

Teleca AB (publ)
Interim Report, January - September, 2002

Outlook is Improving

- **Q3 utilisation was the highest in 2002**
- **Strengthening global business with sales of SEK 111 M outside Europe during the period**
- **More than 150 new customers representing SEK 215 M in sales during 2002**
- **Sales during the period amounted to SEK 1,458 M (891 M)**
- **Operating profit (EBITA) amounted to SEK 141 M (136 M).**
- **Forecast full year 2002 remains firm: Significantly increased profit (EBITA) compared with the pro-forma profit for Teleca and AU-System (SEK 173 M)**

Teleca consolidates AU-System as from February 1, 2002. This report includes comparative Teleca pro-forma figures for previous year, which excludes Epsilon and Sigma.



The Teleca Group

Teleca is a European consulting company focusing on R&D and new technology with a strong position in the Nordic countries, the UK and France. The Group has more than 2,300 employees in 15 countries, of which approximately 30% are based outside Sweden. Revenue outside Sweden is approximately 43%.

The Group's customers are spread all over the world and are leading technology companies, service operators and world-class IT users that need to develop new technologies or enhance existing solutions in the following segments:

- **Telecom:** Teleca develops telecom solutions within three areas: terminals, networks and operators. This includes switches, base-stations, PABXs, OSS, mobile services, service platforms, etc.
- **Consumer Electronics:** The rapid pace of development in the telecom technology is transforming Consumer electronics. Software development plays a key role and Teleca works with mobile devices, PC peripherals, cameras, set-top boxes, PDAs, etc.
- **Industrial and Automotive:** Teleca helps various sectors of industry to take advantage of the opportunities offered by information technology for automating and rationalising processes. Within the Industrial segment this includes MES, SCADA, robotics, materials handling device control, simulation, validation etc. Within Automotive it includes driver information, security and safety, engine management, telematics, etc. Teleca also work with business support applications in both areas.
- **Life Science:** There is an enormous potential in Life Science with respect to growth and the application of new technology. Teleca is involved in pharmaceutical production control, laboratory instrumentation, medical devices, bioinformatics, tele-medicine, etc.
- **Finance:** Teleca's ability to develop both services and technical solutions that support our customer's business development is clearly visible within the banking and financial services sector. We work with online banking, financial message processing, mobile banking solutions, etc.
- **Government:** In this segment there are increasing demands for greater availability of services and information within public administration. We work with Business-critical Content Management Systems, IT infrastructure, Operations Support Applications, Online Public Services, etc.

Customers rely on the engineering skills of the Group across the range from small devices such as mobile phones and smart-card readers to large-scale operations like financial networks, telecom networks and production plant control.

Examples of customers of the Group are; ABB, AMS, Ericsson, Hutchison 3G, Motorola, Nokia, One2One, Orange, Panasonic, Saab, Sagem, Samsung, Siemens, Sony Ericsson, Telia, Thales, Vattenfall and Volvo.

One reason why Teleca is maintaining a good margin is its broad customer base with a good industrial and geographical spread. The three main industries are Telecom (32%), Consumer Electronics (30%), Industrial and Automotive (22%). Other important industries include Life Science (7%), Government (5%) and Bank/Finance (2%).



A Global Consulting Company

With a focus on new technology and R&D Teleca has developed a strong platform in its' local European market. Today, present in 11 European countries (plus 4 outside Europe), Teleca provides consulting services to all the leading equipment manufacturers and operators based in Europe, in particular mobile device manufacturers (handsets and PDAs).

The merger with AU-System brought together two companies with global visions. With AU-System came the market winning *AU Mobile Suite* that is forecast to have 35% of the global mobile browser market in 2003 (See Teleca 2002 Q2 report). This has opened the doors to more than 50 customers worldwide for significant consulting services. With Teleca came partnerships with other winning global software vendors such as Symbian and Texas Instrument. Strong relationships with operators, chipset vendors and platform companies also provide channels to the global market.

Mobile devices are evolving into increasingly complex machines and this is triggering a number of market trends. Firstly, there is increasing standardisation with common features and interfaces. Secondly, there is a trend away from brand names that build all their technology in-house towards a component-based industry. The component vendors range from huge multinational hardware platform vendors to niche application suppliers, but in all cases these companies take a global approach to the market.

Thus there is a definite shift as global device manufacturers move away from local tactical resource provision and seek partners with horizontal industry knowledge that can support them internationally. The platform and component suppliers also recognise the need for strong integration partners, as they gain revenues only when final products ship. Therefore the increasing complexity, component-based industry and global market are creating more opportunities for global system integrators of advanced technology like Teleca.

Teleca's global device business continues to strengthen as new customers and revenues increase in US, Japan, Korea, Taiwan and China. Revenues from customers outside Europe were SEK 111 M in the 9 months to September. New alliances have been forged with leading software vendors, which together with Teleca's *AU Mobile Suite*, act as spearheads into the global market and create new opportunities.

Today Teleca works with all the top handset manufacturers and successfully sells consulting services and software in all key countries in this market. Teleca is not only one of Europe's leading R&D consulting companies working on regional markets, but it is also a global consulting company for mobile devices. Teleca is well positioned to continue to strengthen its' global position and this will form a key part of its' strategy.

Business Update

The rain has stopped but it is still rather cloudy. Local markets have been stable for some time now and some positive signs are starting to appear. The key indicators are: utilisation is at the highest level this year (66.2% in Q1, 69.0% in Q2, and 69.8% in Q3 including all staff); a significant number of new customers won this year (more than 150 new customers which delivered 9 month revenues of SEK 215 M) and some large customers that had been decreasing revenues are starting to grow again. Increasing utilisation means that we are coming closer to the point where recruitment and organic growth will start to pick-up again.





The positive signs are good but do not indicate a rapid upturn. There is still over supply in most local markets, which continues to put pressure on prices. Continued focus on sales and efficiency is essential to remain competitive and win business. Our broad customer base, international presence and industry spread continue to provide a stable platform to gain market share.

Stable markets and attractively priced companies create acquisition opportunities for financially strong companies. Teleca continues to look for growth opportunities in its key markets. The acquisition of Pronyx is finalised and integrated into the Teleca Benima group. The integration is going well and cost savings, efficiency gains, and synergies are realised according to plan.

Teleca's partnership approach with major customers has again shown how this can create win-win agreements as exemplified with the recent outsourcing of Ericsson's GPRS development unit in Norway including 70 employees.

The operator business is developing well as relationships with global 3G operators strengthen. Life Science, Industrial and Automotive markets continue to be stable. France continues to be a tough market, but the markets in Italy and the UK are improving with the other local markets continuing to be stable.

The global device market continues to be very strong as more and more new devices, with cameras and colour screens, are developed for mobile Internet and multimedia services. This new era is made possible through high bandwidth networks utilising GPRS (2.5 G) and Bluetooth, which enable devices to easily access the mobile Internet. Third generation networks (3G) will continue this trend as much higher speeds enable a range of new services on new devices.

Teleca's *AU Mobile Suite* continues to sell well with royalty agreements that will deliver increasing and significant revenues in the years ahead. The Teleca Mobile Technologies Company is performing very well (See Teleca 2002 Q2 report) and the good development means that both sales and earnings are expected to be better than the forecast. Profits from this company in the coming quarters will have a positive effect on group margins due to the fact that it has been in an investment phase with losses in previous quarters.

With increasing utilisation, many new customers and a strengthening position in the global device market - the outlook is improving.

Sales and earnings

Sales during the first nine months 2002 increased 64% to SEK 1,457.8 M (890.6 M). Sales outside Sweden accounted for 42%. Sales per employee amounted to SEK 703 thousands (715).

Operating profit before goodwill amortisation (EBITA) amounted to SEK 141.3 M (136.3 M). The margin (EBITA) was 9.7% (15.3%). The combined margin for Teleca and AU-System during full year 2001 was 7.9%. It increased to 10.1% during Q1, 10.0% during Q2 and 9.0% during Q3.

Profit after financial items amounted to SEK 66.0 M (95.0 M).

During Q3 sales were SEK 500.7 M (282.8 M) and the operating profit before goodwill was SEK 45.1 M (42.5). Last year the Teleca and AU-System pro-forma EBITA during Q3 was SEK 26.2 M.

The sales this year compared with the pro-forma sales for Teleca and AU-System in 2001, were 15 % lower during Q1, 8% lower during Q2 and 4% higher during Q3.



Personnel

The average number of employees increased 67% to 2,073 (1,245) (AU-System is consolidated from February 1). The number of employees at the end of the period was 2,352 (1,246, December 2001).

Liquid funds and financial position

The Group's liquid funds amounted to SEK 239 M (245 M December 2001).

The Group's interest bearing net debt amounted to SEK 205 M (SEK 162 M December 31, 2001). The acquisition of Pronyx has affected the group's liquid funds by SEK -23 M during the third quarter. Included in the net debt is a long-term debt instrument to the sellers of Teleca Ltd to the amount of SEK 159 M. The net debt/equity ratio was 10% (19% December 31, 2001).

Group shareholders' equity amounted to SEK 1,971 M (870 M, December 2001). The equity/assets ratio was 68% (58% December 2001).

Investments

The Group's investments during the period totalled SEK 1,150 M, of which SEK 1,057 M was invested in goodwill, which is almost entirely connected to the acquisition of AU-System AB. SEK 66 M was invested in machinery and equipment, whereof SEK 43 M belongs to consolidation of machinery and equipment from AU-System. The remaining SEK 27 M was invested in software development, IPR and buildings (Pronyx). The group's total investments, excluding one-time consolidation effects from acquisitions, amounted to SEK 31 M in machinery and equipment, and software development during the period.

According to a new recommendation from the Swedish Financial Accounting Standards council (Redovisningsrådet; RR 15, effective from January 1, 2002) the group has recorded SEK 11.2 M as fixed assets due to investments in software development arisen during the second and third quarter. Of this SEK 10.1 M are investments in Teleca's *AU Mobile Suite*. Depreciation for the period amounts to SEK 1.1 M. The depreciation period used for software development is 3 years. Based on transitional regulation according to RR 15 when the recommendation is implemented, historical expenses for software development not capitalised, should not be adjusted to RR 15. Hence, the implementation of the new recommendation has not had any effect on comparative periods.

Acquisitions during the third quarter

Teleca acquired Pronyx AB, which has 125 employees. This strengthens Teleca's leading position in industrial IT and Automation. Pronyx's operations will be integrated with Teleca subsidiary Benima, which will have operations in Sweden, Norway, Denmark and Finland. Pronyx was consolidated from 1 September. The acquisition price for the shares in Pronyx was SEK 10.8 M in cash and a new share issue of 267,239 shares in Teleca.

Teleca has reached an agreement with Geoworks Inc (Nasdaq: GWRX) of the United States to purchase Geoworks UK operations based near Teleca's UK head office in Manchester with approximately 30 employees. The deal, which is unanimously recommended by Geoworks board of Directors, is subject to approval by Geoworks shareholders.



Important events after the period

Teleca and Ericsson have signed an outsourcing agreement where the GPRS development unit from Ericsson Norway has been transferred to Teleca. As part of the agreement 70 employees moved from Ericsson to a new Teleca subsidiary in Norway. The results from the new subsidiary will be consolidated with Teleca from 1 November 2002.

Forecast

Utilisation is increasing, many new customers have been won, some local markets are improving and the global device market is very strong. These are positive signs from a period that has been very tough.

Teleca is well positioned to take advantage of improving markets because it is an efficient competitive company with a strong sales focus and a global vision.

Teleca has significant experience of successfully implementing outsourcing agreements and acquiring and integrating strong companies. These will continue to play key roles in its' strategy with many consolidation opportunities in its' main markets.

Demand for Teleca's *AU Mobile Suite* remains strong and sales and profit forecasts are expected to be exceeded.

The Board of Directors' forecast for full year 2002 remains firm, which means significantly increased profit (EBITA) compared with the pro-forma profit for Teleca and AU-System during 2001 (SEK 173 M).



Actual Jan.-Sept. 2002 as well as Sept 30, 2002 shows Teleca incl. AU-System consolidated as from February 1, 2002
 Pro-forma Teleca Jan.-Sept. 2001 as well as Sept 30, 2001 shows Teleca excl. Epsilon and Sigma
 Pro-forma Teleca Jan.-Dec. 2001 as well as December 31, 2001 shows Teleca excl. Epsilon and Sigma.

Condensed consolidated income statement, SEK M

	Actual 2002 Jan.-Sept.	Pro-forma Teleca 2001 Jan.-Sept.	Actual 2002 July-Sept.	Pro-forma Teleca 2001 July-Sept.	Pro-forma Teleca 2001 Jan.-Dec.
Net sales	1,457.8	890.6	500.7	282.8	1,187.8
Operating expenses	-1,295.6	-742.7	-447.5	-236.0	-991.7
Depreciation	-20.9	-11.5	-8.2	-4.2	-14.8
Goodwill amortisation	-68.1	-32.2	-23.3	-11.5	-43.6
Items affecting comparability ^{*)}	0.0	-15.1	0.0	-5.4	-17.2
Operating profit (EBIT)	73.2	89.1	21.8	25.7	120.5
Operating margin, %	5.0	10.0	4.4	9.1	10.1
Profit/loss from financial items	-7.1	5.9	-1.6	2.3	5.4
Profit after financial items	66.0	95.0	20.2	28.0	125.9
Profit margin, %	4.5	10.7	4.0	9.9	10.6
Minority interests	0.0	0.1	0.0	0.0	0.2
Taxes	-39.9	-38.2	-11.4	-8.6	36.9
Profit for the period	26.2	56.9	8.8	19.4	162.9
Operating profit before goodwill amortisation (EBITA)	141.3	136.3	45.1	42.5	181.3
Margin before goodwill amortisation, %	9.7	15.3	9.0	15.0	15.3
Earnings per share after full tax, SEK	0.46	1.52	—	—	4.33
Earnings per share after full tax excl. goodwill amortisation, SEK	1.67	2.38	—	—	5.49

^{*)} 2001, pertains to expenses associated with the split up of the former Sigma Group into three listed companies

Condensed consolidated balance sheet, SEK M

	Actual Sept. 30, 2002	Pro-forma Teleca Sept. 30, 2001	Actual Dec. 31, 2001
Assets			
Fixed assets ^{*)}	1,936.3	838.1	893.8
Current assets	728.5	335.0	361.1
Liquid funds and other interest bearing assets	238.6	242.0	244.7
Total assets	2,903.4	1,415.1	1,499.6
Shareholders' equity and liabilities			
Shareholders' equity	1,971.4	775.0	870.2
Minority share in shareholders' equity	0.0	0.0	0.0
Provisions ^{**)}	38.5	27.8	35.4
Long-term liabilities, interest bearing	382.0	369.4	370.9
Long-term liabilities, non interest bearing	29.4	1.8	1.5
Current liabilities, interest bearing	57.5	32.1	32.5
Current liabilities, non interest bearing	424.6	209.0	189.1
Total shareholders' equity and liabilities	2,903.4	1,415.1	1,499.6

^{*)} Incl. Goodwill

^{**)} Incl. interest bearing

1,744.0

3.7

783.4

3.6

776.6

3.6

Actual Jan.-Sept. 2002 as well as Sept. 30, 2002 shows Teleca incl. AU-System consolidated as from February 1, 2002
 Pro-forma Teleca Jan.-Sept. 2001 as well as Sept. 30, 2001 shows Teleca excl. Epsilon and Sigma
 Pro-forma Teleca Jan.-Dec. 2001 as well as December 31, 2001 shows Teleca excl. Epsilon and Sigma.

Changes in shareholders' equity, SEK M

	Actual Sept. 30, 2002	Pro-forma Teleca Sept. 30, 2001	Pro-forma Teleca Dec.31, 2001
Amount at the beginning of the year	870.2	664.4	664.4
New share issue for acquisitions ^{*)}	1,159.0	60.8	60.8
Warrants	–	36.6	36.6
Shareholders contribution to Sigma	–	-48.5	-48.5
Translation differences	-42.8	45.9	35.1
Dividend	-41.2	-41.1	-41.1
Profit for the period	26.2	56.9	162.9
Amount at the end of the period	1,971.4	775.0	870.2

^{*)} After deduction for issue costs.

Condensed consolidated cash flow analysis, SEK M

	Actual 2002 Jan.-Sept.	Pro-forma Teleca 2001 Jan.-Sept.	Pro-forma Teleca 2001 Jan.-Dec.
Cash flow from operations	115.1	98.2	147.5
Change in working capital	-33.9	-64.3	-109.5
Cash flow from current operations	81.2	33.9	38.0
Investment operations ^{*)}	-1,276.0	-93.4	-115.9
Financial operations	1,188.7	146.8	168.0
Changes on liquid funds	-6.1	87.3	90.1

^{*)} Includes SEK 99 M due to a negative change in working capital pertaining to consolidation of AU-System.

Quarterly trend, pro-forma

	1999				2000				2001				2002		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net sales, SEK M	135.7	145.6	135.3	153.3	205.6	212.9	214.8	299.1	297.9	309.9	282.8	297.3	430.9	526.1	500.7
Operating profit before amortization of goodwill (EBITA), SEK M	11.9	9.2	13.3	9.8	29.3	20.2	28.8	44.5	52.2 ^{*)}	41.6 ^{*)}	42.5 ^{*)}	45.0 ^{*)}	43.7	52.4	45.1
Margin (EBITA), %	8.8	6.3	9.8	6.4	14.3	9.5	13.4	14.8	17.5 [*]	13.4 [*]	15.0 ^{*)}	15.1 ^{*)}	10.1	10.0	9.0
Number of working days, approx.	61.5	59.5	66	63.5	63.5	59	65	63	63.5	59.0	64.0	62.0	62.0	60.0	66.0
Number of employees end of period	666	690	712	748.5	924	951	1,193	1,223	1,218	1,239	1,247	1,245	2,188	2,234	2,352

^{*)} Excl. items affecting comparability.

The numbers 1999-2001 are Teleca excluding Sigma and Epsilon.

Actual Jan.-Sept. 2002 as well as Sept. 30, 2002 shows Teleca incl. AU-System consolidated as from February 1, 2002
 Pro-forma Teleca Jan.-Sept. 2001 as well as Sept. 30, 2001 shows Teleca excl. Epsilon and Sigma
 Pro-forma Teleca Jan.-Dec. 2001 as well as December 31, 2001 shows Teleca excl. Epsilon and Sigma.

Key data, Teleca Group

	Actual 2002 Jan.-Sept.	Pro-forma Teleca 2001 Jan.-Sept.	Pro-forma Teleca 2001 Jan.-Dec.
Number of employees, period-end	2,352	1,247	1,245
Average number of employees	2,073	1,245	1,243
Net sales per employee, SEK thousands	703	715	956
Return on operating capital, %	4.0	11.5	15.2
Return on capital employed, %	4.6	9.9	13.4
Return on equity, %	1.8	7.9	21.2
Equity/assets ratio, %	67.9	54.8	58.0
Gross margin, % (EBITDA)	11.1	16.6	16.5
Operating margin before goodwill amortisation, % (EBITA)	9.7	15.3	15.3
Operating margin, % (EBIT)	5.0	10.0	10.1
Profit margin, %	4.5	10.7	10.6
Number of shares, period-end	59,079,516	37,860,564	37,860,564
Ditto after exercise of all warrants issued	60,814,102	38,460,564	38,460,564
Number of shares fully diluted	59,079,516	37,860,564	37,860,564
Number of shares, average	56,453,267	37,510,794	37,598,238
Ditto fully diluted	56,453,267	37,510,794	37,598,238
Earnings per share after full tax, SEK	0.46	1.52	4.33
Ditto fully diluted, SEK	0.46	1.52	4.33
Earnings per share after full tax excl. goodwill amortisation, SEK	1.67	2.37	5.49
Ditto fully diluted, SEK	1.67	2.37	5.49
Shareholders' equity per share, SEK	33.37	20.47	22.98
Ditto fully diluted, SEK	33.37	20.47	22.98

Actual Jan.-Sept. 2002 as well as Sept. 30, 2002 shows Teleca incl. AU-System consolidated as from February 1, 2002
Actual Jan.-Sept. 2001 as well as Sept. 30, 2001 shows Teleca incl. Epsilon and Sigma

Condensed consolidated income statement, SEK M

	Actual 2002 Jan.-Sept.	Actual 2001 Jan.-Sept.	Actual 2002 July-Sept.	Actual 2001 July-Sept.	Actual 2001 Jan.-Dec.
Net sales	1,457.8	2,180.8	500.7	570.5	2,478.2
Operating expenses	-1,295.6	-1,997.9	-447.5	-543.5	-2,247.1
Depreciation	-20.9	-29.7	-8.2	-8.6	-33.0
Goodwill amortisation	-68.1	-78.9	-23.2	-25.8	-90.4
Items affecting comparability ^{*)}	0.0	-33.2	0.0	-8.1	-35.3
Operating profit (EBIT)	73.2	41.0	21.8	-15.6	72.5
Operating margin, %	5.0	1.9	4.4	-2.7	2.9
Profit/loss from financial items	-7.1	-2.4	-1.6	1.2	-1.9
Profit after financial items	66.0	38.6	20.2	-14.4	70.6
Profit margin, %	4.5	1.8	4.0	-2.5	2.8
Minority interests	0.0	3.2	0.0	2.4	3.0
Taxes	-39.9	-36.7	-11.4	-0.9	38.4
Profit for the period	26.2	5.1	8.8	-12.9	112.0

Operating profit before goodwill amortisation (EBITA)	141.3	153.2	45.1	18.4	198.2
Margin before goodwill amortisation, %	9.7	7.0	9.0	3.2	8.0
Earnings per share after full tax, SEK	0.46	0.14	—	—	2.98
Earnings per share after full tax excl. goodwill amortisation, SEK	1.67	2.24	—	—	5.38

^{*)} 2001, pertains to expenses associated with the split up of the former Sigma Group into three listed companies

Condensed consolidated balance sheet, SEK M

	Actual Sept. 30, 2002	Actual Sept. 30, 2001	Actual Dec. 31, 2001
Assets			
Fixed assets ^{*)}	1,936.3	838.1	893.8
Current assets	728.5	335.0	361.1
Liquid funds and other interest bearing assets	238.6	242.0	244.7
Total assets	2,903.4	1,415.1	1,499.6
Shareholders' equity and liabilities			
Shareholders' equity	1,971.4	775.0	870.2
Minority share in shareholders' equity	0.0	0.0	0.0
Provisions ^{**)}	38.5	27.8	35.4
Long-term liabilities, interest bearing	382.0	369.4	370.9
Long-term liabilities, non interest bearing	29.4	1.8	1.5
Current liabilities, interest bearing	57.5	32.1	32.5
Current liabilities, non interest bearing	424.6	209.1	189.1
Total shareholders' equity and liabilities	2,903.4	1,415.1	1,499.6

^{*)} Incl. Goodwill 1,744.0 783.4 776.6

^{**)} Incl. interest bearing 3.7 3.6 3.6

Actual Jan.-Sept. 2002 as well as Sept. 30, 2002 shows Teleca incl. AU-System consolidated as from February 1, 2002
Actual Jan.-Sept. 2001 as well as Sept. 30, 2001 shows Teleca incl. Epsilon and Sigma

Changes in shareholders' equity, SEK M

	Actual Sept. 30, 2002	Actual Sept.30, 2001	Actual Dec.31, 2001
Amount at the beginning of the year	870.2	1,252.2	1,252.2
New share issue for acquisitions ^{*)}	1,159.0	60.8	60.8
Warrants	–	36.6	36.6
Distribution of Epsilon	–	-160.6	-160.6
Distribution of Sigma	–	-423.9	-423.9
Translation differences	-42.8	45.9	34.2
Dividend	-41.2	-41.1	-41.1
Profit for the period	26.2	5.1	112.0
Amount at the end of the period	1,971.4	775.0	870.2

^{*)} After deduction for issue costs.

Condensed consolidated cash flow analysis, SEK M

	Actual 2002 Jan.-Sept.	Actual 2001 Jan.-Sept.	Actual 2001 Jan.-Dec.
Cash flow from operations	115.1	113.6	172.8
Change in working capital	-33.9	-126.9	-183.3
Cash flow from current operations	81.2	-13.3	-10.5
Investment operations ^{*)}	-1,276.0	-255.9	-266.7
Financial operations	1,188.7	338.2	349.0
Changes on liquid funds	-6.1	69.0	71.8

^{*)} Includes SEK 99 M due to a negative change in working capital pertaining to consolidation of AU-System.



Accounting principles

This Interim report has been created in accordance with the Swedish Financial Accounting Standards Council recommendations and declarations. The same accounting principles and calculation methods have been used in the most recent Annual Report.

Forthcoming report dates

Year-end report (Q4) 2002:

February 13, 2003

Telephone conference

Teleca will be presenting the company and the Interim Report during a telephone conference held at 9.00 AM (CET) at Operaterassen, Stockholm, on November 7, 2002. The conference will also include a Question and Answer (Q&A) session with President & CEO Nick Stammers.

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The presentation can also be viewed on the Internet.

Stockholm, November 7th, 2002

Teleca AB (publ)

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Board of Directors

The interim report may be ordered from the Company or downloaded from Teleca's website:
www.teleca.com

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