The Offer is not being made, and this press release may not be distributed, directly or indirectly, in or into, nor will any tender of shares be accepted from or on behalf of holders in, the United States of America, Australia, Canada, Japan, New Zealand or South Africa, or any other jurisdiction in which the making of the Offer, the distribution of this press release or the acceptance of any tender of shares would contravene applicable laws or regulations or require further offer documents, filings or other measures in addition to those required under Swedish law. This press release has been announced in Swedish and English. In the event of any discrepancy, the Swedish language version shall prevail.

Stockholm 31 October 2008

CayTel 1 L.P., a wholly owned subsidiary of Symphony Technology Group LLC, announces a mandatory cash offer of SEK 3.25 per share in Teleca AB (publ)

CayTel 1 L.P. ("CayTel"), has acquired 15,761,673 B shares in Teleca AB (publ) ("Teleca" or the "Company") after which CayTel owns 46.4% of the capital and 49.2% of the votes in the Company. CayTel is therefore making a public cash offer to the shareholders of Teleca to transfer all their B shares in Teleca to CayTel (the "Offer") in accordance with the rules on mandatory bids.[1] The B shares in Teleca are listed on the OMX Nordic Exchange Stockholm (the “OMX”), Small Cap. CayTel is wholly owned by Symphony Technology Group LLC (”STG”), a U.S. investment company.

Summary

- CayTel is offering SEK 3.25 in cash per share in Teleca (the “Offer Price”).[2]
- The Offer Price represents a premium of 23.6% as compared with the closing price on 30 October 2008 and 44.4 % as compared with the volume-weighted average price for the Teleca share on the OMX during the most recent three months.
- CayTel has purchased 15,761,673 Class B shares, representing 20.5% of the capital and 19.4% of the votes in Teleca. These purchases have resulted in an increase in CayTel’s holding in Teleca to 46.4% of the capital and 49.2% of the votes.
- CayTel is the largest shareholder of Teleca.
- The acceptance period for the Offer is expected to commence on or around November 13, 2008 and end on or around December 4, 2008. Settlement of the Offer is expected to begin during the week beginning on December 15, 2008.[3]

”Teleca fits well with the investment strategy of STG. STG invests in companies with promising prospects that also include a lot of hard work to improve the business performance and achieve excellent results. We believe that Teleca can still be a solid opportunity and an attractive long-term investment. However, in the near term, we have been disappointed by the difficult market environment and the speed at which Teleca is making improvements. Teleca faces significant challenges and there remains much to accomplish in order to stabilize revenue and profitability, and to re-establish growth. STG believes that the measures and potential additional cash requirements needed to complete the transformation are better suited to being handled in a private, non-listed environment. Despite our disappointment with the performance so far, and the softer economic conditions with more uncertain prospects for the mobile telecommunications market's demand for Teleca’s products and services, STG has opted to increase our ownership in the company in order to more directly drive and fund the transformation agenda. As a consequence of the mandatory bid rules, we are now making this offer. Regardless of the level of acceptance of the bid, we intend to

---

1 CayTel owns all A shares in Teleca and the Offer therefore only comprises the B shares in the Company.

2 This amount is subject to adjustment should Teleca, prior to the cash settlement of the Offer, pay a dividend or in any other way transfer value to shareholders. Such adjustment shall correspond to the value transfer per share.

3 Provided that necessary regulatory, governmental or similar clearances, approvals and decisions, including from competition authorities, have been obtained.

remain committed for the long-term as the largest owner of Teleca. Our objective is to contribute, together with the management and employees of Teleca, to re-architect the business model of Teleca around high-growth offshore driven engineering solutions for wireless devices.", says John Tristan (J.T.) Treadwell, Principal at STG.

Background and reasons for the Offer

Teleca was founded in 2001 when Stockholm-listed Sigma was spun off into three companies; Sigma was renamed Teleca and incorporated Sigma's former business area Embedded Solutions. Teleca has today become one of the leading companies in the field of software development services for the mobile communications industry.

Over the past two years, Teleca has started a significant transformation process. The Company has exited non-core product businesses while achieving growth and profitability in its services business. However, Teleca still has work to do to reach its destination model of consistent high growth and consistent high profitability – driven by an offshore solutions oriented organization where the Company drives larger and high-value projects from low-cost resources, and complemented by high value, high competence local capabilities. Due to the macroeconomic environment, this road will be uncertain in 2008 and 2009.

During 2008, Teleca has taken significant steps as part of its transformation process, including the following:

- On 13 October, Teleca announced the divestment of 95% of the shares in its products business with a related services business in Korea, following the April 2007 decision to discontinue the investments into its software products business to eliminate the risk of continued losses in the product business;
- On 19 September, Teleca announced the sale of its French subsidiary;
- In early fall, Teleca opened up an office in India.

The STG Group has been the largest shareholder of Teleca since 12 February 2008, when CayTel acquired the share interest of Teleca's founders and board members Dan Olofsson (through Danir AB) and Konstantin Caliacmanis. Despite a weaker economy with more uncertain prospects for the market's demand for Teleca's products and services, STG believes that with investment and focus, Teleca has the assets and capabilities to become a compelling investment over the long term and has therefore decided to increase its ownership in Teleca. Since the share acquisitions have led to CayTel now owning over 30% of the capital and the votes in Teleca, CayTel is making this Offer today in accordance with the provisions governing mandatory bids.

STG places great value on the work done by Teleca's management team and employees. It intends to continue to protect the strong relationship Teleca has with its employees and customers, and considers itself a partner in Teleca's development. STG's intention is to continue to be committed as the largest shareholder of the Company, to be an involved partner in Teleca's changes, and to work for Teleca's continued transformation into a highly profitable, fast-growing Company. The Offer itself will not have a significant impact on the employment, or terms of employment, for Teleca's employees in the locations where Teleca has operations, even though it cannot be ruled out that employees, and terms of employment, may be affected if STG finds further cost cutting actions, in addition to the measures already taken, necessary.

About STG

STG is a Palo Alto, California based investment firm that exclusively invests in the enterprise software and technology services market, helping their portfolio companies maximize growth, operational efficiencies, and innovation. STG currently has a portfolio of nine companies with combined revenue of USD 2.5 billion and in aggregate 15,000 employees. STG has recently established a new fund that manages capital in the amount of USD 900 million.

Some of Symphony's previous investments have included Information Resources, Inc., Intentia AB, Symphony Services Corporation, and Aldata Solution. STG is actively engaged with each Group company, providing the strategic insight needed to achieve business performance and revenue growth through innovation.

The Offer

CayTel has decided to announce a cash offer to the shareholders in Teleca to tender all their outstanding shares in Teleca to CayTel. The shares in Teleca are listed on OMX, Small Cap.

CayTel offers SEK 3.25 in cash per share in Teleca.[4] The Offer values Teleca's share capital at approximately SEK 250 million. The total value of the Offer amounts to approximately SEK 134 million based on the current number of outstanding shares in Teleca amounting to 41,209,424 excluding the Teleca shares already held by CayTel.

No commission will be charged in the Offer.

Based on the latest closing price for the Teleca share on OMX of SEK 2.63 on Thursday, 30 October 2008, the Offer Price represents a premium of 23.6%. Compared to the volume weighted average price (VWAP) for the Teleca share during the last ten trading days up until and including Thursday, 30 October 2008, the Offer Price represents a premium of 45.7%. The premium to the three-month VWAP amounts to 44.4%.

The purchase agreements under which CayTel purchased Teleca shares immediately prior to this annnouncement provide that the sellers of these shares will in certain circumstances be compensated if CayTel sells the shares to a competing bidder. Teleca shareholders who accept the Offer are therefore given the same right to compensation. As a result, Teleca shareholders who accept the Offer will be compensated if a competing public offer for Teleca is announced prior to completion of the Offer and CayTel:

1. accepts such competing offer in respect of shares tendered in the Offer, or
2. sells shares tendered in the Offer to the competing bidder on or prior to 30 April 2009.

As with the purchase agreements above, any compensation that CayTel will pay to the Teleca shareholders is conditional on a transaction set out in item 1 and 2 above being completed and will in such case amount to 80 % of the difference between the price per share received by CayTel and the price paid in the Offer.

CayTel’s shareholding in Teleca

CayTel is the largest shareholder of Teleca, owning 475,555 Class A shares and 35,642,584 Class B shares, corresponding to 46.4% of the capital and 49.2% of the votes.[5]

On 14 September 2008 the Swedish Securities Council issued a statement (Statement 2008:33) through which the Securities Council confirmed that the consideration in the Offer does not need to be adjusted to the price paid by CayTel in connection with acquisitions of Teleca shares in the spring 2008 and that the consideration in the Offer therefore shall be the highest price paid by CayTel in connection with the purchases of Teleca shares made thereafter.[6] CayTel has acquired additional shares in Teleca on 22 October 2008 at a price lower than the price paid in respect of the purchases immediately prior to the announcement of the Offer. The price paid in respect of the purchases of Teleca shares immediately prior to the announcement of the Offer is equal to the Offer Price of SEK 3.25.

Related parties

The Chairman of the Teleca board, Chet Kamat, is also a Managing Director at STG. John (J.T.) Treadwell, who is a member of the Teleca board, is also a Principal at STG. These directors are therefore considered acting for STG in the Offer. As a consequence, Chet Kamat and J.T. Treadwell will not participate in Teleca’s Board of Directors' handling of or resolutions concerning the Offer.

---

4 This amount is subject to adjustment should Teleca, prior to the cash settlement of the Offer, pay a dividend or in any other way transfer value to shareholders. Such adjustment shall correspond to the value transfer per share.

5 CayTel previously had additional economic exposure in Teleca through cash-settled derivative contracts (contracts for differences). As previously made public, these contracts for differences were terminated as a result of Kaupthing Singer & Friedlander has been placed in administration by the British financial authorities.

6 Due to the very significant and not only temporary decline in the quoted price of the Teleca share, CayTel is not required to comply with item II.10 first paragraph of the OMX Nordic Exchange Stockholm’s Rules concerning Public Offers on the Stock Market.

Condition of the Offer

The Offer is conditional upon that, with respect to the Offer and the acquisition of Teleca, all necessary regulatory, governmental or similar clearances, approvals and decisions, including from competition authorities, have been received, in each case on terms which, in CayTel's opinion, are acceptable.

CayTel reserves the right to withdraw the Offer in the event it becomes clear that the condition above has not been satisfied or cannot be satisfied. However, such withdrawal will only be made if the non-satisfaction of the condition is of material importance to CayTel's acquisition of shares in Teleca.

CayTel reserves the right to waive, in whole or in part, the condition above.

Description of CayTel and the financing of the Offer

CayTel is a limited partnership incorporated under the laws of Cayman Islands with its registered office at c/o Walkers SPV Limited, Walker House, 87 Mary street, George Town, Grand Cayman KY1-9002, Cayman Islands. CayTel is wholly owned by STG, a Palo Alto, California based investment firm that exclusively invests in the enterprise software and technology services market. CayTel, with corporate registration number WK-24186, was founded on 14 February 2008, and registered with the the Registrar of Limited Partnerships on Cayman Islands on 14 February 2008. CayTel has been established for the purpose of holding Teleca shares, making and completing the Offer and, following completion of the Offer, operating as parent company of Teleca. CayTel does not operate, and has not operated, any business except as set out above.

The Offer is not subject to any financing condition and will be financed by using existing funds and credit facilities within the STG group. STG has irrevocably and unconditionally committed to provide CayTel with the financing necessary to finance the purchases of Teleca shares under the Offer.

The management and employees of Teleca

CayTel and its owners attribute great value to Teleca's management and employees and intend to continue to safeguard the excellent relations with Teleca's employees that CayTel and its owner believe exist at Teleca today.

Preliminary timetable

Offer document made public:	On or around November 10, 2008
Acceptance period:	On or around November 13, 2008 until on or around December 4, 2008
Estimated settlement:	Week starting with December 15, 2008[7]

CayTel reserves the right to extend the acceptance period. An extension of the acceptance period will not affect the settlement date for those Teleca shareholders who have already accepted the Offer, although settlement will not commence until necessary regulatory, governmental or similar clearances, approvals and decisions, including from competition authorities, have been obtained.

The Offer document will be distributed to the Teleca shareholders in connection with it being made public.

The acquisition of Teleca requires clearances from relevant competition authorities.

7 Provided that necessary regulatory, governmental or similar clearances, approvals and decisions, including from competition authorities, have been obtained

Compulsory acquisition and de-listing

If CayTel becomes the owner of shares representing more than 90 % of the shares in Teleca, CayTel intends to initiate a compulsory acquisition procedure under the Swedish Companies Act. In connection therewith, CayTel intends to act in favour of a de-listing of the Teleca share from OMX.

Applicable law and disputes

CayTel has, in accordance with the Swedish Act on Public Takeover Offers on the Stock Market (*lag (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden*), undertaken to the OMX, and hereby undertakes to the holders of Teleca shares, to comply with OMX Nordic Exchange Stockholm's Rules concerning Public Offers on the Stock Market (the "Takeover Rules") and the Swedish Securities Council's Rulings regarding the interpretation and application of the Takeover Rules[8], and to submit to the sanctions that may be imposed by the OMX upon a breach of the Takeover Rules.

The Offer shall be governed by the laws of Sweden. The courts of Sweden shall have exclusive jurisdiction over any dispute arising out of or in connection with the Offer and the City Court of Stockholm shall be the court of first instance.

The Offer is not being made (nor will any tender of shares be accepted from or on behalf of holders) in any jurisdiction in which the making of the Offer or the acceptance of any tender of shares therein would not be made in compliance with the laws of such jurisdiction or where the making or acceptance of shares tendered under the Offer requires further offer document, filings or other measures in addition to those required under Swedish law, except where there is an applicable exemption. The Offer is not being made, directly or indirectly, in or into , the United States of America, Australia, Canada, Japan, New Zealand or South Africa,

Advisors

CayTel and its owners have engaged Carnegie Investment Bank AB to act as its financial advisors, and Mannheimer Swartling to act as its legal advisors in connection with the Offer.

Stockholm 31 October 2008

CayTel 1 L.P.

For further information visit www.SymphonyTG.com or contact:

John Treadwell, Principal
Symphony Technology Group
+1-650-935-9529

8 This includes, where applicable, the Securities Council's former rulings with respect to the interpretation and the application of the rules on public offers for the acquisition of shares issued by the Swedish Industry and Commerce Stock Exchange Committee.