



News Release

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Invitation to press/analyst meeting

A presentation of the acquisition for analyst and media will take place today, April 18, at 14.00 CEST as a webinar/phone conference. For details, see press release below.

Telelogic acquires US based leader of enterprise architecture tools

\$45 million cash deal strengthens Telelogic's offering and extends its position into business process modeling

MALMÖ, Sweden—April 18, 2005—Telelogic AB (Stockholm Exchange: TLOG), today announced the acquisition of privately-held Popkin Software, the leading provider of enterprise architecture tools. Under the terms of the agreement, the consideration of USD 45 million will be paid in cash. Popkin's revenue 2004 was USD 19.1 million, 28% growth over 2003, with USD 2.5 million in pre-tax profit. Popkin currently employs 108 people.

Background and Reasons for the Acquisition

Telelogic is offering a market leading ALM solution and is the global market leader in the area of requirements management with Telelogic DOORS. Telelogic has identified Popkin as a successful company with a global market leading product that complements Telelogic's offering in the modeling space as well as extending its offering into the enterprise architecture arena.

Popkin develops and sells System Architect which is ranked the global market leader in the enterprise architecture tools market by both Gartner and Meta Group. It is a powerful modeling solution designed to provide all of the tools necessary for successful modeling of enterprise systems. By adding System Architect, Telelogic's product offering is complemented with a product with a large proportion of its customers in non-engineering roles.

"We are acquiring the global market leader in the growing enterprise architecture tools market," said Anders Lidbeck, President and CEO of Telelogic. "This is a great match. Popkin is a well known company by us and by many of our largest customers and System Architect is often used in combination with Telelogic DOORS for understanding both the requirements and processes of organizations. By combining our two companies, we will be able to even better address the needs large companies have for managing their enterprise wide processes and applications."

"Strategically, this acquisition will greatly extend market opportunities and resources and introduce new relationships in emerging markets for requirements management products and modeling

solutions,” said Jan Popkin, CEO and founder of Popkin. “By joining forces with Telelogic we can strengthen the sales channels and reach an even wider group of customers. Telelogic has a leading brand, the products, a global distribution network and most importantly, we share a common view of strategic product development. The combination of the two leading products – DOORS and System Architect – creates the most powerful solution on the market for CIOs, system engineers, chief architects and planning engineers.”

Enterprise Architecture

Popkin is the leading supplier of enterprise architecture tools according to Gartner and Meta Group. An Enterprise Architecture is a fully integrated collection of models and documents across four key architecture domains (business, information, systems and technology). Popkin’s System Architect is used by organizations worldwide to design, visualize and analyze models and enterprise architectures. These architectures become the blueprints of a company or agency’s business goals and processes and its underlying IT infrastructure.

Complementary products

Telelogic develops and markets tools for requirements management, modeling, test, configuration management and change management. Large organizations are often facing the challenge of business changes, organizational merges and advances in technology. The need for organizations to respond rapidly, effectively, and positively has never been greater. Popkin provides the tools to tie product development together with the business objectives.

With System Architect, Telelogic will be able to offer a solution that let the customer model the enterprise architecture in System Architect, thereafter to detail the model in Telelogic TAU. System Architecture is also a good companion to Telelogic DOORS where the user can link the business objectives with the product requirements. Companies can take advantage of these solutions regardless if they are developing internal financial systems or advanced products like cars, airplanes or telecom systems.

Financial effects

Popkin’s revenue for 2004 was USD 19.1 million, a 28% growth compared to 2003. EBITA for 2004 was USD 2.5 million. At the time of the acquisition, Popkin had 108 employees in total, of which 65 in the US, 37 in the UK and 3 in Netherlands. The acquisition is expected to be cash flow positive with a neutral effect on Telelogic’s full year results for 2005. The acquisition is expected to be EPS positive from full year 2006.

Telelogic anticipates the consolidation of Popkin to be completed by May 1, 2005.

Press/Analyst meeting

A presentation of the acquisition for analyst and media will take place today, April 18, at 14.00 CEST as a webinar/phone conference.

At the time of the meeting, use the following link to see the slide presentation.

URL: <http://www.placeware.com/cc/telelogic/join?id=PRESS050418&role=attend>. Please state your name, no password is required.

To listen to the presentation, dial +44 207 769 6404 or +1 866 310 3688. Please be prepared to state your name and company.

About Telelogic

Founded in 1983, Telelogic® is a leading global provider of solutions for advanced systems and software development. Telelogic’s intuitive, best-in-class software tools automate and support best practices throughout the application lifecycle, leaving development teams free to concentrate on core competencies and apply their skills and energy to value-added tasks. By optimizing each

phase of development, Telelogic enables companies to deliver higher quality systems and software with greater predictability, reduced time-to-market and lower overall costs.

To ensure interoperability with third-party tools, Telelogic's products are built on an open architecture and standardized languages. As an industry leader and technology visionary, Telelogic is actively involved in shaping the future of advanced systems and software development by participating in industry organizations like ETSI, INCOSE, ITU-T, OMG and others.

Headquartered in Malmö, Sweden with U.S. headquarters in Irvine, California, Telelogic has operations in 17 countries worldwide. Customers include Alcatel, BAE SYSTEMS, BMW, Boeing, DaimlerChrysler, Deutsche Bank, Ericsson, General Motors, Lockheed Martin, Motorola, NEC, Nokia, Philips, Siemens, Thales and Vodafone.

For more information, please visit www.telelogic.com