

## Press information Teleca

- **Teleca makes further provisions of SEK 45 M for 2003**
- **A lump sum write-down of SEK 60 M is made from the total goodwill of about SEK 1 623 M**
- **Nick Stammers resigns as CEO. Chairman Dan Olofsson take over as acting CEO**
- **Positive outlook for 2004**

### ***Provisions and goodwill***

Teleca started in May 2003 a significant customer project on a time and material contract. Negotiations have during the last two months been going on in order to reach a fix priced agreement for the whole project that runs until completion in September 2004.

A principal agreement on price has been reached this week. The total amount for the whole project, from May 2003 to September 2004, is roughly 25% lower than Teleca expected. Teleca is prepared to make this deduction in order to increase future business opportunities. Due to fixed price accounting principle on the basis of degree of completion, the effect is that a provision must be taken in the fourth quarter of 2003 in order for the distribution over time to be proportional.

The definitive fixed price contract is expected to be finalised in Mars 2004. Due to some outstanding issues with other parties, the Board of Directors has decided a cautious approach and makes an additional provision. If the final contract shows that this is not necessary, the provision will be reversed before Teleca issues the annual report of 2003.

The total provision is approximately SEK 45 M and will affect 2003 results.

The goodwill is valued continuously. The Board finds it justified to make a minor lump sum write-down of SEK 60 M from the total goodwill of about SEK 1623 M. This is related to Teleca's operations in France which has not shown a satisfactory profitability. The goodwill for this unit is reduced from about SEK 100 M to about SEK 40 M. After this lump sum write-down the equity in the Teleca group is calculated to amount to SEK 1,800 M as of 31 December and the equity/asset ratio is calculated to amount to 65%.

### ***CEO***

Nick Stammers has informed the Board that he takes full responsibility for Teleca not reaching its goals. Therefore he has decided to resign as CEO, The Board has accepted Nick Stammers resignation. Dan Olofsson has been appointed acting CEO as from 11 February until a new permanent CEO has been appointed.

### ***Positive outlook for 2004***

The Q4 report will be delivered as planned on 13 February where Teleca's development will be reported in more detail. In general Teleca sees a positive development with increased demand. Utilisation continues to increase and sales and operating profit (EBITA) are expected to increase substantially in 2004.



### ***Telephone conference***

Chairman and acting CEO Dan Olofsson will inform about the above mentioned issues during a telephone conference at 10.00 (CET) on Wednesday 11 March. After the presentation there will be an opportunity to ask questions. The presentation will be in English. Telephone number: +44 (0)20 7162 0189. A recording of the conference will be available on telephone number +44 (0)20 8288 4459 during one week, access code 139072.

### **For more information, contact:**

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**Teleca** is an international consulting company developing and applying advanced technology. The company's business concept is to strengthen the customers' market position and time to market. Teleca builds and integrates solutions for technology and software intensive customers worldwide. Core values are honesty, reliability and hard work. The company has more than 2,700 employees with operations in 15 countries in Asia, Europe and USA. Teleca is quoted on the Attract40 list of Stockholmsbörsen (Stockholm stock exchange). [www.teleca.com](http://www.teleca.com)