middle East and Africa.

As in previous years, variations in the quarterly figures are estimated to be considerable.



*Thank you*

**TECNOTREE**

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