

Telelogic Interim Report

April - June 2007



Key numbers SEK million	Apr-Jun 2007	2006	Jan-Jun 2007	2006
Revenue	397.6	382.4	786.5	709.5
Pre-tax profit	47.5	33.8	95.2	68.8
Income after tax	35.3	26.5	71.4	54.9
Earnings per share, SEK	0.14	0.11	0.29	0.22
Cash flow, current operations	60.0	74.7	168.5	179.6

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, April - June 2007

- Revenue climbed 8% in local currency during the second quarter to SEK 397.6 million.
- Sales of licenses and maintenance rose 7% in local currency. Sales of services increased 11% in local currency.
- Pre-tax profit increased 41% to SEK 47.5 million for the quarter.
- Earnings per share increased 27% for the second quarter and amounted to SEK 0.14/share.
- Cash flow from operating activities was SEK 168.5 million during the first six months of the year.

CEO's comments on the quarter:

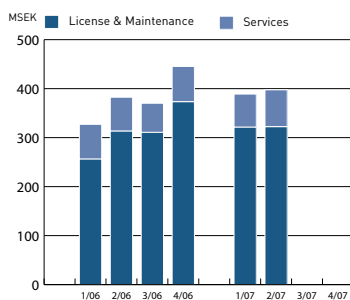
"Telelogic continued to make good progress during the second quarter of 2007. The offer, which was made

public on June 11, has however affected on-going deals. It was mainly noticeable in the US where Telelogic's position is not as strong. Though operations in Asia and Europe were also affected by the offer situation. Despite that, Telelogic closed the quarter with 8% in organic growth and a 27% increase in earnings per share.

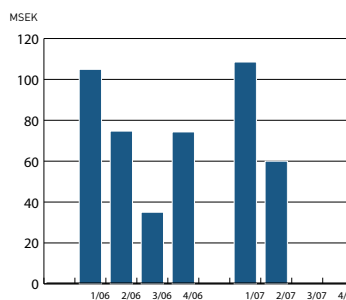
On the product side, all product families showed good progress. Particularly gratifying is that the three last acquired products, System Architect, Focal Point and Rhapsody, continued to demonstrate extremely strong growth, and that the product category for configuration management experienced a strong quarter.

Telelogic expects the uncertain situation to continue into the third quarter until such time that the uncertainty created by the offer situation is eliminated. Nevertheless, Telelogic expects to achieve the figures announced in the first quarter report in the forecast for 2007."

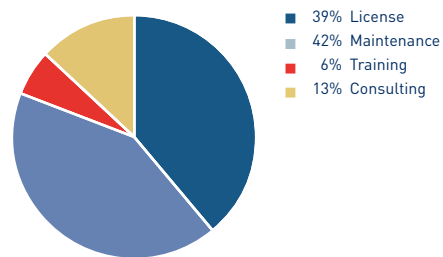
Revenue



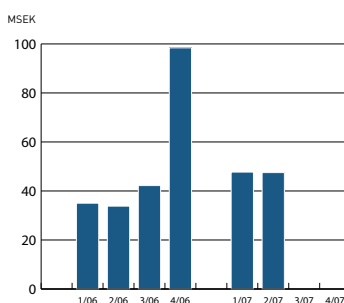
Cash flow from current operations



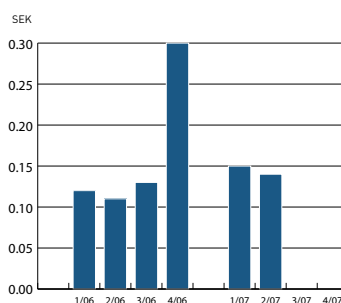
Revenue mix (Apr-Jun)



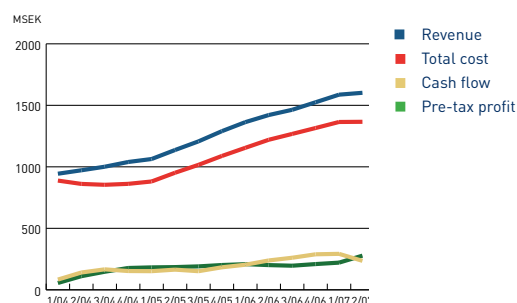
Pre-tax profit



Earnings per share



Moving four quarters



Revenue, profits and cash flow

Apr-Jun, SEK million	2007	2006
Revenue	397.6	382.4
Pre-tax profit	47.5	33.8
Income after tax	35.3	26.5
Earnings per share, SEK	0.14	0.11
Cash flow, current operations	60.0	74.7

Stable organic growth

Telelogic's second quarter revenue was SEK 397.6 million, corresponding with a growth rate of 8 percent in local currency and equivalent to a growth rate of 4 percent in Swedish currency, compared with the same period last year.

As of this quarter comparative growth figures are completely comparable with the corresponding period last year, since Q2 was the first quarter that completely included the acquired company I-Logix. This means that the figures for the second quarter of 2007 show organic growth without any adjustments for acquisitions.

Sales of licenses and maintenance accounted for 81 percent of Telelogic's total revenue for the quarter. License and maintenance revenue rose 7 percent in local currency and by 3 percent when translated into SEK.

Telelogic continued to pursue its strategy of increasing the percentage of term-based licensing agreements so they also become a recurring item. Term-based agreements accounted for 18 percent of revenues during the second quarter.

Maintenance revenue, which has shown an upward trend for some time, accounted for 42 percent of revenue in the second quarter, up from 40 percent during the corresponding period in 2006. This increase can be explained by the fact that the maintenance agreement customer base increases with each licensing agreement.

Sales of consulting and training services increased 11 percent in local currency.

Strong financial performance

The operating margin for the second quarter was 12.1 percent, an improvement of more than two percentage points compared with the same period last year.

Pre-tax profit for the second quarter improved by 41 percent and totaled SEK 47.5 million. A charge of SEK 3.6 million (in accordance with IFRS) was taken against profit for the quarter

for amortization of intangible assets relating to acquisitions carried out in 2005 and 2006. Earnings after taxes improved by 33 percent to SEK 35.3 million.

Earnings per share totaled SEK 0.14 for the second quarter, an improvement of SEK 0.03 or 27 percent compared with the same period last year.

Continued good cash flow

Cash flow from current operations during the first six months of the year totaled SEK 168.5 million, somewhat lower than the corresponding quarter last year. As previously communicated, a number of non-recurrent effects will not be included in 2007, which effected the cash flow positive during 2006.

Strong financial position

Cash and cash equivalents increased to SEK 576.9 million, compared with SEK 462.0 million on January 1. The change was due to a positive cash flow from current operations of SEK 168.5 million, payment of additional consideration relating to the I-Logix acquisition of SEK 4.7 million, amortization of loans for SEK 25.0 million, other investments of SEK 27.4 million, warrant redemptions of SEK 0.4 million, and positive exchange rate differences of SEK 3.1 million in cash and cash equivalents. In addition to cash and cash equivalents amounting to SEK 576.9 million, Telelogic has unused overdraft facilities of more than SEK 500 million.

Personnel

At the end of the quarter Telelogic had 1,227 employees, 89 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 potential to safely continue expansion.

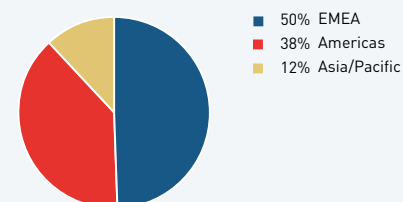
Parent Company

Revenue for the first six months of the year amounted to SEK 61.3 million for the Parent Company compared with SEK 45.4 million for the same period last year. The Parent Company received SEK 117.3 million in dividends from subsidiaries. No other material changes occurred in relations or transactions with associated companies.

Geographical development

Apr-Jun	Growth <small>(local currency)</small>	Contribution
America	0%	33%
EMEA	19%	44%
Asia/Pacific	-4%	22%

Revenue/region



Strong growth in EMEA

The EMEA Market Division (operations in Europe, the Middle East and Africa) reported strong growth during the quarter. This 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.

Telelogic's Americas Market Division (operations in North and South America) showed no growth during the quarter. The market climate in the United States is somewhat weaker than in Europe, and growth is slower due to Telelogic's major exposure

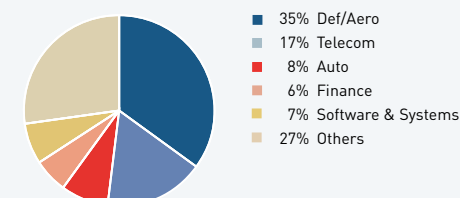
with respect to the aerospace and defense industry, combined with uncertainties from the IBM offer. Despite somewhat weaker than expected revenue growth, the contribution margin met expectations, an indication of good cost control.

Growth in the Asia/Pacific Market Division (operations in Asia and Australia) was negative. Operations in this region were also affected at the end of the quarter by IBM's offer for Telelogic. However, Japanese operations are particularly lackluster and measures have been taken to improve the situation in Japan. The general market climate in Asia/Pacific continues to be positive. Investments in continued expansion had a negative impact on the contribution margin.

Development per customer group

Apr-Jun	Growth <small>(local currency)</small>	% of revenue
Def/Aero	-3%	35%
Telecom	9%	17%
Automotive	28%	8%
Finance	12%	6%
Software & Systems	29%	7%
Others	13%	27%

Revenue/segment



Defense/aerospace customer group still dominant

Defense/aerospace continued to be Telelogic's largest customer group. Sales during the quarter with respect to this customer group were on a par with the same quarter last year. Telelogic is working on replacing the declining revenues from the defense segment with new clients and products in the civil segment of this industry.

Sales in the telecom segment continued to increase during the second quarter. This customer group has shown positive growth four consecutive quarters after a negative performance the first half of 2006

Sales in the automotive segment rose sharply during the quarter. Growth has been positive for several quarters and it is now clear that Telelogic has gradually strengthened its position in this customer group, also outside Germany.

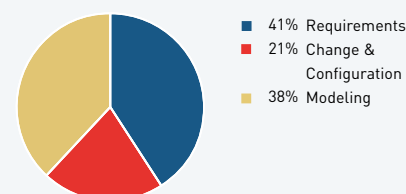
The financial segment as well as the software & systems segment increased during the quarter. However, these customer groups are too small for any detailed conclusions to be drawn based on individual quarters.

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

Development per product category

Apr-Jun	Growth <small>(lokalt valuta)</small>	% of revenue
Requirements	6%	41%
Configuration	17%	21%
Modeling	6%	38%

Revenue/product



Configuration management shows strong growth

The Change and Configuration Management product group surged 17% during the quarter. Focused investments during the past 12 months in both product development and the sales organizations has been put into effect to strengthen Telelogic's position in this segment, which had weak growth for several quarters.

The Requirements Management product group climbed 6 percent during the quarter. Telelogic is extremely well positioned globally in this product group with its world-leading product DOORS and with the fast-growing, web-based product Focal Point.

Modeling increased 6 percent during the quarter. Both Rhapsody and System Architect continued to make good progress. This product group produced much stronger growth figures in the past because the comparative figures did not include acquired products.

Public offer to Telelogic's shareholders

On June 11 IBM announced a recommended public cash offer to the holders of shares of Telelogic AB. IBM will pay SEK 21 in cash for each Telelogic share. The offer is valid until August 2, 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.

Risks and uncertainties

The principal uncertainty in the near term is the ongoing offer situation that increases uncertainty for both customers and employees. Telelogic believes this has had a negative impact on business during the second quarter and will continue to have a negative impact on business until the offer situation is over.

This interim report has been prepared in line with IAS 34. No change in the accounting principles has been made. This report has not been subject to special review by Telelogic's auditors. The Board of Directors and CEO assure that this interim report provides a true and fair representation of the operations, sales, earnings and financial position of the Group. The disclosures that have been submitted are consistent with the facts, and nothing of material significance

Product news

- Telelogic launched updated versions of all products during the quarter. Common to the majority of these updates is improved support for SOA, a concept for easy integration of various products
- An updated version of Rhapsody was launched, including improved support for the telecom industry.
- A new version of the change management product, Change, was released that includes support for processes developed in cooperation with Philips Applied Technologies.
- Telelogic's products for change and configuration management, and products for requirement management have been praised by the analyst firms Yphise and Butler Group respectively during the quarter.

Otherwise there are no short-term risks or uncertainties that should be mentioned other than the ongoing risks presented in Telelogic's annual report.

Outlook for 2007

The full year outlook for 2007 remains unchanged. Underlying market demand is anticipated to be good, with similar quarterly fluctuations as in previous years.

Telelogic expects the company to achieve revenue growth in 2007 of 7 to 12 percent in local currency.

Telelogic expects earnings per share in 2007 to increase 15 to 20 percent compared with the previous year.

Malmö, July 24, 2007

Board of Directors

has been omitted that might affect the representation of the Group and Parent Company in the accounts.

Questions are answered by CEO, Anders Lidbeck, phone +46 40-650 00 00 or by EVP Corporate Communications, Catharina Paulcén, phone +46 705-174730.

U.S. Department of Interior Becomes a Model of Efficiency with Telelogic System Architect

Faced with shrinking budgets, growing responsibilities and a mandate to provide useful information electronically, the U.S. Department of Interior (DOI) needed to modernize operations, centralize and synchronize vital data, and reduce overhead.

Telelogic System Architect® was implemented to analyze the current architecture and map technology investments to IT operations and strategic goals. By adopting System Architect and implementing an Enterprise Architecture (EA) solution, DOI has a robust tool to help e-government initiatives.

During the process, the agency identified approximately 100 redundant IT systems to be retired within the coming years, which will save the agency millions of dollars.

Furthermore, DOI's enterprise-wide approach is reducing organizational boundaries, while logically aligning technology investments with core business strategies. As a result, the program's success has earned the agency several awards, making it a model for other federal agencies.

"It's easy to make changes, but to make changes for the better, you have to really understand the organization," says Colleen Coggins, chief architect, U.S. Department of Interior.

"With System Architect, decision-makers can now see direct links between their IT systems and investment and department goals. System Architect is our decision support tool."



Major deals during the second quarter

- Comply Serve Ltd, a European based provider of web based project and product compliance solutions invested 1,396,000 Euro during the quarter. The five year deal includes licenses and maintenance for the requirements management solution DOORS.
- A European bank signed a license and service agreement worth 578,000 Euros. Following an extensive evaluation process, Synergy and Change were selected
- A leading supplier of information solutions for the defense, space and homeland security industries signed an agreement worth 790,000 USD. The deal includes licenses and services for the modeling product Rhapsody.
- A North American defense and technology company signed a four year license and maintenance agreement worth 608,000 USD. The deal includes Telelogic's full solution of products.

Technology description: Change and Configuration Management

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 change and configuration management?

When a new product is developed, many people are involved in the project. Each developer works with different parts of the software code, causing many files and documents to be created, along with many versions of the same file. Therefore an aid to keep track of all the files is needed: who works with which file, how these are combined into an end product, and which versions should be developed.

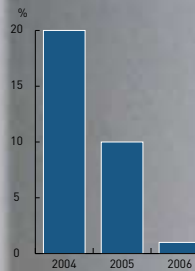
In addition, the need for changes arises that must be handled. Such changes may involve the original requirements, but it is even more common for changes in the software code to be involved; in other words, whatever has already been developed needs to be modified and fine-tuned.

Important processes in a typical project include handling changes as they arise, such as change requests, approval of the change, and assignment of the change request to a developer.

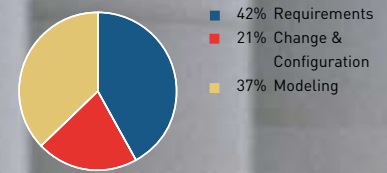


Change handles changes during the course of the project. Before the change is adopted the various stakeholders must approve the change. When project managers have a current overview of changes made, they can also assign the changes as tasks to various project members.

Growth



% of total revenue (2006)

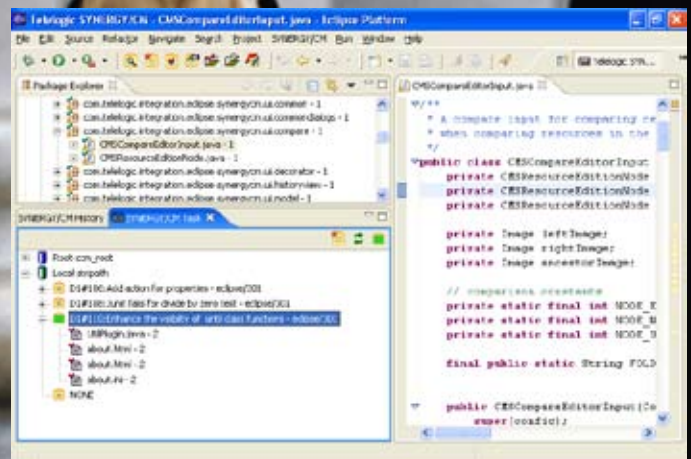


Users

- Project Managers have an overview of all files in the project; they approve the request for changes and assign these changes to developers.
- Developers work on programming the various files in the project.
- The Configuration Manager is the developer who works on putting together the files that will become the end product, which is often available in various versions.

Advantages

- Avoid overwriting files and losing information.
- Many developers can work in an organized manner on the same project, which is an advantage in large projects, or if developers are located in different places.
- The work is streamlined with structured management of changes, reducing the risk of error.



Synergy helps in management of the different versions of software code created in the project. It even allows the user to go back to old versions if necessary. As software approaches the point where it is ready for delivery, it consists of a number of small files. These files have to be compiled into a complete final application that can be available in different versions, depending on the purpose of the program.

Income statements in summary

MSEK	Apr-Jun		Jan-Jun		Full year	
	2007	2006	2007	2006	2006	2005
Licensing revenue	155.6	160.5	315.5	288.4	653.2	564.7
Maintenance revenue	166.6	152.7	327.9	280.9	600.0	461.2
Consulting and other revenue	75.4	69.2	143.1	140.2	271.7	264.0
Total revenue	397.6	382.4	786.5	709.5	1 524.9	1 289.9
License expenses	-8.6	-6.0	-15.0	-11.0	-22.5	-15.0
Maintenance expenses	-13.5	-14.4	-27.9	-25.0	-52.9	-44.9
Consulting and other expenses	-56.0	-55.7	-110.2	-110.9	-213.4	-205.3
Gross income	319.5	306.3	633.4	562.6	1 236.1	1 024.7
Sales expenses	-168.3	-167.9	-333.8	-313.2	-643.8	-527.5
Administration expenses	-30.8	-30.3	-61.0	-55.1	-113.6	-94.9
Product development expenses	-68.6	-59.0	-134.0	-107.8	-230.6	-191.5
Other operating expenses	-3.6	-12.0	-8.4	-16.1	-33.0	-15.7
Operating income	48.2	37.1	96.2	70.4	215.1	195.1
Net financial income/expenses	-0.7	-3.3	-1.0	-1.6	-5.7	6.6
Pre-tax profit	47.5	33.8	95.2	68.8	209.4	201.7
Tax	-12.2	-7.3	-23.8	-13.9	-49.5	-36.5
Income after tax	35.3	26.5	71.4	54.9	159.9	165.2
Earnings per share, basic (SEK)	0.14	0.11	0.29	0.22	0.65	0.70
Earnings per share, diluted (SEK)	0.14	0.11	0.29	0.22	0.65	0.69
Average number of shares, basic (million)	247.2	246.2	247.2	245.2	246.2	235.6
Average number of shares, diluted (million)	249.5	247.1	249.5	246.1	247.2	240.4

Key numbers

	Apr-Jun		Jan-Jun		Full year	
	2007	2006	2007	2006	2006	2005
Sales growth (%)	4	18	11	23	18	24
" licensing revenue	-3	17	9	18	16	15
" maintenance revenue	9	34	17	34	30	26
" consultant & other revenue	9	-6	2	13	3	43
Gross margin (%)	80.4	80.1	80.5	79.3	81.1	79.4
" licensing revenue	94.5	96.3	95.2	96.2	96.6	97.3
" maintenance revenue	91.9	90.6	91.5	91.1	91.2	90.3
" consultant & other revenue	25.7	19.5	23.0	20.9	21.5	22.2
Indirect expenses in % of revenue	68.2	70.4	68.3	69.4	67.0	64.3
Sales expenses in % of revenue	42.3	43.9	42.4	44.1	42.2	40.9
Administration expenses in % of revenue	7.7	7.9	7.8	7.8	7.4	7.4
Product development expenses in % of revenue	17.3	15.4	17.0	15.2	15.1	14.8
Other expenses in % of revenue	0.9	3.1	1.1	2.3	2.2	1.2
Operating margin (%)	12.1	9.7	12.2	9.9	14.1	15.1
EBITA margin* (%)	13.0	12.8	13.3	12.2	16.3	16.3
EBITDA margin (%)	16.5	16.0	16.9	15.6	19.8	20.0

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

Segment Information

	Apr-Jun		Jan-Jun		Full year	
	2007	2006	2007	2006	2006	2005
Revenue (SEK million)						
Americas	151.4	163.2	302.4	299.2	636.8	527.6
EMEA	199.1	167.0	390.7	319.7	695.3	603.8
Asia/Pacific	47.1	52.2	93.4	90.6	192.8	158.5
Operating income (SEK million)						
Americas	50.3	57.1	102.1	101.4	238.6	200.6
EMEA	87.6	55.7	165.1	106.7	261.3	205.3
Asia/Pacific	10.4	18.5	24.4	30.0	66.5	54.8
Product development, Parent Company and other	-100.1	-94.2	-195.4	-167.7	-351.3	-265.6
Contribution margin (%)						
Americas	33	35	34	34	37	38
EMEA	44	33	42	33	38	34
Asia/Pacific	22	35	26	33	34	35

Balance sheets in summary	Jun 30		Dec 31	
	2007	2006	2006	2005
MSEK				
Goodwill	950.4	988.1	947.1	523.3
Other intangible assets	83.7	105.5	93.7	24.3
Capitalized development costs	155.9	153.8	156.1	151.1
Property, plant, and equipment	39.3	36.3	37.8	34.8
Financial fixed assets	15.9	13.6	15.6	14.9
Deferred tax assets	166.3	211.8	188.1	179.1
Accounts receivables	364.5	389.0	398.7	458.3
Other current receivables	157.4	121.5	156.4	126.2
Cash and cash equivalents	576.9	463.1	462.0	447.3
Total assets	2 510.3	2 482.7	2 455.5	1 959.3
Equity	1 507.4	1 367.0	1 426.8	1 359.8
Interest-bearing long-term liabilities	362.5	437.5	387.5	0.0
Other non-current liabilities	4.3	0.0	2.8	3.4
Interest-bearing current liabilities	50.0	50.0	50.0	39.8
Accounts payable	38.2	38.7	28.8	42.1
Accruals and deferred income	505.6	496.7	491.7	442.8
Other current liabilities	42.3	92.8	67.9	71.4
Total liabilities and equity	2 510.3	2 482.7	2 455.5	1 959.3

Equity in brief	No. of shares		Full year		
	Jan-Jun 2007	Jan-Jun 2007	2006	2006	2005
MSEK					
Opening balance, January 1	247 105 247	1426.8	1 359.8	1 359.8	702.7
Change in translation reserve for the year		5.3	-80.5	-130.7	72.8
Income for the year		71.4	54.9	159.9	165.2
Total change in net assets, excl. transactions with the Company's shareholders		76.7	-25.6	29.2	238.0
New equity issues	74 234	0.4	30.3	31.0	414.6
Options program		3.5	2.5	6.8	4.5
Closing balance	247 179 481	1 507.4	1 367.0	1 426.8	1 359.8

Key numbers	Jan-Jun		Full year	
	2007	2006	2006	2005
Number of employees, end of period	1 227	1 075	1 138	929
Cash and cash equivalents (SEK million)	576.9	463.1	462.0	447.3
Interest bearing liabilities (SEK million)	412.5	487.5	437.5	39.8
Equity/assets ratio (%)	60.0	55.1	58.1	69.4
Equity per share (SEK)	6.10	5.53	5.77	5.59

Cash flow in summary	Jan-Jun		Full year	
	2007	2006	2006	2005
MSEK				
Operating activities	168.5	179.6	288.9	183.1
Investing activities	-32.1	-672.8	-727.8	-298.8
Financing activities	-24.6	517.8	468.5	295.3
Cash flow for the period	111.8	24.6	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	3.1	-8.8	-14.9	18.2
Cash and cash equivalents at end of period	576.9	463.1	462.0	447.3

Quarterly data in summary

Income Statements

MSEK	2007		2006			2005			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Licensing revenue	155.6	159.9	212.4	152.4	160.5	127.9	181.4	138.1	136.7
Maintenance revenue	166.6	161.3	160.8	158.3	152.7	128.2	128.9	123.0	114.0
Consulting and other revenue	75.4	67.7	72.1	59.4	69.2	71.0	73.8	66.3	74.0
Total revenue	397.6	388.9	445.3	370.1	382.4	327.1	384.1	327.4	324.7
License expenses	-8.6	-6.4	-6.8	-4.8	-6.0	-5.0	-4.2	-3.6	-2.9
Maintenance expenses	-13.5	-14.4	-14.2	-13.6	-14.4	-10.6	-11.6	-11.8	-11.5
Consulting and other expenses	-56.0	-54.2	-56.3	-46.2	-55.7	-55.2	-58.7	-49.9	-58.0
Gross income	319.5	313.9	368.0	305.5	306.3	256.3	309.6	262.1	252.3
Sales expenses	-168.3	-165.5	-167.5	-163.1	-167.9	-145.3	-141.8	-137.3	-134.0
Administration expenses	-30.8	-30.2	-29.9	-28.6	-30.3	-24.8	-25.7	-24.3	-25.1
Product development expenses	-68.6	-65.4	-63.1	-59.7	-59.0	-48.8	-54.4	-48.7	-48.2
Other operating expenses	-3.6	-4.8	-7.3	-9.6	-12.0	-4.1	-4.4	-5.9	-5.4
Operating income	48.2	48.0	100.2	44.5	37.1	33.3	83.3	45.9	39.6
Net financial income/expenses	-0.7	-0.3	-1.8	-2.3	-3.3	1.7	1.8	1.2	1.9
Pre-tax profit	47.5	47.7	98.4	42.2	33.8	35.0	85.1	47.1	41.5
Tax	-12.2	-11.6	-25.1	-10.5	-7.3	-6.6	-13.4	-9.9	-8.1
Income after tax	35.3	36.1	73.3	31.7	26.5	28.4	71.7	37.2	33.4

Balance sheets

MSEK	2007		2006			2005			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Goodwill	950.4	966.6	947.1	1 001.5	988.1	972.4	523.3	508.7	512.4
Other intangible assets	83.7	89.8	93.7	96.9	105.5	126.6	24.3	28.4	34.7
Capitalized development costs	155.9	156.0	156.1	155.5	153.8	151.4	151.1	151.6	152.1
Property, plant, and equipment	39.3	38.9	37.8	36.7	36.3	39.3	34.8	34.9	36.4
Financial fixed assets	15.9	14.9	15.6	13.9	13.6	14.3	14.9	14.9	14.3
Deferred tax assets	166.3	177.4	188.1	209.1	211.8	258.4	179.1	195.3	196.3
Accounts receivables	364.5	366.9	398.7	387.5	389.0	434.7	458.3	345.5	329.7
Other current receivables	157.4	171.7	156.4	122.7	121.5	132.7	126.2	137.9	143.2
Cash and cash equivalents	576.9	544.5	462.0	466.1	463.1	443.4	447.3	401.0	399.3
Total assets	2 510.3	2 526.7	2 455.5	2 489.9	2 482.7	2 573.3	1 959.3	1 818.2	1 818.5
Equity	1 507.4	1 493.0	1 426.8	1 421.9	1 367.0	1 367.4	1 359.8	1 257.6	1 226.1
Interest-bearing long-term liabilities	362.5	375.0	387.5	425.0	437.5	450.0	0.0	2.3	2.4
Other non-current liabilities	4.3	4.9	2.8	3.0	0.0	0.0	3.4	3.4	3.7
Interest-bearing current liabilities	50.0	50.0	50.0	50.0	50.0	92.0	39.8	38.8	34.6
Accounts payable	38.2	37.0	28.8	30.9	38.7	34.4	42.1	27.4	40.9
Accruals and deferred income	505.6	512.1	491.7	477.5	496.7	539.9	442.8	397.3	416.3
Other current liabilities	42.3	54.7	67.9	81.6	92.8	89.5	71.4	91.3	94.4
Total liabilities and equity	2 510.3	2 526.7	2 455.5	2 489.9	2 482.7	2 573.3	1 959.3	1 818.2	1 818.5

Cash Flow Statements

MSEK	2007		2006			2005			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Operating activities	60.0	108.5	74.3	35.0	74.7	104.9	46.2	13.0	39.9
Investing activities	-13.4	-18.7	-33.3	-21.7	-51.1	-621.7	-8.8	-11.2	-270.6
Financing activities	-12.2	-12.4	-37.4	-11.9	2.5	515.3	6.2	2.6	1.9
Cash flow for the period	34.4	77.4	3.6	1.4	26.1	-1.5	43.6	4.4	-228.8
Cash and cash equivalents at beginning of period	544.5	462.0	466.1	463.1	443.4	447.3	401.0	399.3	617.6
Exchange rate diff. in cash and cash equivalents	-2.0	5.1	-7.7	1.6	-6.4	-2.4	2.7	-2.7	10.5
Cash and cash equivalents at end of period	576.9	544.5	462.0	466.1	463.1	443.4	447.3	401.0	399.3

Parent Company

Income statements

MSEK	Jan-Jun	
	2007	2006
Total revenue	61.3	45.4
License, maintenance, consulting and other expenses	-2.9	-1.1
Gross income	58.4	44.3
Sales expenses	-6.1	-4.0
Administration expenses	-26.3	-26.9
Product development expenses	-21.7	-24.8
Operating income	4.3	-11.4
Dividend from subsidiary	117.3	-
Net financial income/expenses	12.2	2.6
Pre-tax profit	133.8	-8.8
Tax	-0.4	-0.2
Income after tax	133.4	-9.0

Balance sheets

MSEK	30 Jun	
	2007	2006
Total noncurrent assets	1 390.8	1 286.4
Total current assets	568.7	536.7
Total assets	1 959.5	1 823.1
Total shareholder's equity	1 191.0	866.3
Total noncurrent liabilities	362.5	437.5
Total current liabilities	406.0	519.3
Total equity and liabilities	1 959.5	1 823.1

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

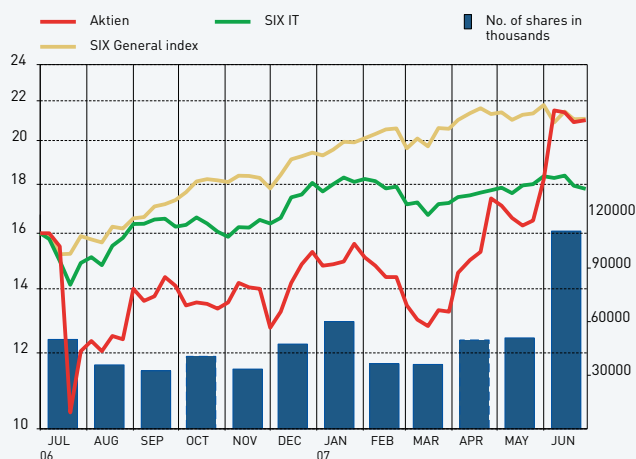
Cash Flow Statements

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 (June 30)	SEK 5 191 million
Share price (June 30)	SEK 21.00
Number of shares (June 30)	247,179,481
Average number of shares per day	3,582,773
Highest share price during the quarter	SEK 21.80
Lowest share price during the quarter	SEK 13.20
Share price development during the quarter	+59%



Financial calendar

Interim Report, July-September	October 23, 2007
Annual Statement	January 29, 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