



News Release

Contacts:

Anders Lidbeck
President & CEO
Phone: +46 40 174700

Fredrik Sjöholm
Director Investor Relations
Phone: +46 40 650 65 22
E-mail: fredrik.sjoholm@telelogic.com

Telelogic sells off the Components Division

MALMÖ, Sweden – August 20, 2002 – Telelogic, (Stockholm Exchange: TLOG), the leading global provider of solutions for advanced systems and software development, today announced that it has successfully concluded the negotiations with a British partner to sell off Telelogic's Component Division. The agreement covers the IP rights, the customer base and the employees at the UK operations of the component business. The deal will during a 12 month period have a significantly positive impact on Telelogic's consultancy margins but has a marginal effect on the result for the current year.

"The market conditions for 3G components have changed over time and, today, practically all new development in this area focus on dual mode technology. Over time, new sales in this area will also require solutions that incorporate hardware designs. Telelogic has successfully created a component business around UMTS. We have two of our core technologies, SDL and TTCN well incorporated within this area. But to date, our UMTS stack component has only been sold in Japan. In light of the current market situation within the telecommunications sector, and the fact that we recently launched a japanese version of our DOORS product, we recognise the need to focus our sales resources in Japan. We therefore decided to find an external solution for our components business", said Anders Lidbeck, president and CEO for Telelogic. "This deal was important to Telelogic and it is great for our Components customers and our employees working in this area as the buyer has a very clear dual mode strategy", concludes Anders Lidbeck.

The component division has during the last year employed approx. 30 consultants. The staff in the United Kingdom will be offered continued employment with the buyer while the employees of the component division in Norway are not part of the agreement and are on notice to leave.

About Telelogic

Founded in 1983, Telelogic® (www.telelogic.com) is the leading global provider of solutions for advanced systems and software development. The company's automated application lifecycle solution includes integrated best-in-class software and professional services for requirements management, change and configuration management, development, testing, and documentation. Telelogic enables organizations to improve quality and predictability, while reducing time-to-market and overall costs in systems and software development. Built on an open architecture that ensures interoperability with other leading third-party solutions, Telelogic's products are based on international standardized languages and notations. Telelogic participates in 3GPP, ETSI, ITU-T and OMG to create future communication technologies and visual software development languages.

Headquartered in Malmö, Sweden the company has more than 900 employees worldwide. Customers include Airbus, Alcatel, BMW, Boeing, BT, DaimlerChrysler, Deutsche Bank, Ericsson, Lockheed Martin, Lucent Technologies, Motorola, NEC, Nokia, Philips and Siemens.

###

Telelogic, Telelogic DOORS, and Telelogic Tau are the registered trademarks of Telelogic AB. Telelogic Synergy and ActiveCM are trademarks of Telelogic AB. All other trademarks are the properties of respective holders.