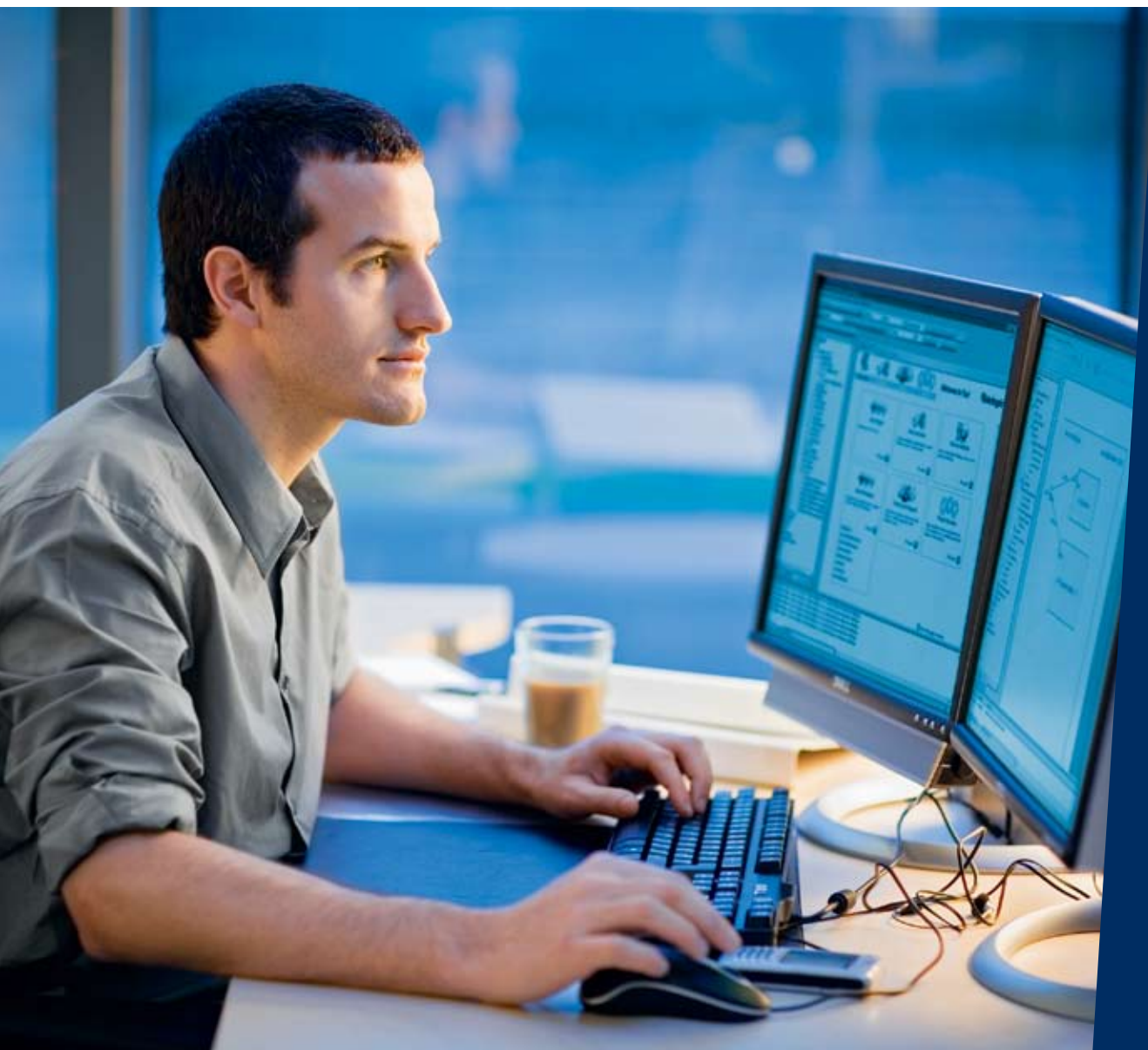


Telelogic Interim Report

July - September 2007



| Key numbers SEK million | Jul-Sep 2007 | 2006 | Jan-Sep 2007 | 2006 |
|-------------------------------|-----------------|-------|-----------------|---------|
| Revenue | 428.5 | 370.1 | 1,215.0 | 1,079.6 |
| Pre-tax profit | 75.4 | 42.2 | 170.6 | 111.0 |
| Income after tax | 55.8 | 31.7 | 127.2 | 86.6 |
| Earnings per share, SEK | 0.23 | 0.13 | 0.51 | 0.35 |
| Cash flow, current operations | 21.4 | 35.0 | 189.9 | 214.6 |

This document is essentially a translation of Swedish language original thereof. In the event of any discrepancies between this translation and the original Swedish document, the latter shall be deemed correct.

Telelogic Interim Report, July - September 2007

- Revenue climbed 21% in local currency during the third quarter to SEK 428.5 million.
- Sales of licenses and maintenance rose 20% in local currency. Sales of services increased by 23% in local currency.
- Pre-tax profit increased 79% to SEK 75.4 million for the quarter.
- Earnings per share increased by 77% for the third quarter and amounted to SEK 0.23/share.
- Cash flow from current operations was SEK 189.9 million during the first nine months of the year.

CEO's comments on the quarter:

"Operations showed good growth during the third quarter of 2007. The uncertainty that was the natural response to the bid for Telelogic announced on June 11 initially had a negative impact on operations. Telelogic initiated a campaign to handle this uncertainty both internally and externally. The delay of the offer announced on July 30 drew attention to current business

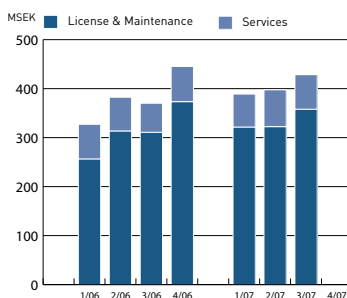
and core operations. During the third quarter customer trust gradually returned and Telelogic closed an unusually large number of major transactions, including the company's largest deal ever, worth SEK 91 million. A number of these deals were planned to be closed during the second quarter, but were delayed and signed in the third quarter. Organic growth was 21 percent for the third quarter, while pre-tax profit surged 79 percent.

The new product focused organization is working well and all product categories showed good growth. It is particularly gratifying that requirements management once again showed strong growth with a 31 percent increase. Once again, the EMEA Market Division was the geographic area that showed the strongest growth at 36 percent.

Based on our strong third quarter and the first nine months, Telelogic is revising its forecast upward for the year. Our assessment is that growth for 2007 will fall in the range of 12 to 15 percent in local currency and that the increase in earnings per share will exceed 25 percent year on year."

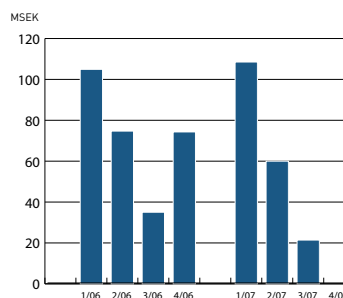
Anders Lidbeck, President and CEO for Telelogic

Revenue



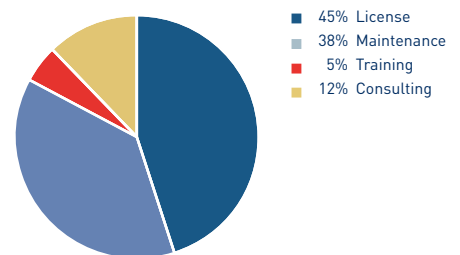
Cash flow

from current operations

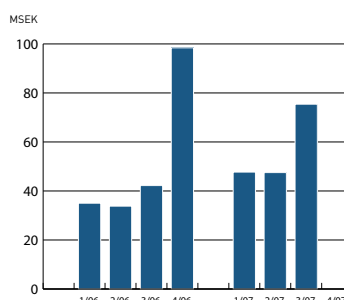


Revenue mix

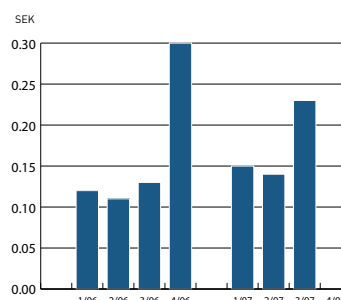
(Jul-Sep)



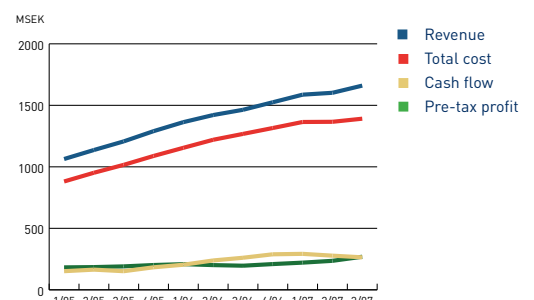
Pre-tax profit



Earnings per share



Moving four quarters



Revenue, profits and cash flow

| Jul-Sep, SEK million | 2007 | 2006 |
|-------------------------------|-------------|-------------|
| Revenue | 428.5 | 370.1 |
| Pre-tax profit | 75.4 | 42.2 |
| Income after tax | 55.8 | 31.7 |
| Earnings per share, SEK | 0.23 | 0.13 |
| Cash flow, current operations | 21.4 | 35.0 |

Strong organic growth

Revenue for the third quarter was SEK 428.5 million, corresponding with a growth rate of 21 percent in local currency and equivalent to a growth rate of 16 percent in SEK, compared with the same period last year.

Sales of licenses accounted for 45 percent of Telelogic's total revenue for the quarter. License revenue increased by 33 percent in local currency and by 27 percent when translated into SEK.

Maintenance revenue has shown a stable upward trend for some time. This trend can be explained by the fact that the maintenance agreement customer base increases with each licensing agreement. Maintenance revenue for the third quarter increased by 8 percent in local currency and by 4 percent when translated into SEK.

Sales of consulting and training services increased 23 percent in local currency and by 19 percent in SEK.

Strong financial performance

The operating margin for the third quarter was 17.7 percent, an improvement of more than five percentage points compared with the same period last year.

Pre-tax profit for the third quarter improved by 79 percent and totaled SEK 75.4 million. A charge of SEK 7.7 million was taken against profit for the quarter for costs related to the ongoing tender offer from IBM, as was a charge of SEK 3.5 million (in accordance with IFRS) for amortization of intangible assets relating to acquisitions carried out in 2005 and 2006. Net profit after tax improved by 76 percent to SEK 55.8 million.

Earnings per share totaled SEK 0.23 for the third quarter, an improvement of SEK 0.10 or 77 percent compared with the same period last year.

Continued good cash flow

Cash flow from current operations continued to be strong at SEK 189.9 million during the first nine months of the year, though this is somewhat lower than the corresponding period the previous year. As was previously announced, 2007 cash flow will not include a number of temporary effects that had a positive effect on cash flow in 2006.

Strong financial position

Cash and cash equivalents increased to SEK 572.4 million, compared with SEK 462.0 million on January 1. The change was due to a positive cash flow from current operations of SEK 189.9 million, payment of additional consideration relating to the I-Logix acquisition of SEK 4.7 million, amortization of loans for SEK 37.5 million, other investments of SEK 38.1 million, warrant redemptions of SEK 1.0 million, and negative exchange rate differences of SEK 0.2 million in cash and cash equivalents. In addition to cash and cash equivalents amounting to SEK 572.4 million Telelogic has unused overdraft facilities of more than SEK 500 million.

Personnel

At the end of the quarter Telelogic had 1,220 employees, 82 more than at the end of 2006. The Company will continue to focus on hiring new employees in those regions and product areas that show good profitability and growth potential.

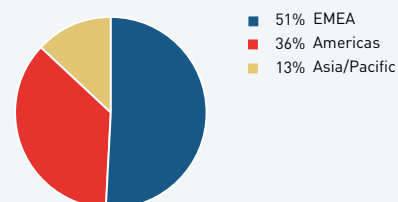
Parent Company

Revenue for the first nine months of the year amounted to SEK 157.1 million for the Parent Company, compared with SEK 105.2 million during the same period last year. The Parent Company received SEK 117.3 million in dividends from subsidiaries. No other material changes occurred with respect to relations or transactions with associated companies.

Geographical development

| Jul-Sep | Growth <small>(local currency)</small> | Contribution |
|--------------|--|--------------|
| America | 3% | 42% |
| EMEA | 36% | 46% |
| Asia/Pacific | 30% | 36% |

Revenue/region



Continued strong growth in EMEA

The EMEA Market Division (operations in Europe, the Middle East and Africa) reported strong growth during the quarter. The increased growth was mainly due to a number of major deals that were completed and also taken up as revenue during the quarter. The market climate varies among the countries, but overall the market is assessed as good. The contribution margin was extremely high due to strong revenue growth and good cost control.

The Asia/Pacific Market Division (operations in Asia and Australia) showed strong growth once again after a quarter with negative growth. Japanese operations continue to post a weak performance, but this was offset by good growth in the other

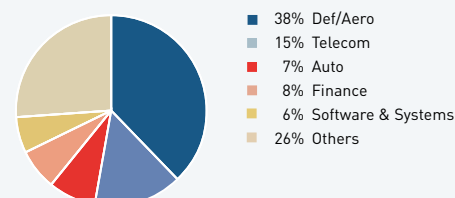
countries. The general market climate in Asia/Pacific continues to be positive. Investments in continued expansion had a negative impact on the contribution margin.

Telelogic's Americas Market Division (operations in North and South America) showed weak growth during the quarter. The market climate in the United States was somewhat weaker than in Europe, which together with Telelogic's considerable exposure to the aerospace and defense industry resulted in deteriorating growth. The contribution margin met expectations despite somewhat weaker than expected revenue growth, indicating good cost control.

Development per customer group

| Jul-Sep | Growth <small>(local currency)</small> | % of revenue |
|--------------------|--|--------------|
| Def/Aero | 26% | 38% |
| Telecom | 0% | 15% |
| Automotive | 31% | 7% |
| Finance | 64% | 8% |
| Software & Systems | 31% | 6% |
| Others | 15% | 26% |

Revenue/segment



Defense/aerospace continues to dominate

The defense/aerospace segment continued to be Telelogic's biggest customer group during the period. Sales to this customer group once again showed growth during the quarter, after a few weak quarters. This increase mainly occurred outside the United States.

Sales in the telecom segment showed zero growth during the third quarter. This customer group is somewhat dependent on large individual transactions that occur irregularly during the year.

Sales in the automotive segment rose sharply during the quarter. Growth has continued to be positive for several quarters and it

is now clear that Telelogic has strengthened its position in this customer group, even outside Germany.

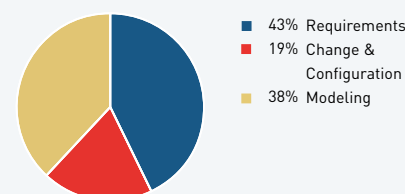
The financial segment as well as the software and systems segment increased during the quarter. However, these customer groups are too small and developments are too irregular for any detailed conclusions to be drawn based on individual quarters.

The category "other" includes customer groups that do not achieve 5 percent of total revenue on an annual basis.

Development per product category

| Jul-Sep | Growth <small>(lokalt våtuta)</small> | % of revenue |
|---------------|---|--------------|
| Requirements | 31% | 43% |
| Configuration | 17% | 19% |
| Modeling | 13% | 38% |

Revenue/product



Double-digit growth for all product categories

The Requirements Management product group once again posted strong growth with a 31 percent increase during the quarter. All products in the product group have performed well, especially license sales.

The Change and Configuration management product group grew 17 percent for the second consecutive quarter. Focused investments during the past year in both product development and the sales organizations strengthened Telelogic's position in this segment, which had weak growth for several quarters.

Modeling increased 13 percent during the quarter. The products from the two most recent acquisitions continue to show a positive trend, with Rhapsody as the leading growth product.

Public offer to Telelogic's shareholders

On June 11 IBM announced a public cash offer to the shareholders of Telelogic AB. IBM will pay SEK 21 in cash for each Telelogic share. The offer is valid until December 7, 2007. Telelogic's Board has recommended the offer. For more information, please see the documentation from IBM and the press release published on the Telelogic website.

Annual General Meeting and Nomination Committee

The Annual General Meeting will be held in Malmö, Sweden on May 6, 2008. As usual, the complete proposal of the Board of Directors will be announced well before the annual general meeting. According to a decision at the 2007 annual general meeting of shareholders, the nomination committee shall consist of the Chairman of the Board and representatives of the four biggest shareholders as of August 31. Since there is currently a tender offer for Telelogic from IBM, it has been decided to hold off on appointing the nomination committee until the offer period expires in December.

Product awards

- The Butler Group recognized Telelogic's integrated solutions as industry-leading products. Some excerpts from the report: Telelogic's requirements management solution is referred to as "market-leading" and "complete". Telelogic's configuration management products are called "A winning strategy that coordinates change and work flow". In modeling, System Architect receives the comment "Should be on any organization's short list" and Telelogic's model-driven development solutions "Lead the way" according to Butler.
- French research consultancy Yphise selected Telelogic Synergy™ as the best software development management solutions. It is the fourth consecutive year that Synergy garnered this award.

Risks and uncertainties

The principal uncertainty in the near term is the IBM bid for Telelogic, which involves increased uncertainty for both customers and employees. Telelogic believes this will have a negative impact on business until the bid situation is over. Otherwise there are no short-term risks or uncertainty factors that should be mentioned other than the ongoing risks presented in Telelogic's annual report.

Outlook for 2007

Underlying market demand is deemed to be good, with similar quarterly fluctuations as in previous years.

Telelogic previously made the assessment that 2007 revenues would increase by 7 to 12 percent in local currency. Telelogic now expects the company to achieve sales growth of 12 to 15 percent in local currency for 2007.

In Telelogic's earlier assessment, earnings per share were expected to rise 15 to 20 percent in 2007. Telelogic now anticipates that earnings per share will rise more than 25 percent compared with the previous year.

Malmö, October 23, 2007
Board of Directors

Major deals during the third quarter

- Thales, a technology company that focuses on aerospace/defense and security solutions, signed Telelogic's biggest agreement ever, worth SEK 91 million. The four-year agreement includes requirements management products DOORS and modeling products System Architect and Rhapsody.
- A global manufacturer in the aerospace/defense industry signed a 3.5 year-agreement worth SEK 32 million. This agreement includes the requirements management product DOORS and the change management product Change.
- A manufacturer in the aerospace/defense industry invested SEK 12.3 million in the modeling product State-mate.
- A North American financial service company signed an agreement worth SEK 9.8 million that includes the requirements management product DOORS, change management product Change, and the modeling product System Architect.
- A financial institution in Asia/Pacific bought the requirements management product DOORS as well as the modeling product System Architect for a value of SEK 8.6 million. The term of the agreement is three years.
- A global retail trade company invested SEK 7.6 million in the requirements management product DOORS and in the change management product Change.
- A global security company signed a four-year extension to an agreement worth SEK 5.7 million. This agreement covers the requirements management product DOORS and the modeling product Tau.
- An equipment supplier for the semiconductor fabrication industry extended an agreement worth SEK 5 million. This agreement covers the modeling product Rhapsody.

Auditors' Review Report

We have reviewed the accompanying balance sheet of Telelogic AB (publ) as of 30 September 2007 and the related statements of income, changes in equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management of the Company is responsible for the preparation and fair presentation of the interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review.

We have conducted our review in accordance with the Swedish standard for such reviews, SÖG 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by FAR, the institute for the accountancy profession in Sweden. A review of interim financial information consists of making inquiries, primarily of, persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in

accordance with Swedish generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Therefore, a review does not enable us to express a conclusion with the same degree of assurance that an audit would do.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the Company, and of its financial performance and its cash flows for the nine-month period then ended in accordance with IAS 34.

Malmö, October 23, 2007

KPMG Bohllins AB

Eva Melzig Henriksson
Authorized public accountant

Technology description: Modeling

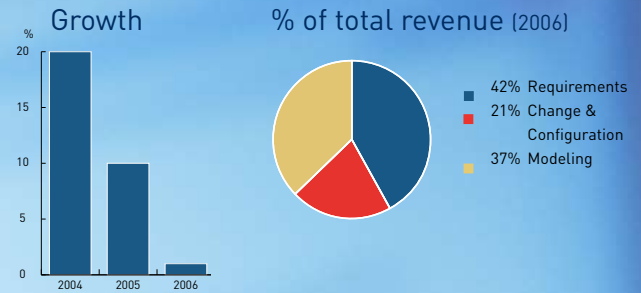
Telelogic provides software solutions to optimize, align, and automate its customers' business processes, tailored to business operations objectives and end customer needs. The purpose is to save time, improve quality and reduce costs.

Telelogic's software is divided into three product groups: Requirements Management, Change & Configuration Management, and Modeling. Each quarter we describe one product group in the Interim Report.

What is modeling?

Modeling can occur on many levels in the company. Modeling is the term applied to describe structuring and, in some cases, programming with the help of symbols. An enterprise can model its processes, such as its business, IT, or development processes, on a comprehensive plan. By mapping its processes the company gets an overview of how they fit together, where inadequacies can be found, and where efficiency can be improved.

Modeling is also used in product development. The approach is similar in that the comprehensive structure of the software is mapped, analyzed and linked together. The model is then detailed with additional levels and when the degree of detail is adequate the final software code can be automatically generated. The developer only works with one model but can choose to generate the text-based software code in several different versions, depending on where it will be used (for example, in a mobile phone or in a PC).

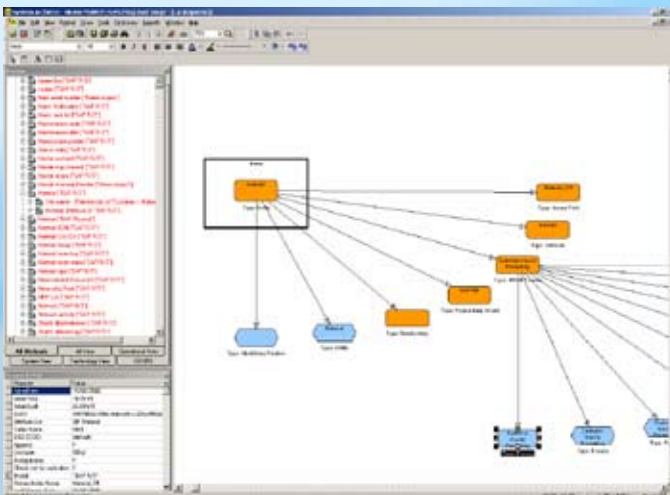


Users

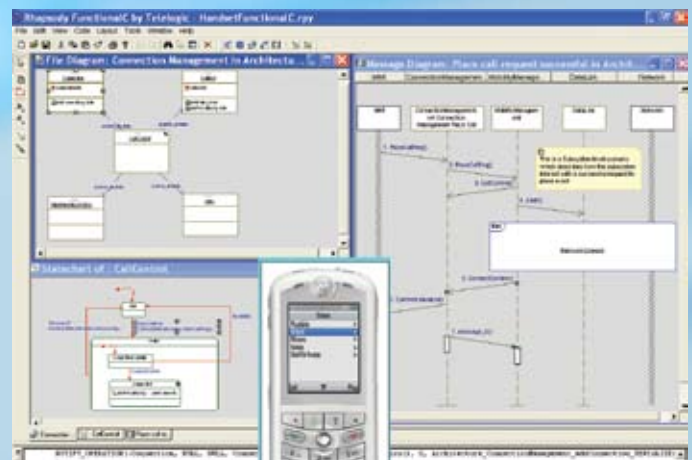
- Process Engineers model enterprise-wide processes and structures.
- Department Managers analyze and make decisions based on the defined processes.
- Software Engineers model the software and generate the final software code.
- Project Managers can assess the developed software and make sure it meets requirements and deadlines.

Advantages

- Simplifies overview of complex processes and clarifies weaknesses in these processes.
- Simplifies programming of complex software by improving the overview, accelerating the development process, and minimizing the number of errors.
- Documentation of processes and software are created essentially at the same time as they are modeled.



System Architect is used to efficiently design, visualize, and analyze processes, business models, and organizational structures. System Architect enables organizations to see where their processes are ineffective, how they are related to other processes, where duplication of jobs occurs, how resources should be allocated, etc.



Both Telelogic Rhapsody and Telelogic Tau are used to model software. The concept of modeling means that engineers use graphic programming language instead of text-based programming language. When the model is ready the developer can generate program code in several different languages, such as C, C++, C# or Java. Rhapsody focuses on modeling software in embedded systems; in other words, software embedded in applications such as mobile phones and airplanes. Tau focuses on modeling of larger IT systems.

Income statements in summary

| | Jul-Sep | | Jan-Sep | | Full year | |
|---|--------------|--------------|----------------|----------------|----------------|----------------|
| | 2007 | 2006 | 2007 | 2006 | 2006 | 2005 |
| MSEK | | | | | | |
| Licensing revenue | 193.2 | 152.4 | 508.7 | 440.8 | 653.2 | 564.7 |
| Maintenance revenue | 164.6 | 158.3 | 492.5 | 439.2 | 600.0 | 461.2 |
| Consulting and other revenue | 70.7 | 59.4 | 213.8 | 199.6 | 271.7 | 264.0 |
| Total revenue | 428.5 | 370.1 | 1,215.0 | 1,079.6 | 1,524.9 | 1,289.9 |
| License expenses | -7.7 | -4.8 | -22.7 | -15.8 | -22.5 | -15.0 |
| Maintenance expenses | -14.0 | -13.6 | -41.9 | -38.6 | -52.9 | -44.9 |
| Consulting and other expenses | -55.9 | -46.2 | -166.1 | -157.1 | -213.4 | -205.3 |
| Gross income | 350.9 | 305.5 | 984.3 | 868.1 | 1,236.1 | 1,024.7 |
| Sales expenses | -165.4 | -163.1 | -499.2 | -476.3 | -643.8 | -527.5 |
| Administration expenses | -31.9 | -28.6 | -92.9 | -83.7 | -113.6 | -94.9 |
| Product development expenses | -66.7 | -59.7 | -200.7 | -167.5 | -230.6 | -191.5 |
| Other operating expenses | -11.2 | -9.6 | -19.6 | -25.7 | -33.0 | -15.7 |
| Operating income | 75.7 | 44.5 | 171.9 | 114.9 | 215.1 | 195.1 |
| Net financial income/expenses | -0.3 | -2.3 | -1.3 | -3.9 | -5.7 | 6.6 |
| Pre-tax profit | 75.4 | 42.2 | 170.6 | 111.0 | 209.4 | 201.7 |
| Tax | -19.6 | -10.5 | -43.4 | -24.4 | -49.5 | -36.5 |
| Income after tax | 55.8 | 31.7 | 127.2 | 86.6 | 159.9 | 165.2 |
| Earnings per share, basic (SEK) | 0.23 | 0.13 | 0.51 | 0.35 | 0.65 | 0.70 |
| Earnings per share, diluted (SEK) | 0.22 | 0.13 | 0.51 | 0.35 | 0.65 | 0.69 |
| Average number of shares, basic (million) | 247.2 | 247.0 | 247.2 | 246.2 | 246.2 | 235.6 |
| Average number of shares, diluted (million) | 249.5 | 247.9 | 249.4 | 247.1 | 247.2 | 240.4 |

Key numbers

| | Jul-Sep | | Jan-Sep | | Full year | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2007 | 2006 | 2007 | 2006 | 2006 | 2005 |
| Sales growth (%) | 16 | 13 | 13 | 19 | 18 | 24 |
| " licensing revenue | 27 | 10 | 15 | 15 | 16 | 15 |
| " maintenance revenue | 4 | 29 | 12 | 32 | 30 | 26 |
| " consultant & other revenue | 19 | -10 | 7 | 5 | 3 | 43 |
| Gross margin (%) | 81.9 | 82.5 | 81.0 | 80.4 | 81.1 | 79.4 |
| " licensing revenue | 96.0 | 96.9 | 95.5 | 96.4 | 96.6 | 97.3 |
| " maintenance revenue | 91.5 | 91.4 | 91.5 | 91.2 | 91.2 | 90.3 |
| " consultant & other revenue | 20.9 | 22.2 | 22.3 | 21.3 | 21.5 | 22.2 |
| Indirect expenses in % of revenue | 64.2 | 70.5 | 66.9 | 69.8 | 67.0 | 64.3 |
| Sales expenses in % of revenue | 38.6 | 44.1 | 41.1 | 44.1 | 42.2 | 40.9 |
| Administration expenses in % of revenue | 7.4 | 7.7 | 7.6 | 7.8 | 7.4 | 7.4 |
| Product development expenses in % of revenue | 15.6 | 16.1 | 16.5 | 15.5 | 15.1 | 14.8 |
| Other expenses in % of revenue | 2.6 | 2.6 | 1.6 | 2.4 | 2.2 | 1.2 |
| Operating margin (%) | 17.7 | 12.0 | 14.1 | 10.6 | 14.1 | 15.1 |
| EBITA margin* (%) | 18.5 | 14.6 | 15.1 | 13.0 | 16.3 | 16.3 |
| EBITDA margin (%) | 21.8 | 18.3 | 18.6 | 16.5 | 19.8 | 20.0 |

* Operating income excluding amortization on intangible assets related to acquisitions as percentage of total revenue

Segment Information

| | Jul-Sep | | Jan-Sep | | Full year | |
|---|---------|-------|---------|--------|-----------|--------|
| | 2007 | 2006 | 2007 | 2006 | 2006 | 2005 |
| Revenue (SEK million) | | | | | | |
| Americas | 155.5 | 164.5 | 457.9 | 463.7 | 636.8 | 527.6 |
| EMEA | 217.2 | 160.6 | 607.9 | 480.3 | 695.3 | 603.8 |
| Asia/Pacific | 55.8 | 45.0 | 149.2 | 135.6 | 192.8 | 158.5 |
| Operating income (SEK million) | | | | | | |
| Americas | 65.7 | 64.2 | 167.8 | 165.6 | 238.6 | 200.6 |
| EMEA | 100.7 | 57.1 | 265.8 | 163.8 | 261.3 | 205.3 |
| Asia/Pacific | 20.1 | 13.5 | 44.5 | 43.5 | 66.5 | 54.8 |
| Product development, Parent Company and other | -110.8 | -90.3 | -306.2 | -258.0 | -351.3 | -265.6 |
| Contribution margin (%) | | | | | | |
| Americas | 42 | 39 | 37 | 36 | 37 | 38 |
| EMEA | 46 | 36 | 44 | 34 | 38 | 34 |
| Asia/Pacific | 36 | 30 | 30 | 32 | 34 | 35 |

| Balance sheets in summary MSEK | Sep 30 | | Dec 31 | |
|--|----------------|----------------|----------------|----------------|
| | 2007 | 2006 | 2006 | 2005 |
| Goodwill | 906.0 | 1 001.5 | 947.1 | 523.3 |
| Other intangible assets | 75.5 | 96.9 | 93.7 | 24.3 |
| Capitalized development costs | 155.7 | 155.5 | 156.1 | 151.1 |
| Property, plant, and equipment | 35.9 | 36.7 | 37.8 | 34.8 |
| Financial fixed assets | 16.6 | 13.9 | 15.6 | 14.9 |
| Deferred tax assets | 153.9 | 209.1 | 188.1 | 179.1 |
| Accounts receivables | 371.2 | 387.5 | 398.7 | 458.3 |
| Other current receivables | 184.5 | 122.7 | 156.4 | 126.2 |
| Cash and cash equivalents | 572.4 | 466.1 | 462.0 | 447.3 |
| Total assets | 2,471.7 | 2,489.9 | 2,455.5 | 1,959.3 |
| Equity | 1,511.2 | 1,421.9 | 1,426.8 | 1,359.8 |
| Interest-bearing long-term liabilities | 350.0 | 425.0 | 387.5 | - |
| Other non-current liabilities | 4.9 | 3.0 | 2.8 | 3.4 |
| Interest-bearing current liabilities | 50.0 | 50.0 | 50.0 | 39.8 |
| Accounts payable | 35.9 | 30.9 | 28.8 | 42.1 |
| Accruals and deferred income | 471.7 | 477.5 | 491.7 | 442.8 |
| Other current liabilities | 48.0 | 81.6 | 67.9 | 71.4 |
| Total liabilities and equity | 2,471.7 | 2,489.9 | 2,455.5 | 1,959.3 |

| Equity in brief MSEK | No. of shares | Jan-Sep | | Full year | |
|---|--------------------|----------------|----------------|----------------|----------------|
| | Jan-Sep 2007 | 2007 | 2006 | 2006 | 2005 |
| Opening balance, January 1 | 247,105,247 | 1,426.8 | 1,359.8 | 1,359.8 | 702.7 |
| Change in translation reserve for the year | | -49.3 | -59.9 | -130.7 | 72.8 |
| Income for the year | | 127.2 | 86.6 | 159.9 | 165.2 |
| Total change in net assets, excl. transactions with the Company's shareholders | | 77.9 | 26.7 | 29.2 | 238.0 |
| New equity issues | 121,234 | 1.0 | 30.9 | 31.0 | 414.6 |
| Options program | | 5.5 | 4.5 | 6.8 | 4.5 |
| Closing balance | 247,226,481 | 1,511.2 | 1,421.9 | 1,426.8 | 1,359.8 |

| Key numbers | Jan-Sep | | Full year | |
|--|---------|-------|-----------|-------|
| | 2007 | 2006 | 2006 | 2005 |
| Number of employees, end of period | 1,220 | 1,110 | 1,138 | 929 |
| Cash and cash equivalents (SEK million) | 572.4 | 466.1 | 462.0 | 447.3 |
| Interest bearing liabilities (SEK million) | 400.0 | 475.0 | 437.5 | 39.8 |
| Equity/assets ratio (%) | 61.1 | 57.1 | 58.1 | 69.4 |
| Equity per share (SEK) | 6.11 | 5.80 | 5.77 | 5.59 |

| Cash flow in summary MSEK | Jan-Sep | | Full year | |
|--|--------------|-------------|-------------|--------------|
| | 2007 | 2006 | 2006 | 2005 |
| Operating activities | 189.9 | 214.6 | 288.9 | 183.1 |
| Investing activities | -42.8 | -694.5 | -727.8 | -298.8 |
| Financing activities | -36.5 | 505.9 | 468.5 | 295.3 |
| Cash flow for the period | 110.6 | 26.0 | 29.6 | 179.6 |
| Cash and cash equivalents at beginning of period | 462.0 | 447.3 | 447.3 | 249.5 |
| Exchange rate differences in cash and cash equivalents | -0.2 | -7.2 | -14.9 | 18.2 |
| Cash and cash equivalents at end of period | 572.4 | 466.1 | 462.0 | 447.3 |

Quarterly data in summary

Income Statements

| MSEK | 2007 | | | 2006 | | | 2005 | | |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| Licensing revenue | 193.2 | 155.6 | 159.9 | 212.4 | 152.4 | 160.5 | 127.9 | 181.4 | 138.1 |
| Maintenance revenue | 164.6 | 166.6 | 161.3 | 160.8 | 158.3 | 152.7 | 128.2 | 128.9 | 123.0 |
| Consulting and other revenue | 70.7 | 75.4 | 67.7 | 72.1 | 59.4 | 69.2 | 71.0 | 73.8 | 66.3 |
| Total revenue | 428.5 | 397.6 | 388.9 | 445.3 | 370.1 | 382.4 | 327.1 | 384.1 | 327.4 |
| License expenses | -7.7 | -8.6 | -6.4 | -6.8 | -4.8 | -6.0 | -5.0 | -4.2 | -3.6 |
| Maintenance expenses | -14.0 | -13.5 | -14.4 | -14.2 | -13.6 | -14.4 | -10.6 | -11.6 | -11.8 |
| Consulting and other expenses | -55.9 | -56.0 | -54.2 | -56.3 | -46.2 | -55.7 | -55.2 | -58.7 | -49.9 |
| Gross income | 350.9 | 319.5 | 313.9 | 368.0 | 305.5 | 306.3 | 256.3 | 309.6 | 262.1 |
| Sales expenses | -165.4 | -168.3 | -165.5 | -167.5 | -163.1 | -167.9 | -145.3 | -141.8 | -137.3 |
| Administration expenses | -31.9 | -30.8 | -30.2 | -29.9 | -28.6 | -30.3 | -24.8 | -25.7 | -24.3 |
| Product development expenses | -66.7 | -68.6 | -65.4 | -63.1 | -59.7 | -59.0 | -48.8 | -54.4 | -48.7 |
| Other operating expenses | -11.2 | -3.6 | -4.8 | -7.3 | -9.6 | -12.0 | -4.1 | -4.4 | -5.9 |
| Operating income | 75.7 | 48.2 | 48.0 | 100.2 | 44.5 | 37.1 | 33.3 | 83.3 | 45.9 |
| Net financial income/expenses | -0.3 | -0.7 | -0.3 | -1.8 | -2.3 | -3.3 | 1.7 | 1.8 | 1.2 |
| Pre-tax profit | 75.4 | 47.5 | 47.7 | 98.4 | 42.2 | 33.8 | 35.0 | 85.1 | 47.1 |
| Tax | -19.6 | -12.2 | -11.6 | -25.1 | -10.5 | -7.3 | -6.6 | -13.4 | -9.9 |
| Income after tax | 55.8 | 35.3 | 36.1 | 73.3 | 31.7 | 26.5 | 28.4 | 71.7 | 37.2 |

Balance sheets

| MSEK | 2007 | | | 2006 | | | 2005 | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| Goodwill | 906.0 | 950.4 | 966.6 | 947.1 | 1 001.5 | 988.1 | 972.4 | 523.3 | 508.7 |
| Other intangible assets | 75.5 | 83.7 | 89.8 | 93.7 | 96.9 | 105.5 | 126.6 | 24.3 | 28.4 |
| Capitalized development costs | 155.7 | 155.9 | 156.0 | 156.1 | 155.5 | 153.8 | 151.4 | 151.1 | 151.6 |
| Property, plant, and equipment | 35.9 | 39.3 | 38.9 | 37.8 | 36.7 | 36.3 | 39.3 | 34.8 | 34.9 |
| Financial fixed assets | 16.6 | 15.9 | 14.9 | 15.6 | 13.9 | 13.6 | 14.3 | 14.9 | 14.9 |
| Deferred tax assets | 153.9 | 166.3 | 177.4 | 188.1 | 209.1 | 211.8 | 258.4 | 179.1 | 195.3 |
| Accounts receivables | 371.2 | 364.5 | 366.9 | 398.7 | 387.5 | 389.0 | 434.7 | 458.3 | 345.5 |
| Other current receivables | 184.5 | 157.4 | 171.7 | 156.4 | 122.7 | 121.5 | 132.7 | 126.2 | 137.9 |
| Cash and cash equivalents | 572.4 | 576.9 | 544.5 | 462.0 | 466.1 | 463.1 | 443.4 | 447.3 | 401.0 |
| Total assets | 2,471.7 | 2,510.3 | 2,526.7 | 2,455.5 | 2,489.9 | 2,482.7 | 2,573.3 | 1,959.3 | 1,818.2 |
| Equity | 1,511.2 | 1,507.4 | 1,493.0 | 1,426.8 | 1,421.9 | 1,367.0 | 1,367.4 | 1,359.8 | 1,257.6 |
| Interest-bearing long-term liabilities | 350.0 | 362.5 | 375.0 | 387.5 | 425.0 | 437.5 | 450.0 | 0.0 | 2.3 |
| Other non-current liabilities | 4.9 | 4.3 | 4.9 | 2.8 | 3.0 | 0.0 | 0.0 | 3.4 | 3.4 |
| Interest-bearing current liabilities | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 92.0 | 39.8 | 38.8 |
| Accounts payable | 35.9 | 38.2 | 37.0 | 28.8 | 30.9 | 38.7 | 34.4 | 42.1 | 27.4 |
| Accruals and deferred income | 471.7 | 505.6 | 512.1 | 491.7 | 477.5 | 496.7 | 539.9 | 442.8 | 397.3 |
| Other current liabilities | 48.0 | 42.3 | 54.7 | 67.9 | 81.6 | 92.8 | 89.5 | 71.4 | 91.3 |
| Total liabilities and equity | 2,471.7 | 2,510.3 | 2,526.7 | 2,455.5 | 2,489.9 | 2,482.7 | 2,573.3 | 1,959.3 | 1,818.2 |

Cash Flow Statements

| MSEK | 2007 | | | 2006 | | | 2005 | | |
|--|-------------|-------------|-------------|------------|------------|-------------|-------------|-------------|------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| Operating activities | 21.4 | 60.0 | 108.5 | 74.3 | 35.0 | 74.7 | 104.9 | 46.2 | 13.0 |
| Investing activities | -10.7 | -13.4 | -18.7 | -33.3 | -21.7 | -51.1 | -621.7 | -8.8 | -11.2 |
| Financing activities | -11.9 | -12.2 | -12.4 | -37.4 | -11.9 | 2.5 | 515.3 | 6.2 | 2.6 |
| Cash flow for the period | -1.2 | 34.4 | 77.4 | 3.6 | 1.4 | 26.1 | -1.5 | 43.6 | 4.4 |
| Cash and cash equivalents at beginning of period | 576.9 | 544.5 | 462.0 | 466.1 | 463.1 | 443.4 | 447.3 | 401.0 | 399.3 |
| Exchange rate diff. in cash and cash equivalents | -3.3 | -2.0 | 5.1 | -7.7 | 1.6 | -6.4 | -2.4 | 2.7 | -2.7 |
| Cash and cash equivalents at end of period | 572.4 | 576.9 | 544.5 | 462.0 | 466.1 | 463.1 | 443.4 | 447.3 | 401.0 |

Parent Company

Income statements

| MSEK | Jan-Sep | |
|---|--------------|--------------|
| | 2007 | 2006 |
| Total revenue | 157.1 | 105.2 |
| License, maintenance, consulting and other expenses | -8.9 | -0.7 |
| Gross income | 148.2 | 104.5 |
| Sales expenses | -9.3 | -4.5 |
| Administration expenses | -41.6 | -40.7 |
| Product development expenses | -27.9 | -36.6 |
| Other operating expenses | -7.7 | - |
| Operating income | 61.7 | 22.7 |
| Dividend from subsidiary | 117.3 | - |
| Net financial income/expenses | 17.7 | 5.8 |
| Pre-tax profit | 196.7 | 28.5 |
| Tax | -0.5 | -0.2 |
| Income after tax | 196.2 | 28.3 |

Balance sheets

| MSEK | 30 Sep | |
|-------------------------------------|----------------|----------------|
| | 2007 | 2006 |
| Total noncurrent assets | 1,366.4 | 1,364.3 |
| Total current assets | 667.7 | 535.3 |
| Total assets | 2,034.1 | 1,899.6 |
| Total shareholder's equity | 1,234.9 | 914.0 |
| Total noncurrent liabilities | 350.0 | 425.0 |
| Total current liabilities | 449.2 | 560.6 |
| Total equity and liabilities | 2,034.1 | 1,899.6 |

7-Year Summary

Income statements

| MSEK | 2006 | 2005 | 2004 | 2003* | 2002* | 2001* | 2000* |
|-----------------------------------|----------------|----------------|----------------|--------------|----------------|-----------------|--------------|
| Licensing and maintenance revenue | 1,253.2 | 1,025.9 | 854.2 | 763.9 | 856.2 | 970.5 | 569.6 |
| Consulting and other revenue | 271.7 | 264.0 | 185.1 | 173.1 | 264.8 | 524.5 | 311.6 |
| Total revenue | 1,524.9 | 1,289.9 | 1,039.3 | 937.0 | 1,121.0 | 1,495.0 | 881.2 |
| Operating income | 215.1 | 195.1 | 175.2 | 8.5 | -65.9 | -2,121.6 | -49.7 |
| Net financial income/expenses | -5.7 | 6.6 | 2.5 | -3.3 | -1.7 | -2.0 | 8.1 |
| Pre-tax profit | 209.4 | 201.7 | 177.6 | 5.2 | -67.6 | -2,123.6 | -41.6 |
| Income after tax | 159.9 | 165.2 | 134.3 | -16.1 | -101.5 | -2,051.2 | -48.7 |

Balance sheets

| MSEK | 2006 | 2005 | 2004 | 2003* | 2002* | 2001* | 2000* |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Total noncurrent assets | 1,438.4 | 927.5 | 456.7 | 509.7 | 605.1 | 691.8 | 2,195.7 |
| Total current assets | 1,017.1 | 1,031.8 | 688.9 | 511.8 | 529.7 | 754.0 | 879.4 |
| Total assets | 2,455.5 | 1,959.3 | 1,145.6 | 1,021.5 | 1,134.8 | 1,445.8 | 3,075.1 |
| Total shareholder's equity | 1,426.8 | 1,359.8 | 702.7 | 550.2 | 627.2 | 716.2 | 2,337.2 |
| Total noncurrent liabilities | 390.3 | 3.4 | 2.7 | 43.6 | 48.6 | 136.7 | 67.1 |
| Total current liabilities | 638.4 | 596.1 | 440.2 | 427.7 | 459.0 | 592.9 | 670.8 |
| Total equity and liabilities | 2,455.5 | 1,959.3 | 1,145.6 | 1,021.5 | 1,134.8 | 1,445.8 | 3,075.1 |

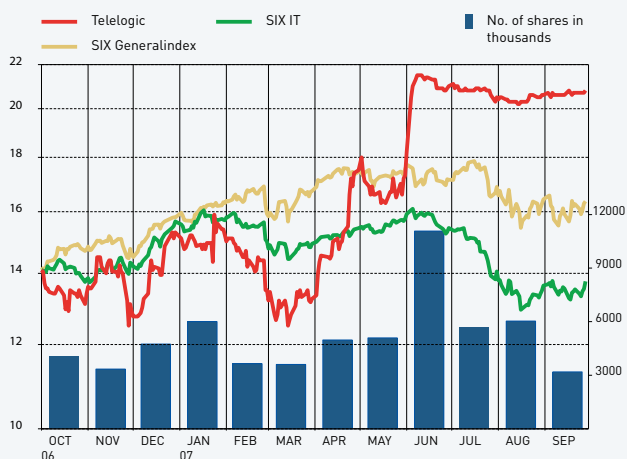
Cash Flow Statements

| MSEK | 2006 | 2005 | 2004 | 2003* | 2002* | 2001* | 2000* |
|--|-------------|--------------|--------------|-------------|-------------|---------------|--------------|
| Operating activities | 288.9 | 183.1 | 152.8 | 34.4 | 122.4 | -219.4 | -146.8 |
| Investing activities | -727.8 | -298.8 | -44.5 | -41.7 | -92.1 | -160.7 | -648.6 |
| Financing activities | 468.5 | 295.3 | 8.2 | -1.2 | 11.5 | 257.2 | 1,004.2 |
| Cash flow for the period | 29.6 | 179.6 | 116.4 | -8.5 | 41.8 | -122.9 | 208.8 |
| Cash and cash equivalents at beginning of period | 447.3 | 249.5 | 139.8 | 160.0 | 128.4 | 240.8 | 30.9 |
| Exchange rate diff. in cash and cash equivalents | -14.9 | 18.2 | -6.7 | -11.7 | -10.2 | 10.5 | 1.1 |
| Cash and cash equivalents at end of period | 462.0 | 447.3 | 249.5 | 139.8 | 160.0 | 128.4 | 240.8 |

* The years 2000-2003 are not restated under IFRS. This mainly affects amortization for goodwill.

The Telelogic share

| | |
|--|-------------------|
| Market value (Sep 30) | SEK 5 142 million |
| Share price (Sep 30) | SEK 20.80 |
| Number of shares (Sep 30) | 247,226,481 |
| Average number of shares per day | 2,296,762 |
| Highest share price during the quarter | SEK 21.10 |
| Lowest share price during the quarter | SEK 20.10 |
| Share price development during the quarter | -0.5% |



Financial calendar

| | |
|-------------------------|------------------|
| Annual Statement | January 29, 2008 |
| Interim report, Jan-Mar | April 22, 2008 |
| Annual General Meeting | May 6, 2008 |
| Interim report, Apr-Jun | July 22, 2008 |

Information to shareholders

Telelogic's financial information is available in Swedish and English. The quickest way to obtain information from Telelogic is via the Internet. Interested parties may subscribe to financial reports on Telelogic's website in printed form by conventional mail, or in digital form by e-mail. Telelogic also offers subscriptions to press releases via e-mail.

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Requirements driven innovation