Interim Report

January–June 2008

Teleca reports EBIT margin of 6% and underlying growth in services of 4%; cautious outlook for H2 2008

Key figures, SEK million	2008 Q2	2007 Q2	%	2008 H1	2007 H1	%
Operating income	308	324	-5	604	642	-6
Operating earnings (EBIT)	18	-55	n.a	8	-598*	n.a
Earnings for the period from continuing operations	11	-67	n.a	-14	-704	n.a
Earnings for the period from discontinuing operations	-	-34	n.a	-	350	n.a
Net earnings for the period	11	-101	n.a	-14	-354	n.a
Earnings per share, SEK	0.16	-1.62	n.a	-0.21	-5.68	n.a
Cash flow operating activities	-22	-150	n.a	-35	-202	n.a
Cash flow after investments	-25	619	n.a	-47	576	n.a

* H1 2007 EBIT includes write-down of goodwill of SEK 357 million, write-down of capitalized expenses for development of SEK 104 million and provisions for restructuring of SEK 41 million.

Second quarter highlights

- Revenues totaled SEK 308 million (324). Service revenues totaled SEK 276 million (277) Adjusted for negative currency effects of SEK 13 million, services revenues increased by 4%. Product revenues amounted to SEK 32 million (47).
- Teleca managed to recover from a difficult situation in Q1 and the profitability is in line with our revised expectations. Teleca reports operating earnings (EBIT) of SEK 18 million (-55) and a 6% (-17) operating margin. The result includes expensed cost of SEK 10 million for the closure of two small sites in Europe and early termination of lease agreements for excess facilities.
- Teleca has been taking significant steps during the second quarter to refine its plans to be able to execute upon long-term profitable growth in off-shore services in the wireless industry. Teleca will continue to execute those plans through the balance of 2008, while being cautious in the short term with regards to a difficult market environment.

Press and analyst conference

Teleca will host a conference call to present the earnings figures at 08.30 (CET) on 18 July 2008. Call SWE +46 (0)8 505 59853, UK +44 (0)20 3043 2436 or US +1 866 458 40 87, or follow live via the internet at www.teleca.com.

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CEO Comments

René Svendsen-Tune, President and CEO of Teleca, says:

"We are and have been for the latest months impacted by a negative sentiment in the wireless industry. With that in mind I am pleased to see that we through hard work and a strong focus on our strategy still can deliver decent results. However, this had not been possible if it were not for the fact that Teleca saw the general market trend early and have been preparing for it. It is now time to accelerate this work in order to come out even stronger when the market turns favorable again. We focus on increasing the share of off-shore staff in our company, developing a more robust solution and service offering, improving our global service delivery platform and controls, while still ensuring that our customer intimacy which by proximity, high value and high competence is the best in the wireless industry.

Furthermore, in order to diversify our customer exposure and capture additional market growth we plan to increase investments into marketing and sales towards segments outside the mobile phone ecosystem and into the broader mobile Internet segment. Although these investments are initiated in 2008, we do not expect to see significant results from this until 2009.

We are confident that the wireless industry will choose to increase outsourcing of software development, and we are confident that other industries will leverage the benefits of wireless technologies in their products and services. We are the global leader of wireless software outsourcing today, but we recognize that we must continue to be innovative and improve our delivery model so that we can be the industry leader in a much larger and broader industry going forward. We are investing to bring global reach, increased scale and improved cost efficiency to our customers. We are confident that this recipe will drive renewed growth and improved margins to Teleca".

Previous Financial Outlook from Q1 for 2008

Teleca expects flat to slight organic growth in services in 2008 and declining product revenues compared to 2007, the Company intends to seek growth through industry consolidation. Given the limited visibility, Teleca has taken a cautious view with regards to the second half of 2008. However, the Company remains committed to its ambition to deliver a double-digit EBIT margin for the second half of 2008.

New Financial Outlook for 2008

As a consequence of the changes being implemented in H1 2008 Teleca expects a small decline in service revenue in second half 2008 over H2 2007. Product revenues will continue to decline in H2 2008 compared to the same period 2007. Investments into off-shore capacity and increased marketing spend will have a negative impact on the EBIT margin. Teleca targets a EBIT margin for the second half 2008 at a level of 5-8%.

Sales

Second quarter
Operating income for the second quarter was SEK 308 million (324), organic growth was -5% and total growth -5% compared to the corresponding period 2007. Currency effects had a negative impact of 5%. In line with the plans to ramp-down products, revenue from royalty and licenses on Teleca IPR's is decreasing and had a negative impact on the growth. In 2008 we have slightly reduced the number of staff in high-cost operations while we have continued recruiting into in our off-shore operations in Russia, China and Poland. With this we reduce the risk and adjust to changes in market conditions. The impact of this is a lack of growth in services revenue in second quarter 2008 over same quarter in 2007.

Service revenue totaled SEK 276 million (277). Adjusted for negative currency effects of SEK 13 Million, service revenues increased with 4%. It shall be noted that the office in Taiwan was closed in Q1 2008. That unit delivered services revenue of about SEK 4 million in Q2 2007.

Service revenue increased by 1% in Q2 2008 compared to Q1 2008 to SEK 140 thousand per employee. Teleca's off-shore strategy has a reverse impact on the revenue per employee as the share of off-shore revenues increases. This means that the productivity per employee has gone up significantly.

	Group	Europe	Asia	North America
Operating Income	308.4 (324.3)	209.1 (201.4)	30.0 (51.3)	69.3 (71.6)

Revenue from products remain stable however the level is still expected to decrease over time as a result of Telecas decision to stop further investments.

In the second quarter 88% (81) of revenue came from the top 5 OEMs and their key technology suppliers. While this is a strength for Teleca it is at the same time a risk. As earlier stated we focus on increasing our revenue from new segments and broadening our portfolio. The top 10 customers made up for 88% (83) of the revenue. Of total revenue 22% (17) came from our off-shore and near-shore operations in Russia, Poland and China.

Utilization, %	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007
Total Teleca, including non-billable employees	75	73	76	77	75

Utilization has improved in Russia, Asia and in North America which is clearly becoming an important market for Teleca's blended offering. In Europe (excl Russia) total utilization was 72% (72 in Q1). In Russia utilization increased to 79% (77 in Q1). Asia reported utilization of 63% (57 in Q1) and in North America utilization increased to 79% (68 in Q1).

January-June
Operating income for the period was SEK 604 million (642), organic growth was -6% and total growth -6% compared to the corresponding period 2007.

	Group	Europe	Asia	North America
Operating Income	604.1 (642.5)	423.4 (407.0)	50.6 (96.2)	130.1 (139.3)

Earnings

Second quarter

Operating earnings (EBIT) for the second quarter amounted to SEK 18 million (-55). The result includes expensed cost of SEK 10 million related to closure of two small sites in Europe and costs for early termination of lease for non utilized facilities. It is in line with Telecas strategy to leave sites where the company can not reach the critical mass. In total, this affects 23 employees.

	Operations	One-time effects	Total Group
Operating Income	308 (324)	- (-)	308 (324)
EBIT	18 (-44)	- (-11)	18 (-55)
EBIT Margin	6 (-14)	- (-)	6 (-17)
Avg. employees	2,003 (2,089)	- (-)	2,003 (2,089)

Depreciation was SEK 11 million (13), of which tangible fixed assets accounted for SEK 5 million (7), capitalized product development costs for SEK 4 million (4), and other intangible fixed assets for SEK 2 million (2).

Earnings after financial items were SEK 17 million (-57). Net banking costs and net interest were SEK -5 million (-3). Net exchange rate gains from non realized inter-company financial assets and liabilities were SEK 4 million (-1). Other financial items were SEK 0 million (2).Tax was SEK -6 million (-9) in the quarter. Earnings after tax, for continuing operations, were SEK 11 million (-67).

January-June

Operating earnings (EBIT) for the period amounted to SEK 8 million (-598). In Q1 2008 Teleca had redundancy charges of SEK 16 million related to management, sales and administrative overhead and staff reductions in Taiwan. The result in the first half of 2007 includes write-down of goodwill of SEK 357 million, capitalized development of SEK 104 million and provisions for restructuring of SEK 41 million.

	Operations	One-time effects	Total Group
Operating Income	604 (642)	- (-)	604 (642)
EBIT	24 (-96)	-16 (-502)	8 (-598)
EBIT Margin	4 (-15)	- (-)	1 (-93)
Avg. employees	1,992 (2,151)	- (-)	1,992 (2,151)

Depreciation was SEK 22 million (32), of which tangible fixed assets accounted for SEK 11 million (15), capitalized product development costs for SEK 7 million (12), and other intangible fixed assets for SEK 4 million (5).

Earnings after financial items were SEK -2 million (-597). Net banking costs and net interest were SEK -9 million (-5). Net exchange rate losses from non realized inter-company financial assets and liabilities were SEK -2 million (6). Other financial items were SEK 0 million (0).Tax was SEK -12 million (-107) during the period. Earnings after tax, for continuing operations, were SEK -14 million (-704).

Region update

Europe
Teleca's business in Europe has stabilized in the second quarter after a difficult first quarter. The company has experienced a fluctuation in demand from various customers as a consequence of a weakening market sentiment. However, while demand from certain customers has decreased, Teleca has had strong demand from other customers.

Teleca is focused on improving its price competitiveness in Europe by offering an increased amount of off-shore resources to European clients in addition to or in combination with services offered by staff located in European sites.

Teleca has experienced a certain decline in utilization in Germany and UK and consequently accepted a small decline in number of staff in the two countries. In addition, efficiency measures have been taken in a number of locations.

Teleca expects the demand in Europe to continue at current level, but at gradually declining price levels as the engagements move to a blended on-shore / off-shore model.

North America
In North America the company is experiencing continued and increasing interest for its off-shore offerings supplied from both Russia and China. Demand continues to be strong for services around Adobe Flash Lite, Windows Mobile and Symbian/S60 technologies.

Teleca has during Q2 successfully expanded its off-shore services to one of the leading chipset manufacturers in North America and to one of its strategic customers in the CDMA space. Teleca has also made further inroads to the Internet industry.

Future growth in the North American market is expected to materialize around the Bay Area where the Internet industry is moving fast into services for the mobile Internet.

APAC
Product sales, which are mainly derived from APAC, are declining yoy, however at a somewhat slower pace than previously expected. Teleca has kept costs in products under control and the business is profitable with good margins. In the second quarter Teleca's browser software shipped with new devices from companies such as LG, Samsung, Arima and Lenovo.

Utilization in APAC has increased in Q2 and the amount of services supplied from APAC is increasing quarter by quarter. In services the strongest demand from APAC customers are towards blended projects with local program management and programming and/or tests supplied from our off-shore center in Chengdu, China. Teleca has experienced an increasing interest in APAC for services and solutions around Open Source Software.

Off-shore centers in Russia, China and Poland
Demand for Teleca's off-shore operations has been strong in the second quarter. Excluding negative currency effects of 13% revenue in Russia increased with 10%. Competition for resources is high in Russia and salary inflation is an issue. This combined with the declining dollar led to a decrease in the profit margin in Q2 2008 compared to Q2 2007. Demand for competences related to Symbian, Brew and increasingly Linux remains strong.

In Q2 Teleca has had continued strong demand for services supplied from China, where Teleca has expanded its business mainly with existing customers. Demand from European customers, both Symbian based and proprietary platform projects, has been remarkably good and several new, long-term projects have started. Additionally, Teleca has secured an annual renewal at higher volumes of a major program from a US based customer that started last July. Headcount targets for China were met in the quarter.

Cash flow and financial position

Second quarter
Cash flow from operating activities was SEK -22 million (-150). The cash flow includes tax paid in the quarter of SEK 21 million. Change in working capital amounted to SEK -25 million (-53). At the end of the quarter working capital was SEK 159 million (85). Working capital includes liabilities related to provisions for restructuring costs and acquisitions of total SEK 71 million, of which future earn out amounts to SEK 30 million. Excluding these provisions working capital was 230 MSEK, equal to 75% of revenue in Q2. The amount of accounts receivables and accrued revenue combined in relation to the quarter's revenue were 120%.

Interest-bearing net debt was SEK 87 million (-444). Teleca finalized a rights issue in May which had a positive cash effect of net SEK 146 million.

The group's net investment for the period was SEK 3 million (-768), of which SEK 3 million (7) relates to current operations. Of the net investment in current operations SEK 6 million (2) was related to tangible fixed assets, SEK 1 million (0) to intangible fixed assets and SEK -4 million (5) to other fixed assets. These SEK -4 million are related to retrieved deposits for facilities.

January-June
Cash flow from operating activities was SEK -35 million (-202). Excluding impact from changes in provisions for one time costs of SEK 1 million, cash flow from operations was SEK -34 million. Change in working capital amounted to SEK -17 million (-65).

The group's net investment for the period was SEK 12 million (-778), of which SEK 12 million (21) relate to current operations. Of the net investment in current operations SEK 13 million (7) related to tangible fixed assets, SEK 1 million (9) to intangible fixed assets and SEK -2 million (5) to other fixed assets.

Staff

The average number of staff for the second quarter was 2,003 (2,089), divided as follows:

Employees (FTE)	Q2 average	Jan-June avg	Total on June 30
Europe	1,700 (1,840)	1,697 (1,905)	1,697 (1,794)
o w Russia	986 (994)	988 (972)	992 (1,023)
Asia	238 (196)	233 (190)	237 (191)
North America	65 (53)	62 (56)	68 (53)
Total	**2,003 (2,089)**	**1,992 (2,151)**	**2,002 (2,038)**

Organic staff growth for the quarter was -4% and total staff growth -4%. At the end of the quarter, Teleca had 63% (56) of its staff in low cost countries, mainly in Russia.

Other important activities

Rights issue
In May in the second quarter the rights issue that was announced in Q1 was completed. Symphony Technology Group, having issued a subscription guarantee, subscribed for its pro rata share of the rights issue and an additional 10,202,422 class B shares. Accordingly, the rights issue was subscribed for in its entirety. The rights issue provided the company with approximately SEK 152 million before transaction costs.

OTHER INFORMATION

Forthcoming report dates

Interim report Q3, January - September 2008: October 21, 2008
Year end report Q4, January - December 2008: February, 2009

Risks and uncertainties

Teleca's business risks include reduced demand for consultancy services, customer concentration, difficulties attracting and retaining skilled personnel, credit risks, and risks related to fixed price projects. In general, Teleca 's view on risks that may affect the business in the future has not changed compared to the latest annual report. A more comprehensive overview of the risks associated with Teleca's operations can be found in the Annual Report 2007 on pages 74-75.

Summary of consolidated income statement, SEK million

	2008 Apr-Jun	2007 Apr-Jun	2008 Jan-Jun	2007 Jan-Jun	2007 Jan-Dec
Operating income	308.4	324.3	604.1	642.5	1,310.8
Staff expenses	-172.9	-232.5	-356.2	-501.1	-829.5
Other expenses	-106.1	-134.5	-216.5	-245.8	-499.7
Depreciation	-11.4	-12.8	-22.5	-32.1	-53.9
Write-down of fixed assets	-	-	-0.8	-461.1	-461.1
Operating earnings (EBIT)	**18.0**	**-55.5**	**8.1**	**-597.6**	**-533.4**
Financial items	-1.1	-1.8	-10.6	0.6	-6.3
Earnings after financial items	**16.9**	**-57.3**	**-2.5**	**-597.0**	**-539.7**
Taxes	-5.7	-9.4	-11.6	-107.4*	-123.7*
Earnings from continuing operations	**11.2**	**-66.7**	**-14.1**	**-704.4**	**-663.4**
Earnings from discontinuing operations	-	-34.1	-	350.0	336.5
Earnings for the period	**11.2**	**-100.8**	**-14.1**	**-354.4**	**-326.9**
Of which attributable to shareholders in Teleca AB	**11.2**	**-100.8**	**-14.1**	**-354.4**	**-326.9**

* Includes a write down of deferred tax assets of SEK -95 million which has been made as a result of the divestment of auSystems.

Summary of consolidated balance sheet, SEK million

	2008 30 Jun	2007 30 Jun	2007 31 Dec
Assets			
Goodwill	1,004.2	1,078.5	1,041.3
Capitalized product development expenses	3.5	17.5	10.5
Other intangible assets	30.8	36.7	35.4
Tangible assets	49.1	45.9	46.1
Financial fixed assets	19.4	13.0	22.6
Other fixed assets	42.2	22.5	48.3
Other current assets	478.8	483.6	505.7
Liquid funds	32.8	452.2	36.6
Total assets	**1,660.8**	**2,149.9**	**1,746.5**
Shareholders' equity and liabilities			
Shareholders' equity	1,128.9	1,609.7	1,046.2
Long-term liabilities, interest bearing	1.3	95.4	73.2
Long-term liabilities, non-interest bearing	20.2	39.7	26.6
Current liabilities, interest bearing	118.4	6.5	220.0
Current liabilities, interest bearing, additional purchase price	72.8*	-	-
Current liabilities, non-interest bearing**	319.2	398.6	380.5
Total shareholders' equity and liabilities	**1,660.8**	**2,149.9**	**1,746.5**

* Related to earn-out for the acquisition of the Russian operation. ** Current liabilities, non-interest bearing includes liabilities related to provisions for restructuring costs and acquisitions of total SEK 71 million

Changes to shareholders' equity, SEK million

	2008 Jan-Jun	2007 Jan-Jun	2007 Jan-Dec
Amount at start of period	**1,046.2**	**1,948.0**	**1,948.0**
Profit/loss related to cash flow hedging	-	0.1	-
Exchange rate differences	-48.9	16.0	-13.5
New share issue	145.7		
Share redemption program	-	-	-561.4
Earnings for the period	-14.1	-354.4	-326.9
Amount at end of period	**1,128.9**	**1,609.7**	**1,046.2**
Of which attributable to shareholders in Teleca AB	1,128.9	1,609.7	1,046.2

Summary of consolidated cash flow analysis, SEK million

	2008 Apr-Jun	2007 Apr-Jun	2008 Jan-Jun	2007 Jan-Jun	2007 Jan-Dec
Cash flow from operations	**2.8**	**-97.2**	**-18.0**	**-137.8**	**-84.4**
Change in working capital	.-24.8	-52.6	-16.6	-64.6	-149.2
Cash flow from operating activities	**-22.0**	**-149.8**	**-34.6**	**-202.4**	**-233.6**
Investing activities	-3.0	768.3	-12.4	778.3	747.3
Cash flow after investing activities	**-25.0**	**618.5**	**-47.0**	**575.9**	**513.7**
Financing activities	42.1	-247.5	45.7	-186.1	-543.0
Cash flow for the period	**17.1**	**371.0**	**-1.3**	**389.8**	**-29.3**
Exchange rate differences in liquid funds	0.7	-1.2	-2.5	2.7	6.2
Changes in liquid funds	**17.8**	**369.8**	**-3.8**	**392.5**	**-23.1**

Share data	2008 Apr-Jun	2007 Apr-Jun	2008 Jan-Jun	2007 Jan-Jun	2007 Jan-Dec
Earnings per share, SEK	0.16	-1.62	-0.21	-5.68	-4.88
Ditto diluted, SEK	0.16	-1.62	-0.21	-5.68	-4.88
Earnings per share continuing operations, SEK	0.16	-1.07	-0.21	-11.29	-9.90
Ditto diluted, SEK	0.16	-1.07	-0.21	-11.29	-9.90
Shareholders' equity per share, SEK	16.95	25.81	16.95	25.81	16.77
Ditto diluted, SEK	16.95	25.81	16.95	25.81	16.77
Number of shares, period-end	76 852 008	62 377 477	76 852 008	62 377 477	62 377 477
Ditto diluted	76 852 008	62 377 477	76 852 008	62 377 477	62 377 477
Number of shares, average*	70 807 698	62 377 477	66 592 588	62 377 477	66 991 701
Ditto diluted*	70 807 698	62 377 477	66 592 588	62 377 477	66 991 701
Number of warrants with subscription price below share price at end of period	-	-	-	-	-
Number of warrants with subscription price above share price at end of period	-	-	-	-	-
Number of own shares at end of period	-	-	-	-	-
Share price at end of period	5.70	20.17	5.70	20.17	13.65

* The share redemption program doubled the number of shares during 27 days in quarter 3, 2007. In Q2 2008 the number of shares increased with 13.9 million shares due to the rights issue and with 0.6 million shares due to issue of shares to Symphony Technology Group as consideration for the subscription guarantee.

Margin data	2008 Apr-Jun	2007 Apr-Jun	2008 Jan-Jun	2007 Jan-Jun	2007 Jan-Dec
Operating margin, %	5.8	-17.1	1.3	-93.0	-40.7
Profit margin, %	3.6	-31.1	-2.3	-55.2	-24.9

Depreciation, SEK million	2008 Apr-Jun	2007 Apr-Jun	2008 Jan-Jun	2007 Jan-Jun	2007 Jan-Dec
Tangible fixed assets	-5.5	-6.9	-10.8	-14.6	-24.6
Capitalized product development expenses	-3.5	-3.5	-7.0	-12.5	-19.4
Other intangible assets	-2.4	-2.4	-4.7	-5.0	-9.9
Total depreciation for the period	**-11.4**	**-12.8**	**-22.5**	**-32.1**	**-53.9**

Operating income by geographical area, SEK million	2008 Apr-Jun	2007 Apr-Jun	2008 Jan-Jun	2007 Jan-Jun	2007 Jan-Dec
Sweden	70.2	80.4	148.1	166.7	337.9
Europe, excluding Sweden	138.9	121.0	275.3	240.3	520.5
Asia	30.0	51.3	50.6	96.2	176.1
North America	69.3	71.6	130.1	139.3	276.3
Total	**308.4**	**324.3**	**604.1**	**642.5**	**1,310.8**

Quarterly trend	2007				2008	
	Q1	Q2	Q3	Q4	Q1	Q2
Operating income, SEK million	318	324	302	366	296	308
Operating earnings (EBIT), SEK million	-542	-55	22	42	-10	18
Operating margin, %	-170	-17	7	12	-3	6
Approximate number of working days	62	61	64	63	61	63
Number of employees at end of period	2,189	2,038	2,029	1,976	1,997	2,002

Teleca Group key data	2008 Apr-Jun	2007 Apr-Jun	2008 Jan-Jun	2007 Jan-Jun	2007 Jan-Dec
Number of employees, period-end (FTE)	2,002	2,038	2,002	2,038	1,976
Average number of employees	2,003	2,089	1,992	2,151	2,076
Operating income per employee SEK thousands	154	155	303	299	631
Value added per employee, SEK thousands	95	85	183	183	143
Working capital, SEK million	159	85	159	85	125
Working capital percentage of last quarter sales	51.7	26.2	51.7	26.2	34.2
Capital employed, SEK million	1,321	1,712	1,321	1,712	1,339
Tax losses carry forward, SEK million	785	520	785	520	785
Return on capital employed, %	1.4	-4.3	1.8	-10.2	-7.9
Return on equity, %	1.1	-6.1	-1.3	-20.2	-22.3
Equity/assets ratio, %	68.0	74.9	68.0	74.9	59.9
Net debt/equity, %	7.7	-27.6	7.7	-27.6	17.6
Current ratio	0.9	1.2	0.9	1.2	0.8
Interest bearing net debt*, SEK million	87	-444	87	-444	185

* Interest bearing net debt is defined as Interest bearing liabilities (excluding additional purchase price) less Liquid funds

Parent company

Summary of income statement, SEK million

	2008 Apr-Jun	2007 Apr-Jun	2008 Jan-Jun	2007 Jan-Jun	2007 Jan-Dec
Operating income	34.8	10.7	68.0	28.2	115.9
Staff expenses	-12.4	-14.2	-24.6	-24.1	-38.7
Other expenses	-32.4	-33.5	-76.9	-80.4	-191.6
Depreciation	-	-0.2	-0.1	-0.3	-0.3
Operating earnings (EBIT)	**-10.0**	**-37.2**	**-33.6**	**-76.6**	**-114.7**
Financial items	48.1	9.6	28.3	14.0	-641.8
Earnings after financial items	**38.1**	**-27.6**	**-5.3**	**-62.6**	**-756.5**
Taxes	-	-	-	-	-178.5
Earnings for the period	**38.1**	**-27.6**	**-5.3**	**-62.6**	**-935.0**

Summary of balance sheet, SEK million

	2008 30 Jun	2007 30 Jun	2007 31 Dec
Assets			
Tangible assets	2.2	5.6	1.4
Financial fixed assets	1,320.3	2,343.1	1,408.1
Other current assets	461.7	917.6	480.2
Liquid funds	32.4	409.8	12.6
Total assets	**1,816.6**	**3,676.1**	**1,902.3**
Shareholders' equity and liabilities			
Shareholders' equity	965.0	2,411.5	824.6
Long-term liabilities	2.5	2.6	2.8
Current liabilities	849.1	1,262.0	1,074.9
Total shareholders' equity and liabilities	**1,816.6**	**3,676.1**	**1,902.3**

Accounting principles

The group accounts are prepared in accordance with the International Financial Reporting Standards, IFRS, and interim reports are prepared in accordance with IAS 34, Interim Financial Reporting. This interim report has in all other aspects been prepared in accordance with the same accounting principles and calculation methods as applied in the annual report for 2007. More information about the accounting principles is available in Teleca's annual report for 2007 which can be downloaded at Teleca's web site www.teleca.com or distributed by post upon request from Teleca's head office.

The company's auditors have not reviewed this report.

The Board of Directors and the Chief Executive Officer affirm that this interim report gives a true and fair view of the company and the group's operations, position and the financial results and describes any significant risks and uncertainties that the company and its subsidiaries currently face.

MALMÖ, July 18, 2008

Chet Kamat Chairman of the Board	René Svendsen-Tune President and CEO	John Tristan Treadwell
Juha Christensen		Johan Anton Vunderink
Tomas Isaksson		Lars Andersson Personnel representative
Anders Torstensson		Hasse Olsson Personnel representative

Our vision:

By 2015, all technology applied to deliver a great mobile experience has been touched by Teleca

The interim report can be ordered from the company or downloaded via www.teleca.com.
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Teleca is a world-leading supplier of software services to major players of the mobile device industry. The company offers tailored solutions, systems design and the integration of software and hardware for mobile phones. Teleca has about 2,000 employees in 11 countries in Asia, Europe and North America and is quoted on the small cap list of the Nordic Exchange.