

Press Information

For immediate release

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Telelogic Focuses the Product Portfolio

MALMÖ, Sweden, June 7, 2001 – Telelogic (Stockholm Stock Exchange:TLOG), a worldleading provider of solutions for advanced software and systems development, today announced an agreement with the software company DSCE. Under this agreement, DSCE acquires KnowledgeSynergy including all product rights and customer installations. DSCE also takes over sales and marketing of the product.

KnowledgeSynergy is a project collaboration tool that Telelogic obtained through the acquisition of Continuus Software in December 2000.

"This is part of the process to sharpen our R&D focus. KnowledgeSynergy is a web based product in an early development stage, which would require major investments before we could expect any significant revenue out of it. DSCE, under contract to Continuus, was responsible for the majority of critical development and maintenance of KnowledgeSynergy for over a year and today's agreement is a natural extension of that earlier relationship. We are convinced that a partner like DSCE can better take advantage of KnowledgeSynergy's potential," says Anders Lidbeck, President and CEO of Telelogic.

"We are delighted to reach agreement with Telelogic AB on the ownership of this technology. The KnowledgeSynergy application has substantial potential in DCSE's target markets," said Ali Diba, President and CEO of DCSE. "We also look forward to maintaining an OEM relationship with Telelogic on an ongoing basis for components of the technology. This is a win/win for Telelogic AB, DCSE and the joint customers we share."

Under the terms of the sale Telelogic will realize revenues from future royalties. The sale of KnowledgeSynergy will not impact Telelogic's full year forecast.

About DCSE

DCSE is a distinguished engineering consulting firm specializing in the development of ebusiness software solutions for utility, transportation, and environmental markets. The firm's



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core capabilities include the development and implementation of large-scale databases, geographic information systems, and Web-based applications. DCSE is a leader in integrating these three systems for its clients.

Founded in 1989, the firm is comprised of professional engineers and computer scientists specializing in water resources, wastewater, and environmental planning and engineering. DCSE is located in Orange County, California.

About Telelogic (Stockholm Stock Exchange/TLOG)

Telelogic is a leading global supplier of solutions for advanced software and systems development. By providing integrated best-of-breed products and professional services for the end-to-end software development lifecycle, Telelogic enables organizations to improve quality and predictability, while reducing time-to-market and overall costs. Built on an open architecture that ensures interoperability with many top tier technology solutions, Telelogic's products are based on international standardized languages and notations. Telelogic participates in 3GPP, Bluetooth SIG and OMG to monitor and help create future communication technologies and visual software development languages.

Named by Forbes Magazine as one of the 300 Best Small Companies in the world, Telelogic is a public and rapidly growing company headquartered in Malmö, Sweden. According to the VDC 2000 report Telelogic is the leading solution supplier in the embedded market and Telelogic DOORS has been named the market leader for requirements management in the Standish Group's 2000 report. Customers include Airbus, Alcatel, Bank of America, BMW, Boeing, British Telecom, Cisco, DaimlerChrysler, Deutsche Bank, Ericsson, Lockheed Martin, Lucent Technologies, Motorola, NEC, Nokia, Philips and Siemens.

Telelogic's worldwide presence includes offices in Asia, Australia, Europe and North America. For more information about Telelogic and how it can benefit your development efforts, visit the website at www.telelogic.com.

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