

Teleca – AU-System: New organisation in force

Teleca's new board of directors, elected on February 28, 2002, has decided on a new structure and organisation.

For several years Teleca has been running its operations decentralised through subsidiaries focusing on their regional markets. In parallel, a number of key accounts have been established. The new common structure means that the market will be addressed through:

- Local cost-efficient subsidiaries focusing on their local market. Teleca currently has subsidiaries in 13 countries.
- Enforced key account management. The group's broad international customer base, consisting of leading international blue-chip companies with extensive R&D operations, creates great opportunities to both broaden and deepen Teleca's total market penetration. Therefore the key account management is enforced.
- AU-System has successfully developed components for mobile systems. The strategy now is to leverage from co-operation with local subsidiaries, primarily through increased consulting volumes, but also through increased component sales. AU-System was affected by Ericsson's cutbacks during the spring 2001. Through the components the company has been able to generate substantial new consulting volumes during the autumn from international clients like Samsung, Comneon/Infineon, Motorola, and LG Electronics. The market trend, where the major players in the telecom industry are increasingly working horizontally with partners instead of vertically within their own structures, creates significant opportunities internationally to combine consultancy sales with sales of the spearhead components. A new subsidiary, Teleca AU-Technologies AB, will drive this process.

The new structure means that AU-System AB is divided into the following three subsidiaries:

- Teleca AU-Technologies AB with 270 employees. Focuses on mobile solutions for telecom suppliers and on developing the business logic around AU-System's components together with the regional subsidiaries. AU-System's business area Suppliers forms the basis for this subsidiary. Christer Björk, today business area manager for Suppliers at AU-System will be responsible for this subsidiary.
- AU-System Solutions AB with 350 employees. AU-System's business areas Enterprise and Operators form the basis for this subsidiary. Johan Nyberg, today business area manager for Enterprise at AU-System will be responsible for this subsidiary.
- Teleca AU-Networks AB with 160 employees. Focuses on maintenance of telecommunications systems and consists of AU-System's operations in Östersund, which was started through an outsourcing contract with Ericsson in 2000. This unit will also include Teleca's operations in Poland. Lars-Göran Nilsson, today manager for AU-System Östersund will be responsible for this subsidiary.



In addition to this, both AU-System and Teleca have strong units focusing on OSS, Operations Support Systems. Combining these units in the subsidiary Teleca AU Support Systems AB, with 80 employees, will further strengthen these operations. Johan Strid, today manager in Teleca Exallon AB will be responsible for this subsidiary.

The names of the new subsidiaries are yet to be confirmed.

Further, Teleca's and AU-System's operations in England and Italy will also be co-ordinated.

No other changes are made in Teleca's and AU-System's subsidiaries.

The group executive board consists of: Nick Stammers, CEO; Anders Cedervall, executive vice president; Thomas Pantzar, executive vice president; Joachim Jaginder, CFO; Christer Björk; Konstantin Caliacmanis; Tore Helgeson; Håkan Persson and Nick Wood. The group executive board is responsible for co-ordination of subsidiaries and key accounts as well as handling new outsourcing opportunities and acquisitions.

Tomas Franzén, today CEO of AU-System AB, has decided to leave the company and will become the CEO of another company listed on Stockholmsbörsen.

Dan Olofsson, chairman of Teleca, comments: "The work with structure and organisation has progressed very effectively. We see great future market opportunities and by already having the organisation in place we are now able to focus on business and efficiency. The focus for 2002 will be on successively increasing the group's operating margin".

Nick Stammers, CEO of Teleca, comments: "There has been a very constructive co-operation between the key people in Teleca and AU-System and the new board. All key functions have now been established and there is a strong driving force in the organisation. The industrial logic of the merger is very clear and we will now start to realise it."

For more information, please contact

- Dan Olofsson, Chairman, Teleca, phone +46 40 665 90 00
- Nick Stammers, CEO, Teleca, mobile +44-7768-32 35 35

About the Teleca group

Teleca is one of Europe's leading high-end consulting groups focused on new technology and R&D. Our business concept is to strengthen our customer's market position and time-to-market. This is achieved by providing professional teams with specialist technical expertise, working in partnership with development-intensive companies world-wide. The group has more than 2,200 employees in 13 countries with a strong presence in the Nordic region, UK, and France. Teleca is quoted on the Attract40 list of Stockholmsbörsen. For more information please visit www.teleca.com.

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