

INVESTMENT CONSIDERATIONS

Most profitable Q2 as Public Company

- Net income up 31% to \$1.4 million/\$0.13 EPS
- Non-GAAP net income up 24% to \$1.8 million
- Adjusted EBITDA up 4% to \$2.5 million
- Operating income up 5% to \$1.9 million
- 16th straight qtr. of positive operating income

Q2 revenue up 1% to \$9.7 million

- New products revenue up 21%
- Emerging markets revenue up to \$3.6 million

Most profitable first half since 2003

- Net income up 26% to \$2.6 million/\$0.24 EPS
- Non-GAAP net income up 22% to \$3.3
- Adjusted EBITDA up 6% to \$4.5 million
- Operating income up 6% to \$3.4 million

First half revenue up 5% to \$19.5 million

- Best first half total since 2005
- New products and emerging markets make strong contribution

Balance Sheet continues to improve

- Q2 working capital up 34% over Q1 to \$6.7 million
- Cash and cash equivalents at \$9.2 million, up 71% over year-end
- \$5.4 million in cash from operations, up 237% over year ago first half

Third quarter cash dividend of \$0.05 per share

CEO Comments

"The fact that we are working on our fourth consecutive year of revenue growth and reporting our highest second quarter profitability as a public company in a challenging global economy is a testament to the strength of our product portfolio, our customer relationships and our dedicated global employee base. Our strategic focus on new product sales in emerging markets has been very effective. In Q2 we achieved two new customer wins in emerging markets, one with a major carrier who is implementing our new Dynamic SIM Allocation™ (DSA) and another involving our International NumeriTrack® (iNT) solution. We followed that with an early third quarter DSA win with a cable operator preparing to launch a next generation wireless service. With these recent DSA and iNT wins and a solid sales pipeline, we expect to continue our new product momentum in the second half of 2010."

-- Thad Dupper, CEO.

STOCK DATA*

Traded	Nasdaq-EVOL	Average Daily Volume (3 Mo.)	23,000
Recent Bid Price	\$6.82	IPO	May 1998, Goldman Sachs
Common Shares Outstanding	10.1 million	Industry.....	Telecom software & services
Approximate Float.....	6.8 million	Analysts	B. Riley & Co. Kaufman Bros. GVC Capital
Institutional Ownership.....	23%		

*Data as of August 2010

OVERVIEW

Evolving Systems is a worldwide provider of software and services to telecommunications carriers, with more than 70 customers in over 40 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.

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™ (DSA) 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)	Indosat	T-Mobile
ACS Alaska	Inmarsat	Telcel
Alfa Telecommunications	Leap Wireless	Tele2
ALLTEL Corporation	Maxis	Telefonica Moviles Mexico
AT&T	Millicom	Telenor
Cable & Wireless	M-net Telekommunikations	TW Telecom
Century Link	MTN	Unitymedia
Cincinnati Bell	Qwest Communications	Verizon Communications
Claro	Safaricom	VIPNet
Comcast	Shaw Communications	Virgin Media
Deutsche Bahn	Sprint Nextel	Vivacom
Global Crossing	Swisscom	Vivo
		Vodafone

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

Revenue:				
License fees and services	\$	5,668	\$	5,359
Customer support		4,081		4,270
Total revenue		9,749		9,629
Costs of revenue and operating expenses:				
Costs of license fees and services, excluding depreciation and amortization		1,961		2,065
Costs of customer support, excluding depreciation and amortization		1,150		1,401
Sales and marketing		1,851		1,942
General and administrative		1,457		1,399
Product development		1,121		686
Depreciation		151		158
Amortization		166		183
Total costs of revenue and operating expenses		7,857		7,834
Income from operations		1,892		1,795
Other income (expense):				
Interest income		1		18
Interest expense		(22)		(161)
Foreign currency exchange loss		(107)		(497)
Other income (expense), net		(128)		(640)
Income before income taxes		1,764		1,155
Income tax expense		322		53
Net income	\$	1,442	\$	1,102
Basic income per common share	\$	0.14	\$	0.11
Diluted income per common share	\$	0.13	\$	0.11
Cash dividend declared per common share	\$	0.05	\$	—
Adjusted EBITDA	\$	2,458	\$	2,361
Non-GAAP net income	\$	1,790	\$	1,442
Diluted Non-GAAP EPS	\$	0.17	\$	0.14
Weighted average basic shares outstanding		10,050		9,777
Weighted average diluted shares outstanding		10,753		9,976

Consolidated Statements of Operations

	Three months ended June 30,		Six months ended June 30,	
	2010	2009	2010	2009
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CAUTIONARY STATEMENT

This news release 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 or six-month results that are similar to those described in this press release and the impact of new products and 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 8, 2010, as well as subsequently filed Forms 10-Q, 8-K and press releases.

Consolidated Balance Sheets

(In thousands)	June 30, 2010	Dec. 31, 2009
	(unaudited)	
ASSETS		
Cash and cash equivalents	\$ 9,174	\$ 5,369
Total current assets	18,918	20,350
Total assets	\$ 43,041	\$ 45,837
LIABILITIES AND STOCKHOLDERS' EQUITY		
Total current liabilities	\$ 12,235	\$ 15,576
Long-term debt and other obligations	22	1,535
Deferred foreign income taxes	127	257
Total liabilities	12,384	17,368
Total stockholders' equity	30,657	28,469
Total liabilities and stockholders' equity	\$ 43,041	\$ 45,837