Teleca AB (publ)
Year-end Report, January–December, 2004

Considerable organic growth and improved stability

- **Sales increased 11% to SEK 2,728 million (2,456)**
- **Sales outside Sweden 56% (48), sales in Asia increased 108% and amount to 19% of total sales**
- **Organic sales growth 14% in Q4 and 9% for 2004**
- **Operating earnings (EBITA) increased substantially compared with 2003 to SEK 111 million (52). Cash flow from current operations SEK 75 million (139)**
- **Earnings before tax SEK -5 million (-126); after tax SEK -58 million (-169). Earnings per share SEK -0.95 (-2.80); earnings per share excluding goodwill amortization SEK 0.70 (-0.14)**
- **The product segment is reinforced with development and integration resources and also with well established product areas from the consulting business**
- **Forecast 2005. For the group: Continued increased sales and significantly higher operating earnings (EBITA). For Obigo: Significantly increased sales and operating earnings (EBITA)**

Business activities

Teleca’s markets developed positively in the fourth quarter of 2004. Several large procurements meant that demand grew in all segments, thereby helping to create the conditions needed for a high level of utilisation. Meanwhile, stiff competition combined with tougher delivery requirements is moderating prices.

Teleca’s organic sales growth was 9% for the whole of 2004. During the past four quarters organic growth has been 14% (Q4, 2004), 7% (Q3, 2004) 6% (Q2, 2004) and, 0% (Q1, 2004). Provisions made in the fourth quarter 2003 have been excluded and thus adjusted the organic growth in Q4, 2004 downward.. In total sales increased 11% for the whole of 2004 and 27% in the fourth quarter. Growth has largely been attributable to Obigo and Mobile Devices in Asia and North America.

Teleca’s continued organic growth is helping to generate gradually improving profitability.

Several programmes were started in 2004 as part of Teleca’s focus on increasing profitability and control. Among other things, the programmes include action plans for increasing utilisation , reinforcing risk management, improving customer relations, and raising the quality of project deliverables. All this work is continuing, together with improved use of the group’s total product and service offering and continued growth in low-cost countries, with the aim of gradually raising operating margins.

The utilisation rate increased in all segments in the fourth quarter to 73% (72% in third quarter; 72% in second quarter; 71% in first quarter). The utilisation rate for the whole year was 72% (70%).

The number of employees in the Teleca group increased in the fourth quarter by 55 to 3,129 at the end of the period.

Segments

Key figures by segment

	January – December 2004				October – December 2004			
	Sales, SEK M	**Operating earnings (EBITA), SEK M**	**Margin (EBITA), %**	**Average number of employees**	**Sales, SEK M**	**Operating earnings (EBITA), SEK M**	**Margin (EBITA), %**	**Average number of employees**
Products	170 (127)	31 (26)	18 (20)	73 (38)	64 (52)	21 (19)	33 (36)	94 (44)
Mobile Devices	1,220 (895)	58 (64)	5 (7)	1,230 (832)	362 (232)	24 (-39)	7 (-17)	1,416 (994)
Operators & Networks	722 (724)	23 (31)	3 (4)	697 (692)	199 (162)	2 (0)	1 (0)	730 (620)
Enterprises & Industry	830 (822)	33 (-52)	4 (-6)	793 (919)	236 (204)	17 (-35)	7 (-17)	784 (932)
Jonit group and eliminations	-214 (-113)	-34 (-17)	–	17 (15)	-78 (-32)	-14 (0)	–	20 (15)
Total	2,728 (2,456)	111 (52)	4 (2)	2,810 (2,496)	783 (618)	50 (-55)	6 (-9)	3,044 (2,605)

Products
Turnover and profits for the fourth quarter were strong. Sales in Asia have developed positively during the year and made a significant contribution to the fourth quarter’s results. Obigo’s strong position in Asia has been further strengthened by sales success in China, where the number of customers has risen from 5 to 16 during the year. Altogether 20 contracts were signed in the fourth quarter, of which 6 were with new customers.

The pace of development of the Obigo suite of applications increased in the fourth quarter and is continuing to do so in 2005, with multimedia becoming increasingly important. The aim is to offer a broad product that meets the requirements of customers, regardless of terminal platform, choice of bearer (3G, GSM, Bluetooth, and so on) or functions.

From January 2005 onwards the product segment will be substantially strengthened. Development resources and integration resources close to products will be transferred from the Mobile Devices segment to give Obigo better opportunities to offer customers cost-effective solutions. The product areas PC-Connectivity, Popwire and Email client, which have been established in the international market through Teleca's consulting business, will be transferred to the product segment Obigo from the turn of the year.

Mobile Devices

Mobile Devices, Teleca's largest segment, is growing strongly. Sales during the year increased 36% (31% organically). After two quarters with low profitability, margins improved in the fourth quarter. The improvement is a result of increased sales in combination with improved routines in risk management and project deliverables, work that has increased the stability of Mobile Devices. Steps were also taken in the fourth quarter to improve the profitability of Teleca's operating company in the United Kingdom where, among other things, the number of staff was reduced by 36.

Teleca has had sales people based in Taiwan throughout 2004. The marketing efforts were successful and a new operating company was established in January 2005. Today Teleca has several important mobile customers in Taiwan. The opening of the new company is part of Teleca's strategy to consolidate its position as one of the world's leading independent companies of mobile phone software solutions.

Operators & Networks

Sales growth is important in helping operators receive a return on their investments in, for example, 3G networks. Since mobile phone penetration is already high it is even more important to increase the average revenue per user (ARPU), which in turn drives the development of new services. Teleca's assessment is therefore that demand is increasing in the areas in which Teleca is well established, such as mobile data communications, multimedia, 3G and the enterprise market. In the short term stiff competition means that prices will remain under pressure in the operator market.

In the second half of 2004 demand from telecom suppliers improved, driven by the need to converge traditional networks with new technology such as IP. At the same time the larger telecom suppliers are consolidating the partners they wish to work with in the long term. This development favours Teleca, which is one of the industry's leading companies. During the fourth quarter Teleca also opened a new office in Lodz, Poland, to meet increased demand and at the same time be able to offer even more competitive prices. Ten new staff have been employed. Teleca's operating company in Poland acts primarily as a development, maintenance and testing centre for telecom suppliers and mobile phone manufacturers.

Enterprises & Industry

The results have gradually improved during the year, partly because of increased demand. Especially Teleca's business in the area of industrial IT and automation, Benima, and Automotive have developed well with stable growth. During the fourth quarter Benima purchased 80%, with an option to purchase the remaining 20%, of the shares in the Danish company Lentech Holding ApS, which has a staff of 10. Teleca utilized its option as of 1 January 2005. This together with the acquisition of NewCon A/S, which took place earlier in 2004, led to Benima becoming the leading automation consulting company in Denmark.

Sales and earnings

Sales during 2004 were SEK 2,728 million (2,456), an increase of 11%. Sales outside Sweden accounted for 56% (48). Sales per employee were SEK 971 thousand (984).

Organic growth in 2004 was 9% (9). During the past four quarters organic growth has been 14% (Q4, 2004), 7% (Q3, 2004) 6% (Q2, 2004) and, 0% (Q1, 2004). The growth figure for the fourth quarter 2004 excludes a provision of SEK 45 million made in the fourth quarter of 2003.

The growth is entirely relating to sales outside Sweden, and principally to Obigo's and Mobile Devices' sales success in Asia and North America, where sales have doubled.

Operating earnings before goodwill amortisation (EBITA) amounted to SEK 111 million (52). The margin (EBITA) was 4% (2). Earnings after financial items amounted to SEK -5 million (-126).

Earnings after tax was SEK -59 million (-169). In the tax expense for 2004 of SEK -54 million, SEK-19 million refer to deferred taxes, which do not affect the group cash flow. Effective tax for the year was 32%.Based on RR9, deduction of loss carry-forward has not fully affected the tax expense for the year.

In total Teleca has loss carry-forward of SEK 311 million, which makes an offset of future taxable profits possible. In the future tax paid could therefore be lower than the tax amount stated in the accounts. Deferred tax assets, for loss carry-forward and the value of temporary differences has been accounted with net SEK 64 million in the consolidated balance sheet.

Personnel

The average number of employees during the year increased by 13% to 2,810 (2,496). The number of employees at the end of the period was 3,129 (2,708 at 31 December 2003), the number of full time equivalents was 3,034 (2,538). During Q4 the increase in staff was 55.

Liquid funds and financial position

Telecas cash flow from current operations was SEK 75 million (139), of which SEK 35 million (69) during Q4. The Group's liquid funds and other interest bearing assets amounted to SEK 98 million (163 at 31 December 2003).

The Group's interest bearing net debt amounted to SEK 218 million (142 at 31 December 2003). The net debt/equity ratio was 12% (8 at 31 December 2003). Group shareholders' equity amounted to SEK 1,786 million (1,799 at 31 December 2003). The equity/assets ratio was 63% (66 at 31 December 2003).

During the year Teleca has acquired GeraCap, Lentech, NewCon and Popwire. The acquisitions have been financed through cash and 1.297.961 newly issued Teleca series B shares with a subscription price of 40.50 Swedish kronor a share. An adjustment of the acquisition analyses of Popwire, which was acquired in July 2004, has been made during the fourth quarter. As a result goodwill of SEK 4.6 million has been re-classified into patents.

Investments

The Group's investments during the period totalled SEK 258 million (126), of which SEK 115 million (31) refers to acquisitions and SEK 143 million (95) to current operations. Of the investments in acquisitions SEK 104 million (30) refers to goodwill. Of the investments in current operations SEK 35 million (33) refers to other fixed assets and SEK 108 million (63) to intangible fixed assets. The later principally consists investments in Obigo of SEK 78 million (43) and PC Connectivity Suite of SEK 23 million (10). Depreciation of capitalised software development for the period amounts to SEK 42 million (16). The deprecation period for capitalised software development is made during the estimated useful life, normally 3 years.

Incentive programs

During 2004 the maximum number of newly subscribed shares from Teleca's employee stock option program was reduced from 96,269 to 79,532 due to employees leaving the company. The subscription price is SEK 158 a share. No holder of employee stock options used the right to subscribe for new shares during 2004.

At the end of the year Teleca had outstanding warrants carrying the right to subscribe for a total of 833,339 series B shares, in three different programs. None of the warrants had a subscription price that was lower than the share price on 31 December 2004.

Parent company

Sales during the period totalled SEK 95 million (76). Earnings after net financial items was SEK -147 million (19), of which SEK -239 million are relating to write-down of shares in subsidiaries. During the fourth quarter impairment tests of the value of shares in subsidiaries have been made according to RR17. As a result of the tests a write-down of SEK 239 million has been made, principally related to the value of the shares in Teleca Ltd. Liquid funds totalled SEK 10 million (43 at 31 December 2003).

During the period, the parent company invested SEK 69 million (53) in shares in subsidiaries. In addition, SEK 3 million (4) was invested in equipment.

Forecast

The board of directors' forecast for 2005. For the group: Continued increased sales and significantly higher operating earnings (EBITA). For Obigo: Significantly increased sales and operating earnings (EBITA).

Condensed consolidated income statement, SEK million

	2004 Jan.-Dec.	2003 Jan.-Dec.	2004 Oct.-Dec.	2003 Oct.-Dec.
Net sales	2,728,3	2,455.5	783.1	617.6
Personnel expenses	-1,809.4	-1,643.5	-497.5	-457.8
Other operating expenses	-726.7	-708.5	-207.1	-197.6
Depreciation	-81.6	-51.4	-28.6	-16.8
Goodwill amortisation	-101.4	-160.4	-25.1	-85.1
Operating earnings (EBIT)	**9.2**	**-108.3**	**24.8**	**-139.9**
Earnings from financial items *)	-14.0	-17.9	-4.0	-4.7
Earnings after financial items	**-4.8**	**-126.2**	**20.8**	**-144.5**
Minority interests	0.2	0.0	0.4	0.0
Taxes	-53.9	-42.6	-39.3	-15.6
Earnings for the period	**-58.5**	**-168.8**	**-18.1**	**-160.2**
Operating earnings before goodwill amortisation (EBITA)	110.6	52.1	49.9	-54.7
Margin before goodwill amortisation, %	4.1	2.1	6.4	-8.9
Earnings per share after tax, SEK	-0.95	-2.80	-0.29	-2.62
Earnings per share after tax diluted, SEK	-0.95	-2.80	-0.29	-2.62
Earnings per share after tax excl. goodwill amortisation, SEK	0.70	-0.14	0.11	-1.23
Number of shares, period-end	62,377,477	61,079,516	62,377,477	61,079,516
Ditto diluted	62,377,477	61,079,516	62,377,477	61,079,516
Number of shares, average	61,728,497	60,296,183	62,377,477	61,079,516
Ditto diluted	61,728,497	60,296,183	62,377,477	61,079,516

**) Financial items Jan.-Dec. 2004 consists of net interest of SEK -9.9 million (-12.3), net exchange effects of SEK- 3.3 million (-4.7), earnings from other securities of SEK -2.2 million (-0.9), and earnings from sale of parts in group companies SEK 1.4 million (0).*

Condensed consolidated balance sheet, SEK million

	31 Dec. 2004	31 Dec. 2003
Assets		
Goodwill	1,559.0	1,562.6
Other intangible fixed assets	133.9	59.8
Other fixed assets	159.5	173.6
Current assets	886.6	755.8
Other interest bearing assets	1.3	4.8
Liquid funds	96.5	158.4
Total assets	**2,836.8**	**2,714.9**
Shareholders' equity and liabilities		
Shareholders' equity	1,785.9	1,799.0
Minority share in shareholders' equity	0.8	0.0
Provisions *)	13.2	7.6
Long-term liabilities, interest bearing	7.4	6.2
Long-term liabilities, non interest bearing	59.9	13.1
Current liabilities, interest bearing	305.1	295.9
Current liabilities, non interest bearing	664.5	593.2
Total shareholders' equity and liabilities	**2,836.8**	**2,714.9**
*) Incl. interest bearing	3.0	3.4

Changes in shareholders' equity, SEK million

	2004 Jan.-Dec.	2003 Jan.-Dec.
Amount at the beginning of the year	1,799.0	1,975.7
New share issue for acquisitions *)	52,6	62.7
Translation differences	-7,2	-26.3
Dividend	–	-44.3
Earnings for the period	-58,5	-168.8
Amount at the end of the period	**1,785.9**	**1,799.0**

*) *After deduction for issue costs.*

Condensed consolidated cash flow analysis, SEK million

	2004 Jan.-Dec.	2003 Jan.-Dec.	2004 Oct.-Dec.	2003 Oct.-Dec.
Cash flow from operations	159.2	64.0	70.2	-45.7
Change in working capital	-84.6	75.2	-35.6	114.6
Cash flow from current operations	*74.6*	*139.2*	*34.6*	*68.9*
Investment operations	-184.2	-61.4	-48.9	29.2
Financial operations	48.2	-110.2	24.0	-90.4
Exchange differences in liquid funds	-0.5	-2.4	-2.0	-0.3
Changes in liquid funds	**-61.9**	**-34.8**	**7.7**	**7.4**

*) *During the fourth quarter 2004 SEK -50.4 million has been re-classified from Financial operations to Investment operations regarding the acquisition of GeraCap in June 2004.*

Net sales by segment, SEK million

	2004 Jan.-Dec.	2003 Jan.-Dec.	2004 Oct.-Dec.	2003 Oct.-Dec.
Products	170.2	127.5	64.4	52.1
Mobile Devices	1,219.7	894.8	361.8	232.4
Operators & Networks	722.5	724.1	199.4	161.8
Enterprises & Industry	830.3	822.2	235.9	204.3
Joint Group and eliminations	-214.4	-113.1	-78.4	-33.0
	2,728.3	**2,455.5**	**783.1**	**617.6**

Operating earnings by segment, SEK million

	2004 Jan.-Dec.	2003 Jan.-Dec.	2004 Oct.-Dec.	2003 Oct.-Dec.
Products	31,3	25.7	21.2	18.7
Mobile Devices	57,7	63.8	23.8	-38.7
Operators & Networks	23,2	31.2	2.3	-0.5
Enterprises & Industry	33,2	-52.0	16.9	-35.0
Segment (EBITA)	**145,4**	**68.7**	**64.3**	**-55.4**
Joint Group and eliminations	-34,8	-16.6	-14.4	0.7
Operating earnings (EBITA)	**110,6**	**52.1**	**49.9**	**-54.7**
Goodwill amortisation	-101,4	-160.4	-25.1	-85.1
Operating earnings (EBIT)	**9,2**	**-108.3**	**24.8**	**-139.9**

Net sales by geographical area, SEK million

	2004 Jan.-Dec.	2003 Jan.-Dec.	2004 Oct.-Dec.	2003 Oct.-Dec.
Sweden	1,206.4	1,281.8	332.7	308.5
Europe, excl. Sweden	900.3	856.7	251.5	200.0
Asia	506.6	243.3	174.3	83.4
North America	111.1	61.5	23.4	25.1
Rest of World	4.5	12.2	1.2	0.6
Total	**2,728.3**	**2,455.5**	**783.1**	**617.6**

Quarterly trend

	2001				2002				2003				2004			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales, SEK M	297.9	309.9	282.8	297.3	430.9	526.1	500.7	632.3	645.2	634.9	557.9	617.6	647.6	672.5	625.2	783.1
Operating earnings before amortization of goodwill (EBITA), SEK M	52.2*	41.6*	42.5*	45.0*	43.7	52.4	45.1	56.6	43.6	37.2	26.0	-54.7	32.9	15.0	12.8	49.9
Margin (EBITA), %	17.5*	13.4*	15.0*	15.1*	10.1	10.0	9.0	9.0	6.8	5.9	4.7	-8.9	5.1	2.2	2.0	6.4
Number of working days, approx. **)	63	59	64	62	62	60	66	62	62	59	66	63	63	60	66	64
Number of employees end of period	1,218	1,239	1,247	1,245	2,188	2,234	2,352	2,374	2,520	2,608	2,636	2,708	2,743	2,955	3,074	3,129

*) *Excluding items affecting comparability.*
The numbers for 2001 are Teleca excluding Sigma and Epsilon.
**) *The number of working in Sweden before holiday leave.*

Key data, Teleca Group

	2004 Jan.-Dec.	2003 Jan.-Dec.
Number of employees, period-end	3,129	2,708
Average number of employees	2,810	2,496
Net sales per employee, SEK thousands	971	984
Return on operating capital, %	0.5	-5.3
Return on capital employed, %	0.8	-4.2
Return on equity, %	-3.3	-8.9
Equity/assets ratio, %	63.0	66.3
Net debt/equity, %	12.2	7.9
Current ratio	1.0	1.0
Interest bearing net debt, SEK million	217.6	142.3
Gross margin, % (EBITDA)	7.0	4.2
Operating margin before goodwill amortisation, % (EBITA)	4.1	2.1
Operating margin, % (EBIT)	0.3	-4.4
Earnings before tax, margin, %	-0.2	-5.1
Number of shares, period-end	62,377,477	61,079,516
Ditto diluted	62,377,477	61,079,516
Number of shares, average	61,728,497	60,296,183
Ditto diluted	61,728,497	60,296,183
No of warrants with subscription price below current share price, period end	0	0
No of warrants with subscription price over current share price, period end	833,339	850,076
No of own shares, period end	0	0
Earnings per share after tax, SEK	-0.95	-2.80
Ditto diluted, SEK	-0.95	-2.80
Earnings per share after tax excl. goodwill amortisation, SEK	0.70	-0.14
Ditto diluted, SEK	0.70	-0.14
Shareholders' equity per share, SEK	28.63	29.45
Ditto diluted, SEK	28.63	29.45
Share price, period end	36.5	34.0

Accounting principles

This year-end report has been drawn up in accordance with the recommendations and opinions of the Swedish Financial Accounting Standards Council (Redovisningsrådet). The accounting principles and calculating methods used are identical to those used in the latest annual report with the exception of the accounting of pension costs, which has been changed to comply with Swedish Financial Accounting Standards Council recommendation RR29 Employee benefits. As from 2004 Teleca applies to RR29, which came into force, 1 January 2004. Effects due to the introduction of RR29 have been reported as personnel costs. The changeover to the new rules has had no tangible effect on the group's shareholders' equity.

Preliminary assessment of the transition to International Financial Reporting Standards

In 2005 EU companies quoted on stock exchanges will make the transition to reporting in accordance with the EU-approved accounting principles known as the International Financial Reporting Standards (IFRS). From and including 1 January 2005 Teleca has been adopting the IFRS principles in its group accounting. In Teleca's case a transition has already been going on for several years in the form of the introduction of the Swedish Financial Accounting Standards Council's recommendations, which are based on the IFRS. However, several differences remain. Teleca's date for the transition to the IFRS is 1 January 2004.

The transition to the IFRS is being reported in accordance with the IFRS 1 First-time Adoption of IFRS. The main rule of the IFRS 1 is that all standards must be applied retroactively. However, the IFRS allow certain optional exceptions from the principle of retroactive application. Teleca has made the following choices:

- IFRS 3 Business Combination applied from the transition date, 1 January 2004.
- Accumulated translation differences from foreign subsidiaries eliminated on the transition date, 1 January 2004 (IAS 21 The Effects of Changes in Foreign Exchange Rates).
- IAS 19 Employee Benefits applied from the transition date, 1 January 2004.
- IFRS 2 Share-based Payments applied to share-related payments allocated after 7 November 2002 and not earned by 1 January 2005.
- Regarding financial instruments, Teleca will not recalculate the comparative figures for 2004, in accordance with the transitional rules for IAS 39 Financial Instruments: Recognition and Measurement.

Most of the recommendations implemented during the transition to the IFRS will have little or no effect on the company's accounting practices. The only areas of the IFRS that are significantly different from Teleca's current accounting practices are the valuation of goodwill and other intangible assets (IFRS 1, IFRS 3, IAS 36 and IAS 38), the accounting of company acquisitions (IFRS 3) and financial instruments (IAS 39).

The areas judged to have a significant effect on Teleca's full-year net income for 2004 and equity at the start and end of 2004 are described and quantified below. This summary has been compiled in accordance with the IFRS principles expected to apply from 31 December 2005.

Preliminary assessment of the effects on the Teleca group's net income for 2004

SEK million	
Net earnings 2004 according to Swedish GAAP	-58.5
Goodwill amortization	101.4
Depreciation intangible assets for acquisitions made during 2004	-1.7
Minority interests	-0.2
Deferred taxes IFRS effects	-0.2
Total IFRS effects	*99.7*
Net earnings 2004 according to IFRS	41.2

The table below shows how the preliminary assessed effects on the Teleca group's net income would have been accounted for in the income statement for 2004.

SEK million	Swedish GAAP	Effect	**IFRS/IAS**
Net sales	2,728.3		**2,728.3**
Operating expenses	-2,536.0		**-2,536.0**
Depreciation	-183.1	+99.7	**-83.4**
Operating earnings (EBIT)	9.2	+99.7	**108.9**
Earnings from financial items	-14.0		**-14.0**
Minority interests	0.2	-0.2	**0.0**
Taxes	-53.9	-0.2	**-54.1**
Net earnings for the period	-58.5	+99.7	**41.2**
Operating margin, % (EBIT)	0.3	+3.7	**4.0**
Earnings before tax, margin, %	-0.2	+3.7	**3.5**
Earnings per share after tax, SEK	-0.95	+1.62	**0.67**
Return on capital employed, %	0.8	+4.6	**5.4**
Return on equity, %	-3.3	+5.5	**2.2**
Equity/assets ratio, %	63.0	+1.3	**64.2**
Net debt/equity, %	12.2	-0.6	**11.5**

Preliminary assessment of the effects on the Teleca group's equity at end of 2004

SEK million	
Equity 2004-12-31 according to Swedish GAAP	1,785.9
Goodwill amortization	101.4
Depreciation intangible assets for acquisitions made during 2004	-1.7
Minority interests	0.8
Deferred taxes IFRS effects	-0.1
Total IFRS effects	*100.4*
Equity 2005-01-01 according to IFRS	1,886.3

For further information regarding the transition to International Financial Reporting Standards, see Teleca's website www.teleca.com.

Dividend

The board of directors proposes that no dividend be paid for the financial year 2004.

Forthcoming report dates

Interim Report, January-March 2005:	27 April 2005
Interim Report, January-June 2005:	21 July 2005
Interim Report, January-September 2005:	21 October 2005

Annual general meeting

The annual general meeting 2005 will be held on 27 April 2005 in Malmö, Sweden. Notice of the Meeting will be made through press advertisements and a press release. Teleca's Annual Report, is expected to be completed in April 2005 and will than be held available at the company's web site and head office.

Telephone conference

Teleca will be presenting the company and the year-end report during a telephone conference held at 9.00 AM (CET) at Operaterassen, Stockholm, 10 February 2005. The conference will also include a Question and Answer (Q&A) session with President & CEO Dag Sundström.
Dial in number: +46-856213706
The presentation can also be viewed on the Internet: www.teleca.com

This year-end report has not been subject to an examination by the company's auditors.

Stockholm, February 10, 2005
Teleca AB (publ)
(Corp. reg. no. 556250-3515)

Board of Directors

The year-end report may be ordered from the Company or downloaded from Teleca's website. www.teleca.com

For further information please contact:

Dag Sundström, President and Chief Executive Officer, Teleca AB
Tel: +46-857911601, mobile: +46-705116458
e-mail: dag.sundstrom@teleca.com

Christian Luiga, Chief Financial Officer, Teleca AB
Tel: +46-857911604, mobile +46-703751604
e-mail: christian.luiga@teleca.com

Johannes Rudbeck, Investor Relations, Teleca AB
Tel: +46-857911616, mobile: +46-705825656
e-mail: johannes.rudbeck@teleca.com

This information is also available in Swedish.

Teleca is an international telecom and IT services company focused on R&D that develops and integrates advanced software and information technology solutions. With in-depth expertise in the latest technology and profound industrial knowledge, Teleca helps technology- and software-intensive customers worldwide to strengthen their market positions and shorten their times to market. The company has more than 3,000 employees and operations in 15 countries in Asia, Europe and North America. Teleca is quoted on the Attract40 list of the Stockholm Stock Exchange. www.teleca.com

Teleca AB
Box 47606
117 94 Stockholm
Sweden
Tel: +46-857911600
Fax: +46-857911610