

INVESTMENT CONSIDERATIONS

Continued Revenue Momentum

Q4 revenue grew 3% to \$9.1 million from \$8.8 million in Q4 last year. It was the Company's fourth straight quarter of increased year-over-year revenue. Full-year revenue increased 6% to \$36.0 million from \$33.8 million a year ago. License fees and services revenue grew 11% to \$4.5 million in Q4 and was up 13% to \$17.9 million for the full year. This growth was attributable to new customer engagements, additional revenue from established customers, and success in opening new, emerging markets.

Solid Profitability

Q4 was the sixth consecutive quarter of positive operating income with adjusted EBITDA of \$1.2 million and net income of \$284,000, or \$0.01 per share. Full year adjusted EBITDA was \$5.6 million with net income of \$598,000, or \$0.03 per share. 2007 operating income was \$2.4 million.

Bookings and Backlog Highlights

Q4 was the strongest license and services bookings quarter since 2004, as the Company wrote business with six new carrier customers. License and services bookings totaled \$6.4 million, up from \$4.6 million in Q4 last year. Customer support bookings increased to \$10.2 million from \$5.8 million, benefiting from a change in the timing of a large renewal. Total new order bookings in Q4 totaled \$16.6 million. Total 2007 bookings were \$42.0 million versus \$34.2 million in 2006. The mix included \$19.6 million in license fees and services orders, up 16% over 2006, and \$22.4 million in customer support, up 28%.

Strengthened Balance Sheet

Evolving Systems generated \$4.8 million in cash from operations in 2007, up 42% from \$3.4 million in 2006. Cash and cash equivalents increased 43% over the same period to \$7.3 million from \$5.1 million. Working capital at year-end was up 74% to \$1.4 million from \$0.8 million a year ago. The \$11.3 million preferred stock balance at 12/31/06 was reduced during 2007 and eliminated in the first quarter of 2008. Also in Q1 2008, the Company completed a \$10.0 million debt refinancing that lowered the average cash interest rate and improved financial flexibility.

CEO Comments

"In 2007 we delivered solid revenue and earnings growth while strengthening our balance sheet. We also made excellent progress on the new business front, opening 10 new accounts in 2007 versus three in 2006 – a fact that underscores our success in the emerging markets of Central and Latin America, Asia and Africa. While we expect to achieve steady growth in traditional markets, we continue to believe that emerging markets offer the best potential for significant growth. We enter 2008 with an impressive order backlog, a growing portfolio of software solutions and a proven sales organization that is well-placed to pursue global opportunities."

-- Thad Dupper, president and CEO

STOCK DATA*

Traded	Nasdaq-EVOL	Average Daily Volume (3 Mo.)	172,000
Recent Bid Price	\$2.17	IPO	May 1998, Goldman Sachs
Common Shares Outstanding	19.3 million	Industry.....	Telecom software & services
Approximate Float.....	17.0 million	Analysts	B. Riley & Co., Michael Coady, CFA
Institutional Ownership.....	24%		

*Data as of March 2008

OVERVIEW

Evolving Systems is a worldwide provider of software and services to telecommunications carriers, with more than 70 customers in 45 countries. The Company's mission critical software solutions support many of the largest Tier 1 service providers in both established and emerging markets. These solutions help carriers drive growth while delivering an improved customer experience, shorter time-to-market and lower cost of rendering value-added services. Evolving Systems has R&D facilities on three continents – North America, Europe and Asia – including its offshore development subsidiary in India.

The Company's flagship Tertio™ and NumeriTrack® software platforms automate, synchronize and simplify service activation and the assignment and management of numbers and number-related resources for wireline, wireless and IP service providers. The newly introduced Dynamic SIM Allocation solution simplifies SIM management and inventory for wireless carriers. With a growing solutions portfolio, global sales and support, onshore/offshore development and an impressive order backlog, the Company is well positioned to extend its track record for growth and profitability.

Founded in 1985, the company has headquarters in Englewood, Colorado, with offices in the United States, United Kingdom, Germany, India and Malaysia. The Company derives its revenue from a combination of software license sales as well as software upgrade and maintenance agreements that typically represent long-term, recurring threads of revenue.

REPRESENTATIVE CUSTOMERS

3 (Hutchison)	First Cellular	Swisscom Mobile
ACS Alaska	Global Crossing	T-Mobile
ALLTEL Corporation	Indosat	Tele2
AT&T	Inmarsat	Telefonica Moviles Mexico
Bulgarian Telecom	Leap Wireless	Telemig & Amazonia Celular
Cable & Wireless	Maxis	Telenor Pakistan
Cincinnati Bell	Millicom	Time Warner Telecom
Comcast	Mobilkom Austria	Unitymedia
Cox Communications	MTN	Verizon Communications
Cybercity	Qwest Communications	VIPNet
Deutsche Bahn	Shaw Communications	Virgin Media
Embarq	Si.Mobil	Vodafone
FAL-Dete Telecommunications	Sprint Nextel	

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Consolidated Statements of Operations
(In thousands except per share data)
(Includes Adjusted EBITDA) (Unaudited)

Consolidated Statements of Operations

	3 months ended Dec. 31, 2007	2006	12 Months Ended Dec. 31, 2007	2006
Revenue:				
License fees and services	\$ 4,470	\$ 4,029	\$ 17,895	\$ 15,883
Customer support	4,589	4,769	18,058	17,950
Total revenue	9,059	8,798	35,953	33,833
Costs of revenue and operating expenses:				
Costs of license fees and services, excluding depreciation and amortization	2,061	1,819	8,023	7,342
Costs of customer support, excluding depreciation and amortization	1,496	1,281	6,237	5,694
Sales and marketing	2,328	2,043	8,557	8,962
General and administrative	1,314	1,180	5,862	5,138
Product development	804	678	2,376	3,072
Depreciation	170	307	899	1,169
Amortization	389	386	1,565	2,511
Impairment of goodwill and intangible assets	—	—	—	16,516
Restructuring and other expense (recovery)	(3)	2	(4)	(21)
Total costs of revenue and operating expenses	8,559	7,696	33,515	50,383
Income (loss) from operations	500	1,102	2,438	(16,550)
Interest and other income (expense), net	(229)	(416)	(1,284)	(1,837)
Income (loss) before income taxes	271	686	1,154	(18,387)
Income tax expense (benefit)	(13)	(326)	556	(1,604)
Net income (loss)	\$ 284	\$ 1,012	\$ 598	\$ (16,783)
Basic income (loss) per common share	\$ 0.01	\$ 0.05	\$ 0.03	\$ (0.88)
Diluted income (loss) per common share	\$ 0.01	\$ 0.05	\$ 0.03	\$ (0.88)
Adjusted EBITDA	\$ 1,226	\$ 1,978	\$ 5,612	\$ 4,454
Weighted average basic shares outstanding	19,259	19,134	19,198	19,100
Weighted average diluted shares outstanding	19,665	19,344	19,576	19,100

CAUTIONARY STATEMENT

This profile contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, based on current expectations, estimates and projections that are subject to risk. Specifically, statements about the Company's growth and future profitability, future business, revenue and expense projections, the Company's continued ability to post quarterly and annual results that are similar to those described in this press release and the impact of new accounts on the Company's business are forward-looking statements. These statements are based on our expectations and are naturally subject to uncertainty and changes in circumstances. Readers should not place undue reliance on these forward-looking statements, and the Company may not undertake to update these statements. Actual results could vary materially from these expectations. For a more extensive discussion of Evolving Systems' business, and important factors that could cause actual results to differ materially from those contained in the forward-looking statements, please refer to the Company's Form 10-K filed with the SEC on March 13, 2008, as well as subsequently filed Forms 10-Q, 8-K and press releases.

Consolidated Balance Sheets

	Dec. 31, 2007	Dec. 31, 2006
		(unaudited)
(In thousands)		
ASSETS		
Cash and cash equivalents	\$ 7,271	\$ 5,076
Total current assets	20,487	17,347
Total assets	\$ 53,727	\$ 51,338
LIABILITIES AND STOCKHOLDERS' EQUITY		
Total current liabilities	\$ 19,092	\$ 16,544
Long-term debt and other obligations	10,242	12,153
Deferred foreign income taxes	878	1,202
Total liabilities	30,212	29,899
Preferred stock	5,587	11,281
Total stockholders' equity	17,928	10,158
Total liabilities and stockholders' equity	\$ 53,727	\$ 51,338