

## **Teleca strengthens its position in mobile devices – acquires GeraCap Oy in Finland with 150 staff**

**Teleca has acquired Finnish software services company GeraCap Oy, which employs 150 people. The acquisition further strengthens Teleca's position as the leading integrator of Symbian OS and Nokia Series 60. The acquisition will provide a platform for further growth in mobile devices, and Teleca expects profit per share to improve immediately as a result.**

### **GeraCap Oy**

GeraCap has been growing steadily with good margins ever since it was formed in 1999. The company has established a strong position in mobile devices in Finland largely thanks to close collaboration with its customers. GeraCap has leading expertise in Symbian, Series 60, Linux, systems integration and application development for mobile phones, such as picture display, streaming and video applications.

"The acquisition will strengthen Teleca's relations with leading mobile devices manufacturers and its position in the Finnish market. It also means that we are now receiving highly specialised mobile phone development expertise from a company that is very cost-effectively run by being established outside the Helsinki area," says Thomas Pantzar, executive vice president of Teleca AB.

"During 5 years GeraCap has grown into one of the leading software services companies in its own segment in Finland. Teleca will provide us with a very good platform for developing our business. Teleca's global reach means we can look forward to continued profitable expansion and new opportunities that are exciting for everyone in the company," says Askö Kampainen, chairman of the board of GeraCap.

During the last 3 years GeraCap has experienced an average growth in turnover of 44 per cent. During 2004 the company expects to have a turnover of approx. EUR 7.2 million and a profit before tax of approx. EUR 0.6 million. GeraCap is expected to continue to grow steadily and show good margins.

### **Effects of the acquisition:**

Teleca is paying a basic purchase price of EUR 6 million made up of 1.297.961 newly issued Teleca series B shares with a subscription price of 40.50 Swedish kronor a share and EUR 0.2 million in cash. If annual profits exceed EUR 0.7 million additional purchase costs will be paid in 2006 and 2008, which Teleca can choose to pay as either cash or Teleca shares.

GeraCap will be consolidated in Teleca's interim results from 30 June 2004. The acquisition is expected to have an immediate positive effect on the earnings per share before and after the reversal of goodwill amortisation. Initially goodwill will be written off over 20 years, but the introduction of the new IFRS accounting standards may mean that no goodwill will be written off after the end of 2004.

### **For more information please contact:**

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