

**ENEA**



# Enea

**Interim Report January - March 2007**

April 25, 2007

**Johan Wall**

President & CEO

**Håkan Gustavson**

CFO

# Enea Software Offering

## ▶ Run-time software

### Traditional Products:

- OSE™, Real Time Operating System Family of Products
- Polyhedra™, In Memory Database

### New Products:

- Element™ Middleware Platform
- LINX™ Communications Software

## ▶ Tools

### Traditional Products:

- Illuminator™ Run-time analysis tools

### New Products:

- Optima™ Eclipse-based Software Development tools

## ▶ Third party products

- Development tools
- Network protocol software
- Applications
- Linux

## ▶ Platforms

### New Products:

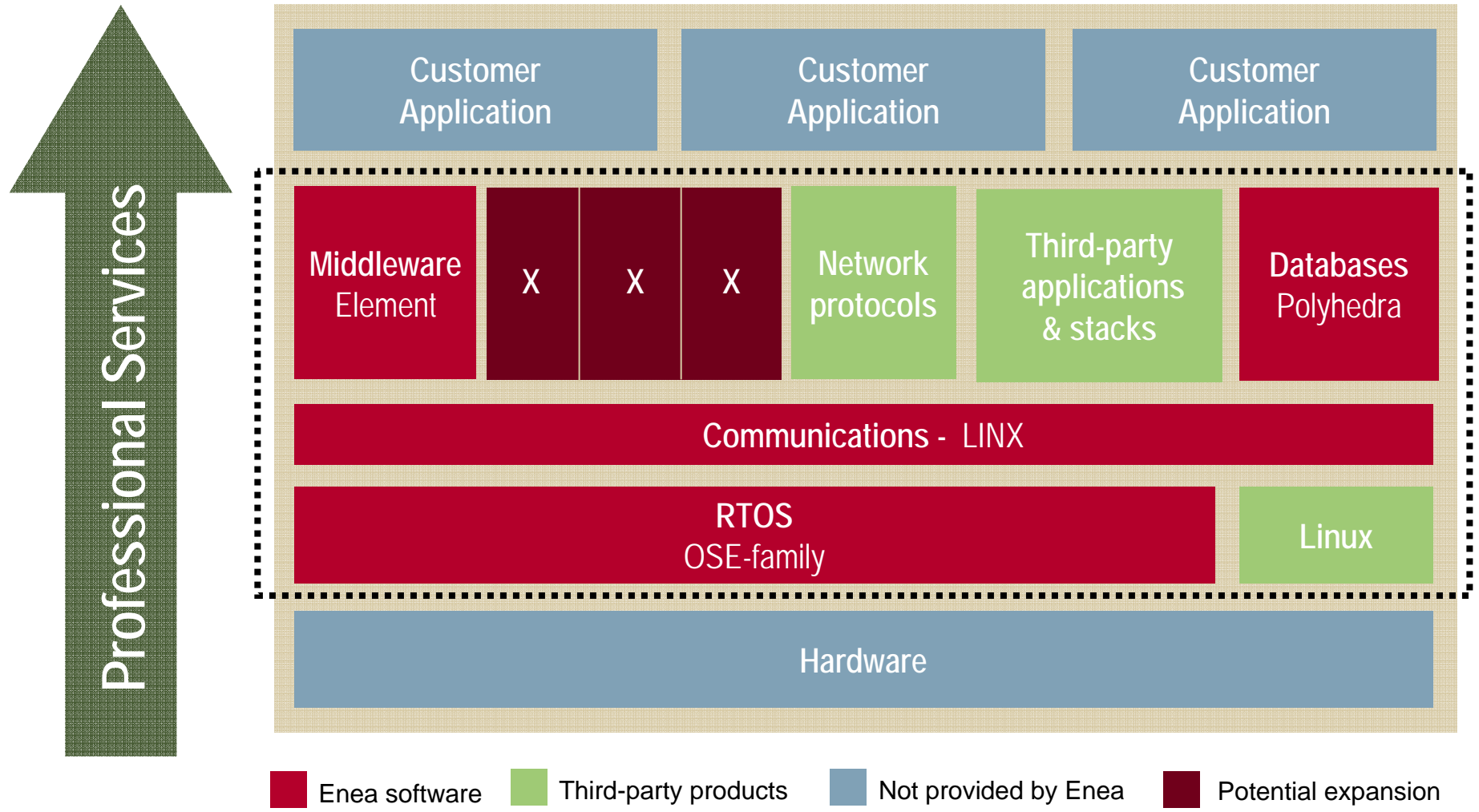
- Enea Accelerator™, a vertically integrated solution including run-time software and third party products

# Enea Professional Services Offering

- Providing full life-cycle professional services
  - application development, systems development, systems integration, maintenance and technical training
- Industry recognized expertise
- Embedded systems focus
- International workforce: 300+ professionals in USA and Sweden



# Enea Solutions Portfolio for Telecom Infrastructure



# Enea has Trusted Relationships with Customers



Alcatel-Lucent



# Q1 and Financials

## Q1 2007 in Brief

- Major outsourcing contract won for delivery from Enea's Romanian operations. Order value SEK 20 million over two years
- Enea Romania joint effort with local partner. Enea subsidiary soon established
- Acquisition of QiValue Technologies with 13 consultants, focusing on Linux services.
- New, vertically integrated application platform "Enea Accelerator 1.0" launched.

## Q1 2007 in Brief, continued

- Strong professional services market in Sweden. Somewhat increased staff turn-over.
- Two new orders in North America for Element middleware with total order value of MSEK 8.
- Enea today has six active middleware customers, in North America and in Europe. Primary application area convergence market

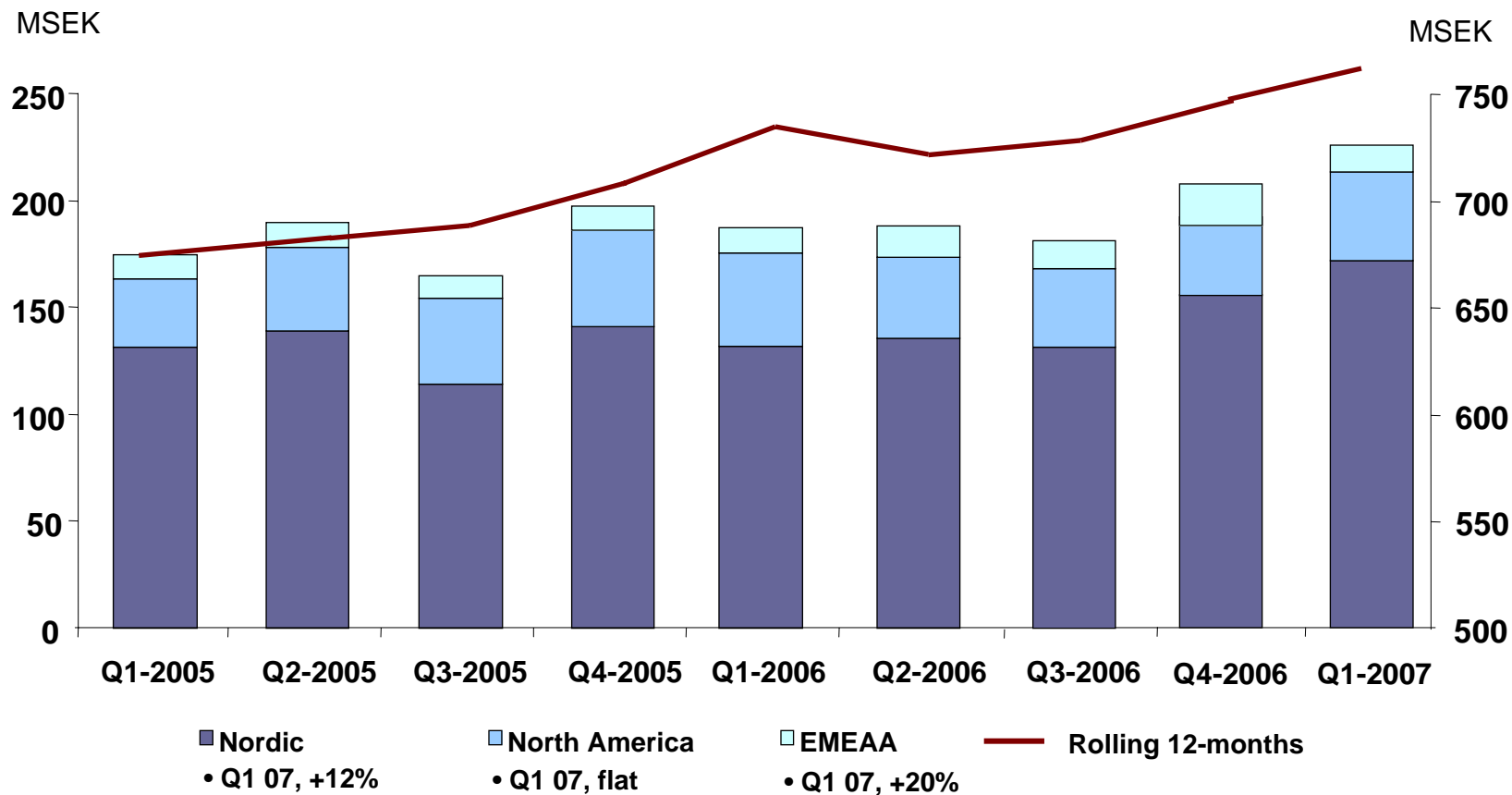


## Q1 2007 Financials

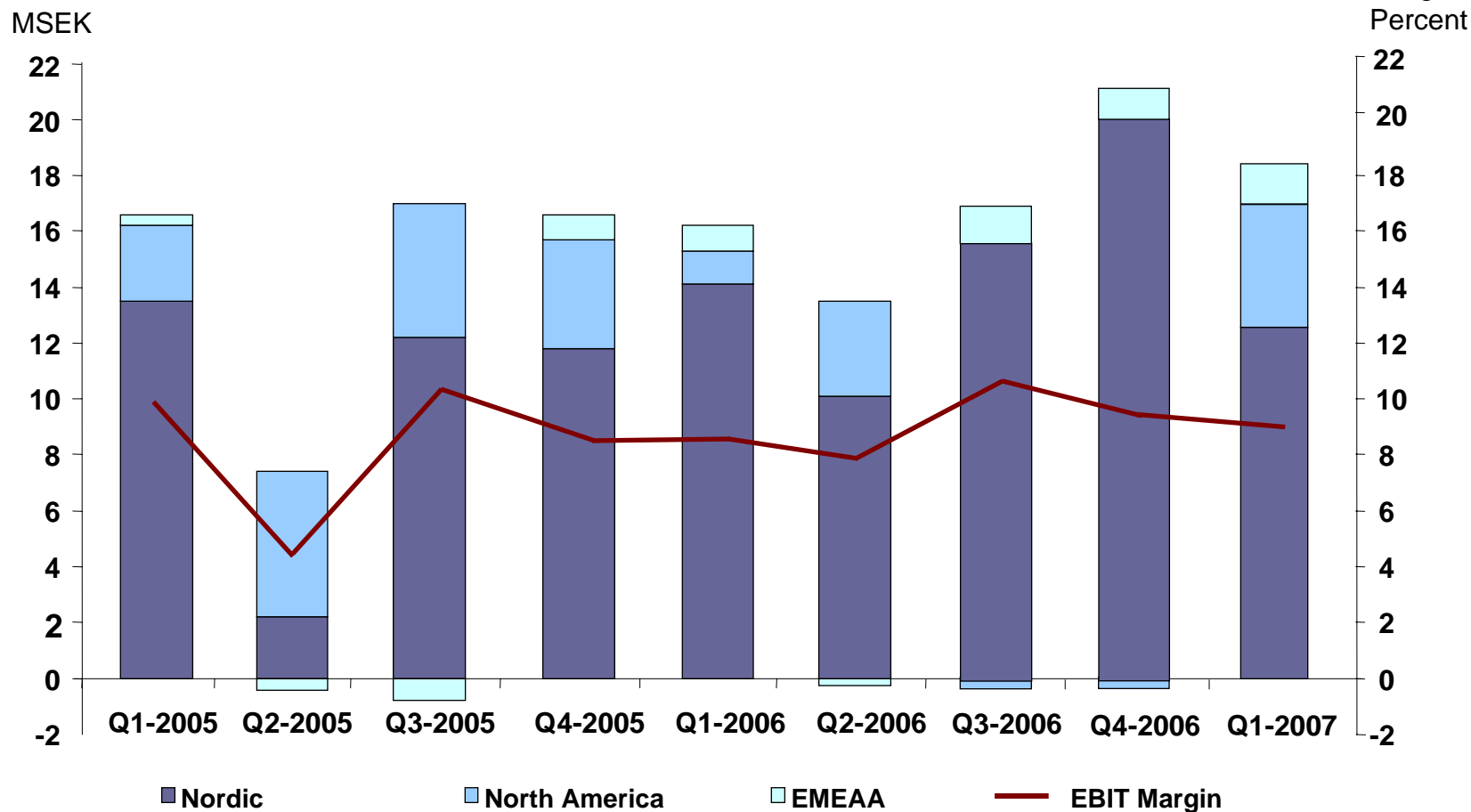
- Net sales increased by 8.3% to MSEK 202.9 (187.3). Currency-adjusted growth was 11.2 %.
- Software sales increased by 18.9% to MSEK 76.7 (54.5) representing 38 (34)% of total sales
- Professional Services increased by 2.7% to MSEK 126.2 (122.8)
- Operating profit increased by 11.8% to MSEK 18.0 (16.1), currency-adjusted growth was 14.9 %. Operating margin amounted to 8.9 (8.6) %.
- Profit after tax was MSEK 13,9 (11,5).
- Earnings per share amounted to SEK 0,04 (0,03).



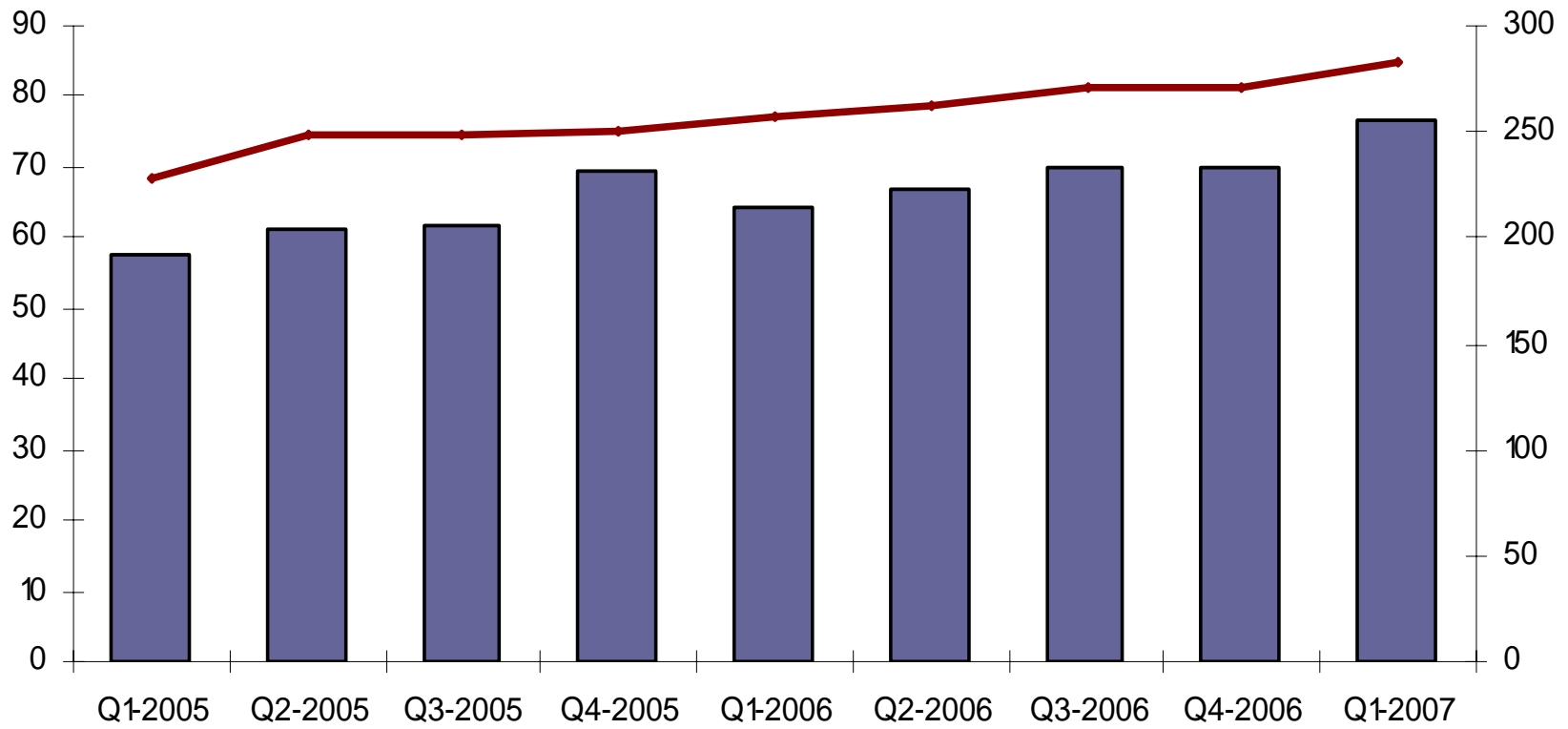
# Enea Group - Net Sales



# Enea Group - EBIT



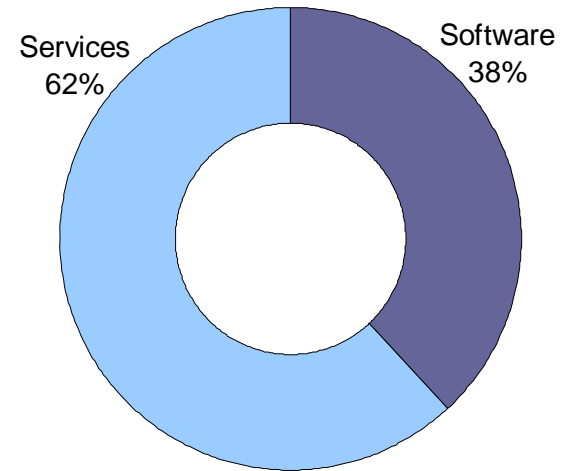
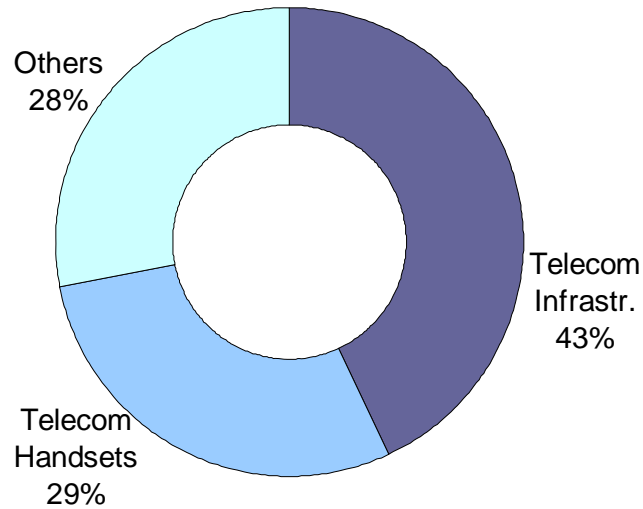
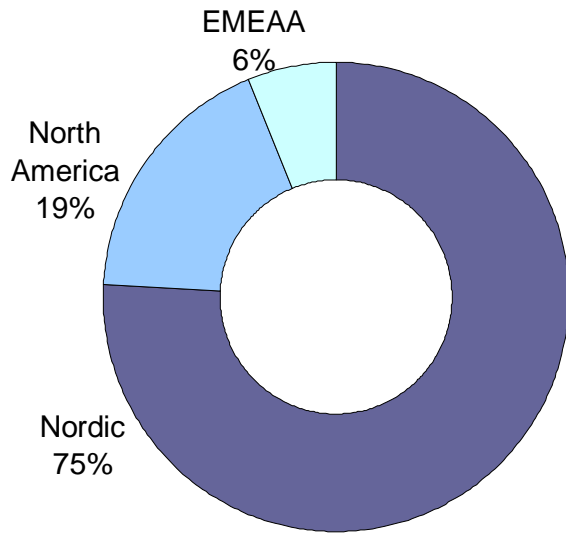
# Software Sales



• YTD 19%



# Sales Distribution Q1 2007



## Key Metrics

Metric	Q107 (Q106)
Earnings per share, SE	0.04 (0.03)
Equity per share, SEK	1.07 (0.96)
Equity/asset ratio, %	69.1 (71.5)
Return on capital employed, %	4.7 (5.0)
Cash Flow from Operations	34.3 (-16.7)
Cash, MSEK	168.5 (155.6)
Currency effects, MSEK	0.2 (-1.3)
Depreciation, MSEK	4.0 (2.2)
Investments, MSEK	4.1 (0.9)
Capitalized investments, MSEK	9.7 (4.1)

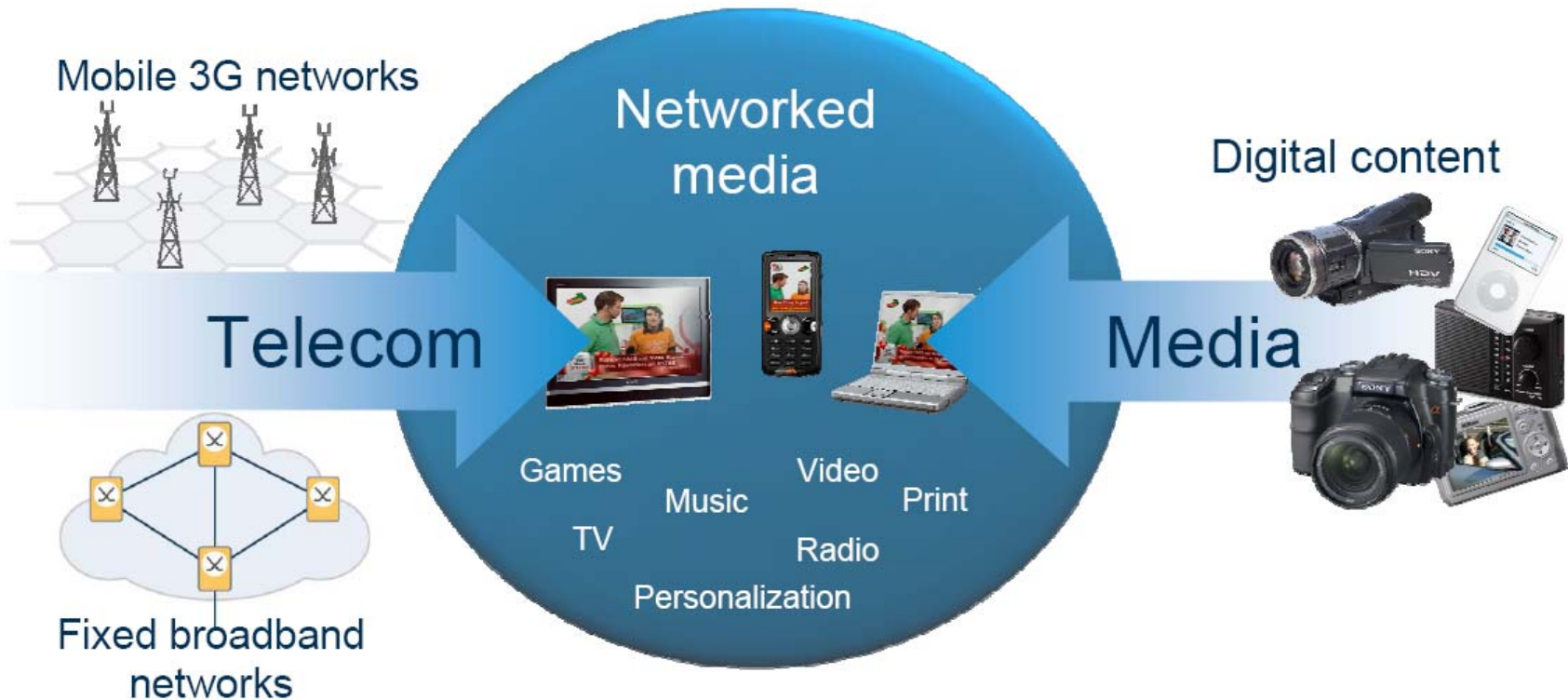
# Way Forward

# The Mobile Revolution Has Only Just Begun





# Convergence is Driving Revenue Opportunities for Carriers



*“Everything networks. People and devices , music, video games, content, data and services”  
- Howard Stringer, CEO Sony*

## Market Challenges for Enea Customers

- ▶ Enable high-availability
- ▶ Ensure scalability
- ▶ Reduce time-to-market
- ▶ Reduce development costs
- ▶ Reduce device costs
- ▶ Reduce R&D effort
- ▶ Reduce cost of ownership

# Enea's Response

- Traditional product portfolio
  - RTOS, data management, tools, services
  - Market growth rate: 10 %
  - Competitive landscape:
    - Wind River, Green Hills, Mentor Graphics, Linux
  
- Convergence solutions
  - New platforms to address market demands
  - Middleware
  - Market growth rate: double digits
  - Competitive landscape:
    - In-house, OpenClovis, GoAhead,



## Our Strategy

- Expand with vertically integrated solutions positioned towards the convergence market
- Provide off-the-shelf software foundations that enable development of high availability applications, accelerate software development and reduce cost
- Integrate new and existing solutions leveraging our core technologies
- Leverage partnerships and joint customer financed R&D efforts
- Invest in companies with key technologies, content or brands

## Summary

- Financial objectives remain
- Enea well positioned for growth in Mobility and Network convergence
- We are in an exciting, rapidly evolving marketplace
- Enea has the resources and the ambition to actively take part in the development and potential consolidation of the market



**ENEAA**

# Thanks

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