



Press release, July 5, 2002

Teleca makes public offer for O-Listed Pronyx – Strengthens leading position in industrial IT and automation

Teleca is making a public offer for Pronyx AB, which has 125 employees. If the offer is implemented, Teleca will integrate Pronyx's operations with Teleca subsidiary Benima, which will have operations in Sweden, Norway, Denmark and Finland.

- The merger makes substantial cost savings and efficiency gains in Pronyx possible, due to the company's full integration with Benima. Teleca's earnings per share for 2003 are expected to increase by approximately SEK 0.13 per share.
- Teleca is offering one new Teleca Series B share for 11 Pronyx shares, or SEK 3.30 in cash per share.
Based on the closing price on Stockholmsbörsen (Stockholm Exchange) for Teleca Series B shares, on Thursday, July 4, of SEK 35.50, and the closing price for Pronyx shares, on Friday, June 28, of SEK 2.86 (following which there has been no trading in Pronyx shares), the share offer represents a premium of 13 percent (15 percent for the cash offer) . Based on the average closing prices for Teleca Series B shares and Pronyx shares during the most recent 30 trading days, the offer represents a premium of 15 percent (12 percent for the cash offer).
- The Board of Directors of Pronyx unanimously recommends that Pronyx shareholders accept the offer. Shareholders representing 24 percent of the shares have undertaken to accept the offer.

Teleca is making an offer for all the shares in and convertible debentures issued by Pronyx. Under the terms of the offer, eleven Pronyx shares can be exchanged for one Teleca share. Alternatively, SEK 3.30 in cash is being offered for one Pronyx share.

Pronyx's Board of Directors sees substantial value in the industrial logic of the merger. The Board supports the offer and unanimously recommends that the company's shareholders and holders of convertible debentures accept it. Per Lambert, the principal owner, also the Chairman of the Board of Directors, and Gunnar Meller, CEO of the company, who together hold 24 percent of the shares, have undertaken to accept the offer.

Nick Stammers, CEO of Teleca AB, explains the reason for the acquisition of Pronyx: "This adds to Teleca's broad market spread and also adds to Teleca's profits."

Tore Helgeson, CEO of Benima AB:

"The companies complement each other both in terms of expertise and geographical reach. We also see cost savings and gains in efficiency in the short term as well as in the long term. Benima has mainly focused on industrial automation while Pronyx places greater emphasis on industrial IT, a field that has a great growth potential.

"Together, we can offer customers a broader range of services. Size, experience and strength are important competitive advantages today. Customers are looking for suppliers who will also be in business tomorrow."



Following the acquisition, whereby Pronyx's operations are being completely integrated with Benima's, Benima will have offices in a total of 34 communities in Sweden, Norway, Denmark and Finland, with about 500 employees. The acquisition strengthens Benima's leading position as consultants in industrial IT and automation in the Nordic region.

The company's customers are mainly found in industrial niches such as pharmaceuticals, nuclear power, pulp and paper, chemicals and petrochemicals. Pronyx is also contributing operations in the sawmill industry and is strengthening the merged company's profile in iron and steel as well as pulp and paper. In addition to Pronyx's consulting operations, the company also sells products developed "in house." New releases of products such as AutoMine and Woodline, which have a substantial result potential, are about to be introduced.

Gunnar Meller, the CEO of Pronyx AB, strongly favours the merger and will continue to hold a key position in the future. "The merger is creating substantial opportunities, for both our customers and our employees," he says. "Benima stands for an entrepreneurial spirit and a corporate culture that agrees very well with our approach to consulting operations."

Pronyx, which is listed on the O-List of Stockholmsbörsen, expects to achieve a zero result for 2002. During the most recent 12 months, Pronyx posted sales of SEK 126 M. The acquisition is expected to have an immediate positive effect on Teleca's earnings. As a consequence of a complete integration, Teleca has identified direct cost savings for Pronyx of SEK 10–12 M annually, estimated to gain full effect as of 2003. The acquisition is also expected to increase the volume of work, which should contribute several additional million kronor to earnings. Teleca's offer represents a bid value of SEK 22 M for the shares in Pronyx, based on an issue of 607,089 new shares in Teleca. In addition, there is net debt in Pronyx of SEK 22 M, of which the convertible loan, redeemed in conjunction with the transaction, accounts for SEK 14 M. Restructuring costs in connection with the merger are estimated at SEK 7 M. The acquisition is estimated to result in consolidated goodwill in Teleca of approximately SEK 4 M, to which is added goodwill of SEK 15 M carried in Pronyx. Teleca's earnings per share for 2003 are expected to increase by approximately SEK 0.13 including amortisation of goodwill, and by approximately SEK 0.15 excluding amortisation of goodwill.

A prospectus is expected to be distributed to Pronyx shareholders on or about August 9, 2002. The acceptance period for the offer is expected to extend from August 13 through September 3, 2002, with the date for settlement expected to be around September 16, 2002.



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Teleca is one of Europe's leading consulting companies in 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 to work in partnership with development-intensive companies all over the world. The Group has more than 2,300 employees in 13 countries. It occupies a strong position in the Nordic countries, the UK and France. Teleca is listed on Stockholmsbörsen's Attract40. (www.teleca.com)

Benima is a full-service, "supplier-independent" consulting company in the fields of industrial IT and automation. The company, which is a business unit within Teleca, has 400 qualified employees in 27 offices in Sweden, Denmark and Norway. (www.benima.se)

Pronyx is a leading supplier of consulting services in the field of industrial IT. The company has approximately employees who are responsible for IT solutions in the Wood, Paper, Industry and Metal customer segments. Pronyx is on the O-List of Stockholmsbörsen. (www.pronyx.com)



Public offer to Pronyx shareholders and holders of convertible debentures issued by Pronyx

The Board of Directors of Teleca AB ("Teleca") has decided today to make a public offer (the "Offer") to the shareholders of Pronyx AB ("Pronyx") and holders of convertible debentures issued by Pronyx, to acquire all outstanding shares and convertibles. Teleca does not hold any shares or convertible debentures issued by Pronyx.

Teleca is offering one Teleca Series B share for each 11 Pronyx shares, or SEK 3.30 in cash for each Pronyx share.

For Pronyx convertible debentures 2000/2003, one hundred percent of the nominal amount is being offered. In addition, holders of convertible debentures will receive accrued interest in accordance with the terms of the convertible debentures up to the day settlement is commenced.

No commission is being charged for shares and convertible debentures tendered in accordance with the Offer.

Fractions of Teleca shares will not be delivered as payment in the Offer. To the degree that Pronyx shareholders are entitled to receive a fraction of a Teleca share, an amount equal to this fraction will be paid in cash. Additional information on this will be available in the prospectus.

Based on authorisation granted at the Annual General Meeting in 2002, the Board of Directors of Teleca intends to resolve on a new issue of Series B shares in Teleca in connection with the Offer.

Premium and value of Offer

Based on the closing price on Stockholmsbörsen for Teleca Series B shares on Thursday, July 4, of SEK 35.50, and the closing price for Pronyx shares on Friday, June 28 of SEK 2.86 (following which there has been no trading in Pronyx shares), the Offer amounts to a premium of 13 percent. Based on the average closing prices for Teleca Series B shares and Pronyx shares during the most recent 30 trading days, the Offer represents a premium of 15 percent.

In the cash alternative, of SEK 3.30 per share, the Offer represents a premium of 13 percent, based on the closing price for Pronyx shares, on Friday, June 28 of SEK 2.86 per share. Based on the average closing price for Pronyx shares during the most recent 30 trading days, of SEK 2.95 per share, the Offer represents a premium of 12 percent.

With full acceptance of the Offer, a maximum of 607,089 new Teleca Series B shares will be issued. Based on the closing price for Teleca Series B shares of SEK 35.50 on July 4, the market value of these shares is SEK 21.6 M.



Pronyx has issued convertible debentures in a total nominal amount of SEK 13,982,500. These convertible debentures can be converted to shares during the period March 30, 2002 through March 30, 2003. Upon full conversion at a price of SEK 36.85 per Pronyx share, this represents 379,443 Pronyx shares.

Financial information

Pro forma financial information for the new Group is presented in the following table.

January–March 2002

SEK M	Teleca	Pronyx	Pro forma, including Pronyx
Net Sales	430.9	31.7	462.6
EBITA	43.7	-0.2	43.5
Employees, March 31, 2002	2,188	125	2,313

Due to the complete integration the merger is expected to immediately improve Teleca's earnings. Teleca's earnings per share for 2003 are expected to increase by approximately SEK 0.13 including amortisation of goodwill, and approximately SEK 0.15 excluding amortisation of goodwill.

The merger will result in restructuring expenses. Teleca's management estimates that these expenses will amount to SEK 7 M. A restructuring reserve will be established for this purpose.

Given the strategic value of the transaction, the enduring stability of Pronyx, and the fact that the company has been in existence for over 20 years, Teleca is expecting to amortise goodwill arising from the transaction over a period of 20 years.

The pro forma financial position of the new Group as of March 31, 2002, under the assumption that 607,089 new Teleca shares are issued, shows an equity/assets ratio of approximately 67 percent (68 percent excluding Pronyx). The Group's pro forma net debt as of the same date amounted to approximately SEK 130 M (SEK 110 M excluding Pronyx).

Terms and conditions for the Offer

The Offer is subject to the following conditions:

- that the Offer is accepted to such a degree that Teleca becomes the owner of shares and convertible debentures representing more than 90 percent of Pronyx's shares, calculated both before and after full conversion of convertible debentures issued. However, Teleca reserves the right to implement the Offer if it is accepted to a lesser degree
- that it has not, prior to the announcement of the implementation of the Offer, become known to Teleca that information made public by Pronyx in any material respect is incorrect or misleading, or that any material fact which should have been made public by Pronyx has not been made public



- that, prior to public announcement that the Offer has been implemented, the acquisition is not made completely or partly impossible, or significantly impeded as a result of legislation, court action or the decision of a public authority, or a comparable circumstance that exists or may be expected in Sweden or another country, or by another circumstance beyond Teleca's control.

Preliminary timetable, etc.

A prospectus pertaining to the Offer is expected to be distributed to shareholders of and holders of convertible debentures issued by Pronyx on or about August 9, 2002. The acceptance period for the Offer is expected to extend from August 13, through September 3, 2002. Assuming that Teleca implements the Offer not later than September 6, 2002, it is expected that settlement with regard to the shareholders and debenture holders who accepted the Offer can begin on or about September 16, 2002. Teleca reserves the right to extend the acceptance period, as well as to postpone the settlement date.

Advisor

Teleca has retained Enskilda Securities as its financial advisor in connection with the Offer.

Malmö, July 5, 2002

Teleca AB (publ)

The Board of Directors