

ENE

Financial result Q2 2012

Anders Lidbeck, President and CEO

July 20, 2012



Agenda

- Enea intro
- Enea financials
- Way forward & Outlook



Enea is Powering
the Wireless
Broadband

Powering the Wireless Broadband

- Increasing data traffic in telecom require new and innovative software solutions to handle bandwidth, performance and power requirements
- Enea software is used in GSM WCDMA, LTE equipment such as base stations and media gateways
- More than 250M of the 325M LTE population coverage is powered by Enea OS Solutions.
- Enea OS Solutions run in more than half of the world's 8.2M radio base stations.

FOUNDED

1968

REVENUE

446.7

MSEK



TEN OFFICES
IN NORTH
AMERICA,
EUROPE AND
ASIA

Numbers for 2011

NO. OF
EMPLOYEES

426



Customer Trust, Delivered

ERICSSON

Hospira

TEXAS INSTRUMENTS

ST ERICSSON

tel labs

MOTOROLA

VOLVO

FUJITSU

LSI

Nokia Siemens Networks

HUGHES

ZTE中兴



Alcatel-Lucent

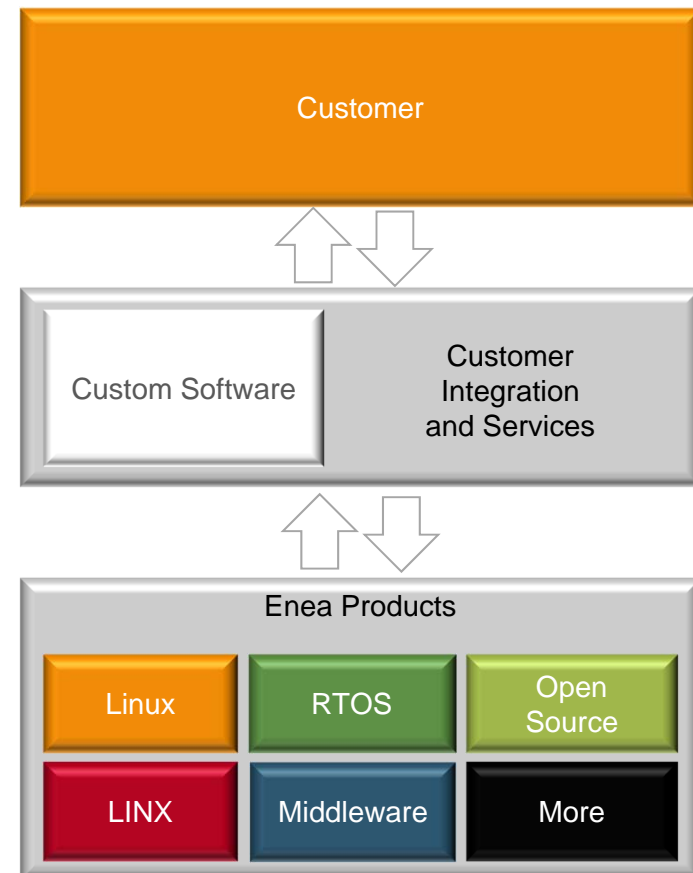
YAMAHA

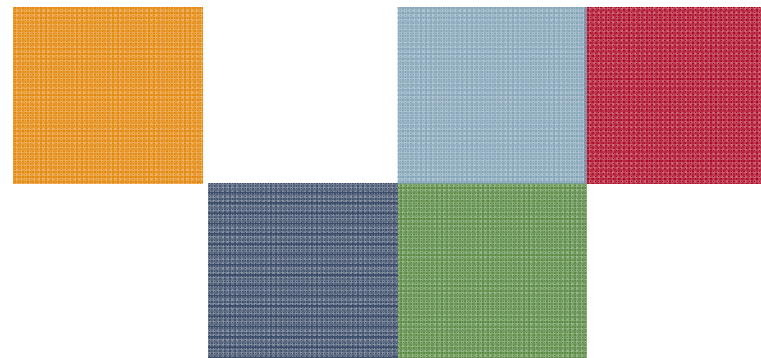
Honeywell



Operating Systems Solutions Offering

- Customized products based on integrated Enea products, open source and custom software.
- Enea products include operating systems, development tool, middleware, interprocess communication tools, databases and network protocols, all with focus on embedded development
- Services and processes for providing an evolving, quality assured and customer aligned product according to customer needs





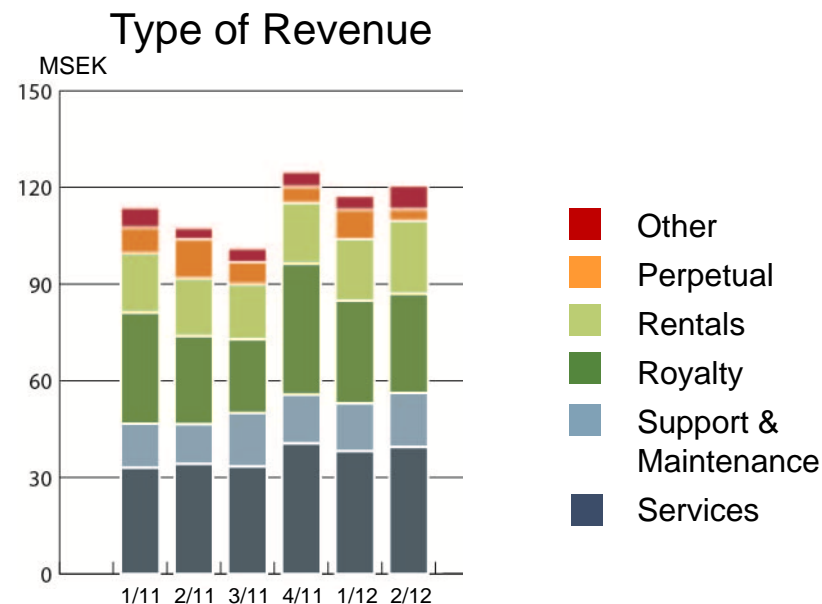
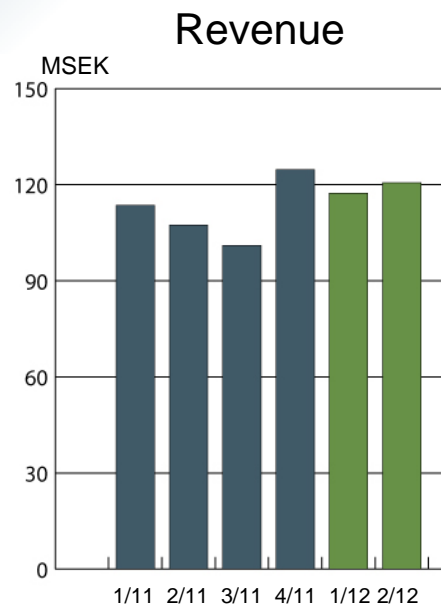
Q2 2012



Focused **Software** Company

- Divestment of the Nordic Consulting business in December 2011.
- Capital gain of 61.7 MSEK reported in Q1 2012.
- Purchase consideration of 148.5 MSEK paid in Q1 2012.
- Remaining business reported a revenue of 446.7 MSEK in 2011.

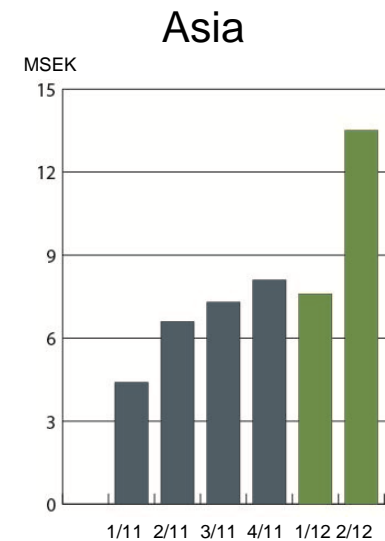
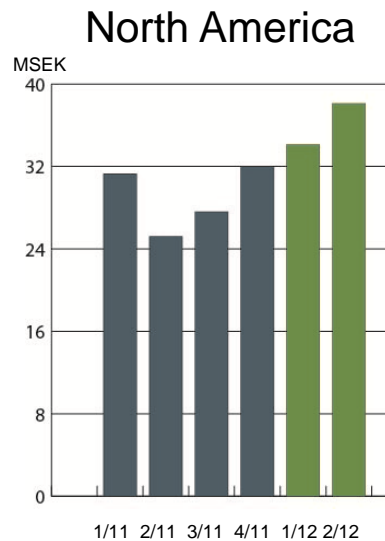
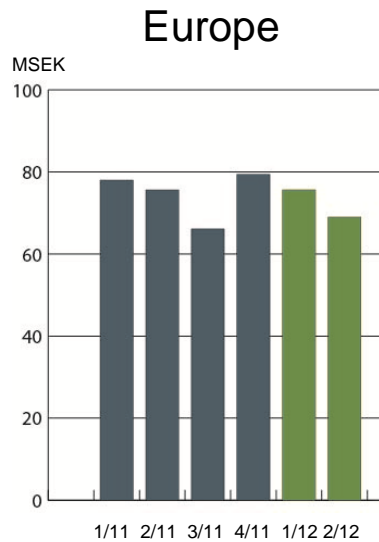
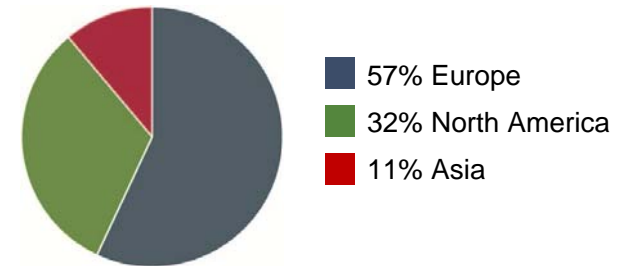
Continued Growth in Second Quarter



	Q2/12	Q2/11	Q1-Q2/12	Q1-Q2/11
Revenue (MSEK):	120.6	107.4	238.0	221.0
Growth (%)	12.3	-6.2	7.7	-3.6
Growth (%) (excl. currency effects)	8.1	-2.8	4.9	-0.6

Growth in North America and Asia

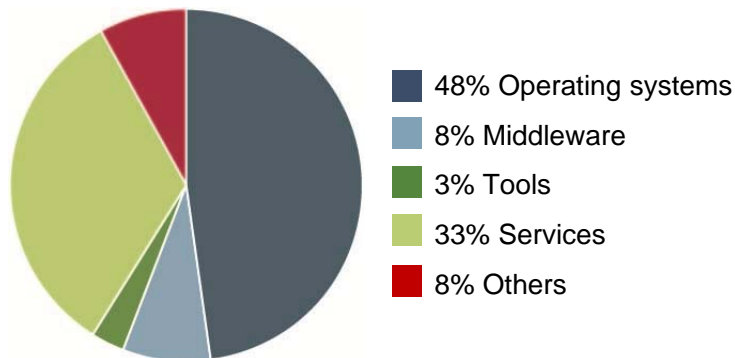
- **Europe:** a 3G project with a global telecom company worth 5 MSEK
- **North America:** Element licensing deal with a satellite equipment provider worth 4 MSEK of which app. 1.5 MSEK was recognized in the quarter. Also, one of Enea's largest ongoing service contracts with a medtech company was renewed.
- **Asia:** an agreement with one of the region's telecom customers for Enea OSE worth 8 MSEK, of which 7 MSEK was recognized in the quarter.



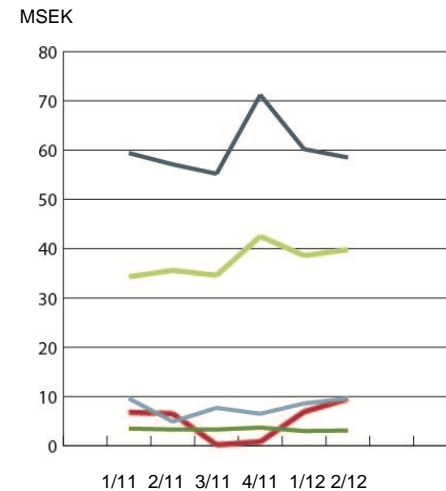
Strong Product Offering

- Over the second quarter, sales increased for operating systems, middleware and for services, compared with the same period in the previous year.
- Sales for tools were in line with the same period previous year.

Revenue per product



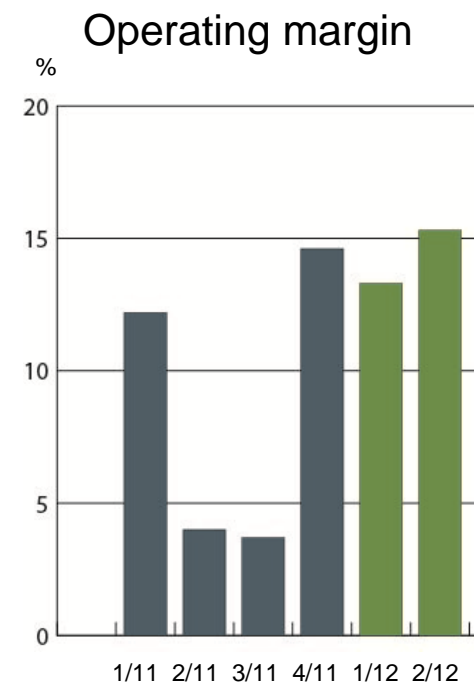
Revenue per product



Improved Earnings

	Q2/12	Q2/11
EBIT (MSEK)	18.4	4.3
Operating margin (%)	15.3	4.0
Earnings per share (SEK)	0.88	0.19

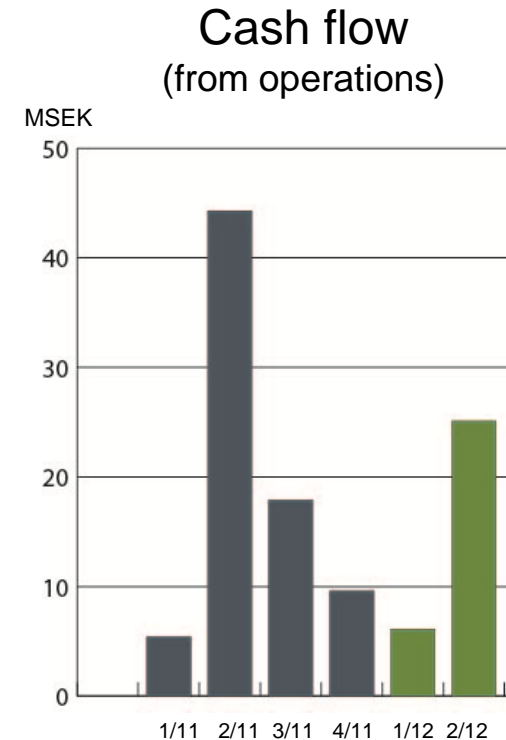
	Q1-Q2/12	Q1-Q2/11
EBIT (MSEK)	34.1	18.2
Operating margin (%)	14.3	8.2
Earnings per share (SEK)	1.53	0.77



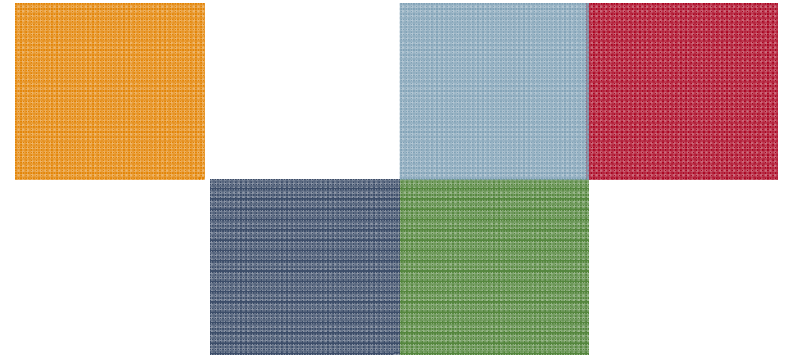
All numbers excluding capital gain.

Continued **Strong** Financial Position

- Cash flow from operations amounted to 27.3 (44.3) MSEK for Q2.
- Cash and cash equivalents at the end of the period were 117.3 (122.6) MSEK
- Enea has unused credits amounting to 100 MSEK
- The equity/assets ratio was 78.9 (71.8)%



The figures from 2011 include the divested business



Way Forward & Outlook



Long Term **Ambition**

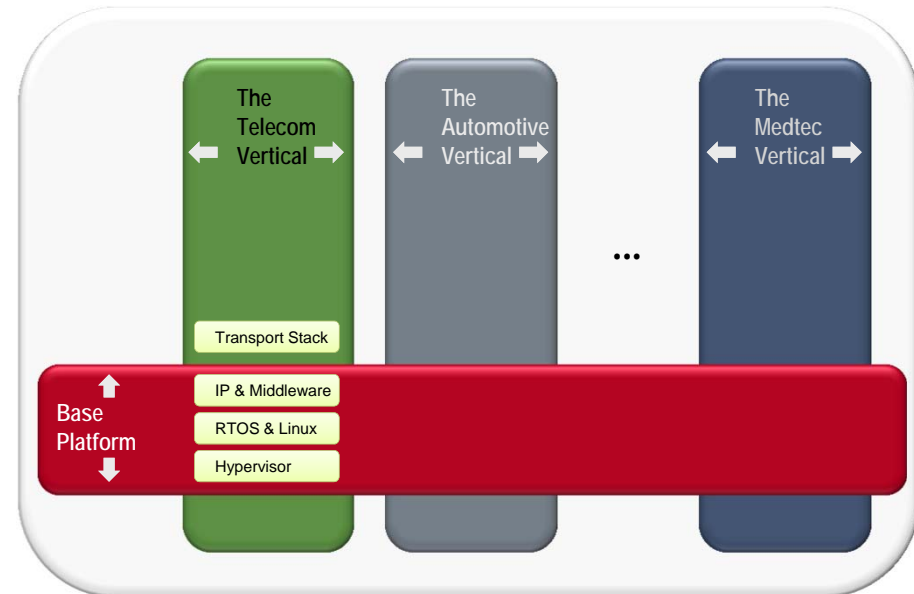
- Enea's ambition during the **next five years** is to create a global software company with **significantly higher revenues**, high profitability, good cash flows and a large proportion of recurring revenues.
- Enea will be focusing on organic **growth**, but both strategic and supplementary acquisitions will be evaluated regularly. This growth **will vary** over the years and **between the quarters**, depending on when individual deals take place and the development of royalty revenue streams which are dependent on customers' sales volumes.
- The **operating margin** will vary in line with growth over the various quarters of the period. Our objective during this five year period is to achieve an operating margin of 20 percent.

Technology Trends and Enea Innovation

	Enea focus	Enea projects
Linux combined with RTOS is the de facto standard in telecoms	<ul style="list-style-type: none"> Accelerated focus on Linux. Linux with real-time properties is a crucial factor in the communications segment. 	<ul style="list-style-type: none"> Enea Linux with strengthened real-time properties. Enea Linux Base Station Platform provides customers fast and flexible access to a basic platform for base station development.
Demand on increased performance and capacity pushes RTOS evolution	<ul style="list-style-type: none"> The Enea OSE family of real-time operating systems with its proven and reliable performance is subject to a continuous evolution. 	<ul style="list-style-type: none"> Extension of the Enea operating system OSE with 64-bit support for selected CPU architectures. Continuous development of OSE's multicore architecture makes it possible to support future CPUs such as Freescale T4240 with 24 virtual cores.
Equipment manufacturers want system-on-chip, i.e pre-integrated hardware and software	<ul style="list-style-type: none"> The equipment manufacturer can then consult a single player and receive a fully integrated solution which is tested and verified right from the outset. The relationships with hardware manufacturers become even more important. 	<ul style="list-style-type: none"> Enea Linux Base Station Platform , well suited for Freescale's System-on-Chip (SoC) solutions. Increased investment in partner relationships .

Our Technology Vision

- Multiple verticals are facing the same kinds of challenges.
- There is a complex but generic runtime layer – a base platform, where Enea has both the solutions and the expertise needed.
- Telecom will serve as first base.



By providing the base platform as an independent software company, Enea can help customers to build better products, more power efficient, to a lower cost.

Market Outlook

Growth and operating margin will vary in line with growth over the various quarters of the period, depending on when individual deals take place and the development of royalty revenue streams which are dependent on customers' sales volumes.

Our objective during this five year period is to achieve an operating margin of 20 percent.

Outlook for 2012

The long term objective will not be reached in 2012. For 2012 Enea has decided not to provide any further outlook.

Thank **You!**

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