



Financial result Q4 & FY 2012

Anders Lidbeck, President and CEO

Feb 7, 2013

Agenda

- Enea intro
- Enea financials
- Way forward & Outlook



Enea is Powering
the Wireless
Broadband

Powering the Wireless Broadband

- The **market** for wireless communication is **expanding rapidly**.
- Enea is **global software company** showing revenue **growth** and high operating **profit** margins.
- Enea already holds a **world-leading position** on this market with products that unquestionably work.
 - 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.

Numbers for 2012

TEN OFFICES
IN NORTH
AMERICA,
EUROPE AND
ASIA

REVENUE
467.8
MSEK



NO. OF
EMPLOYEES
415

OPERATING
PROFIT
15.5
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 . |

Customer Trust, Delivered

ERICSSON

Hospira

TEXAS INSTRUMENTS

ST ERICSSON

tellabs®

MOTOROLA

VOLVO

FUJITSU

LSI

Nokia Siemens Networks

HUGHES

ZTE中兴

Alcatel-Lucent

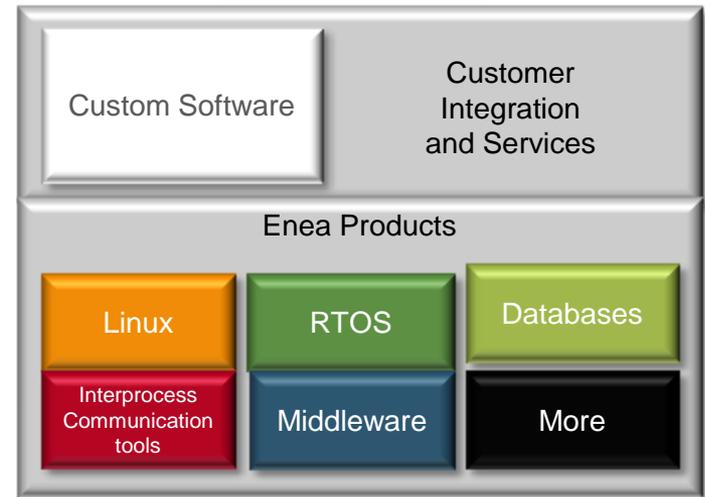
YAMAHA

Honeywell



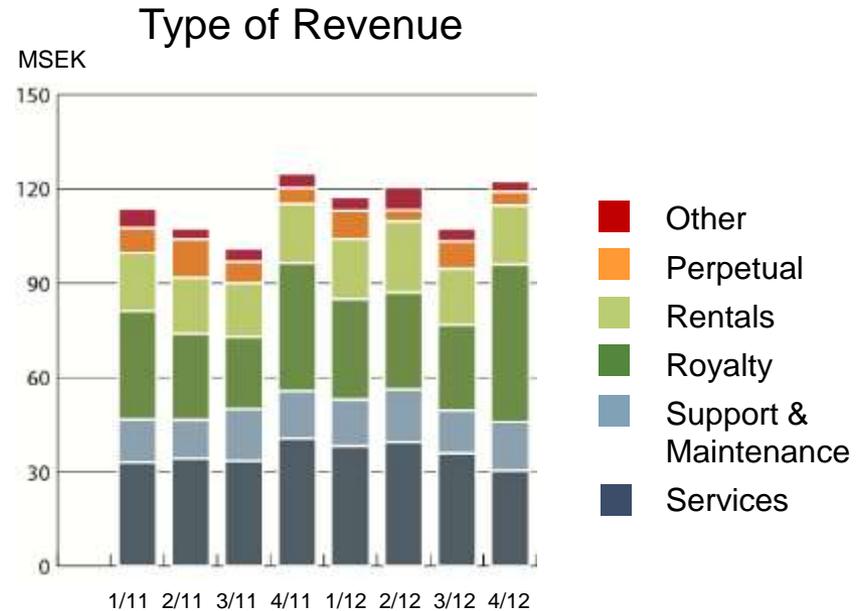
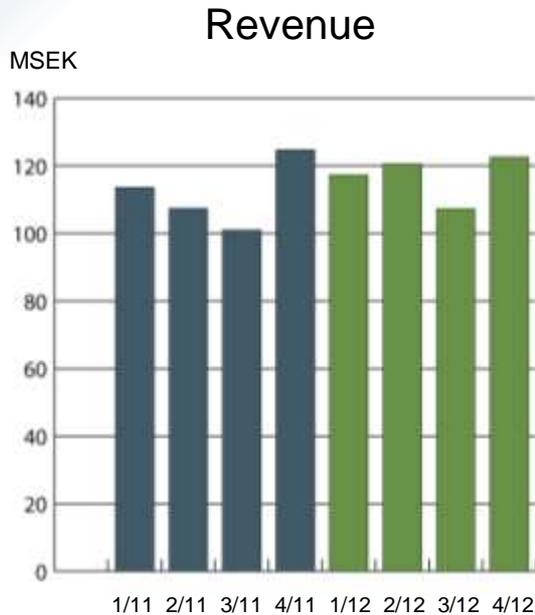
Operating Systems Solutions Offering

- Enea products include operating systems, development tools, middleware, interprocess communication tool, databases and network protocols, all with focus on embedded development.
- The solutions are customized for each customer.
- Most common usage is in base stations and mobile devices.



Q4 & FY 2012

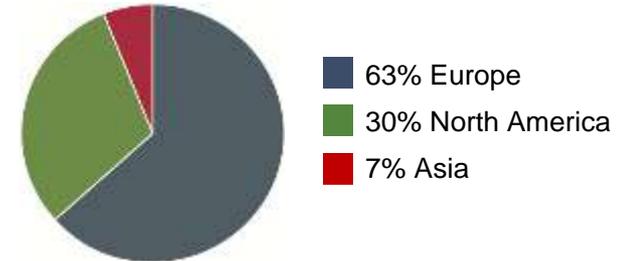
Revenue Growth for the full year



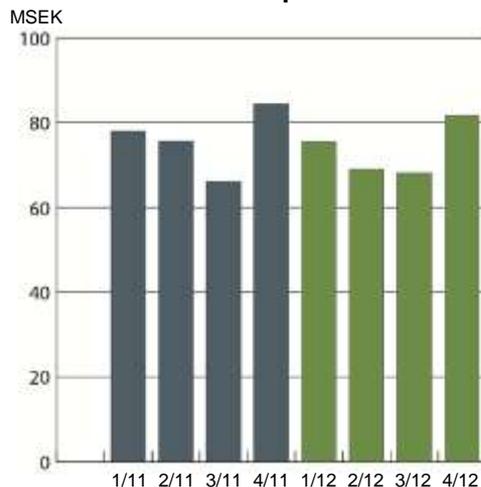
| | Q4/12 | Q4/11 | FY/12 | FY/11 |
|-------------------------------------|-------|-------|-------|-------|
| Revenue (MSEK): | 122.5 | 124.7 | 467.8 | 446.7 |
| Growth (%) | -1.8 | | 4.7 | |
| Growth (%) (excl. currency effects) | -0.6 | | 3.6 | |

FY Growth in North America and Asia

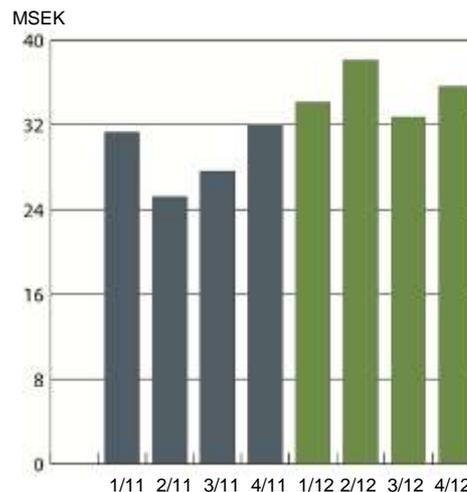
- Europe:** Revenue are slightly lower than previous year for Europe but profits have improved. Revenue in line with previous year for key accounts as well as service revenue in Romania.
- North America:** Increased services revenue and license revenue in line with previous year. In total, revenue growth with improved margins.
- Asia:** Increased revenues for Asia in total. Revenue growth in Japan with improved margins. Revenue in China lower than previous year. Fewer consultant assignments in China, resulting in downsizing of the number of consultants in Beijing.



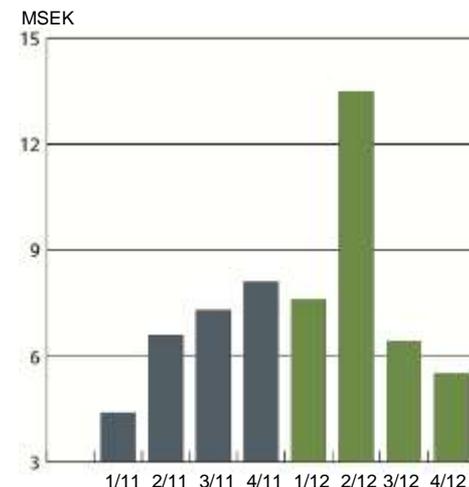
Europe



North America



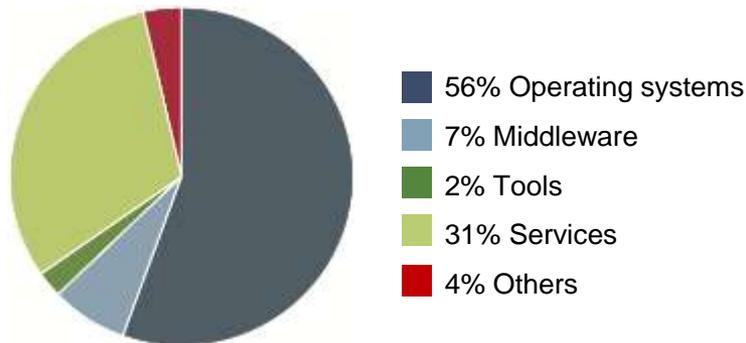
Asia



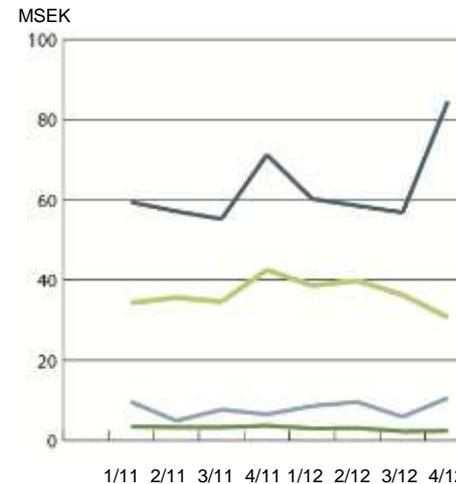
Strong Product Offering

- Over previous year, sales increased for operating systems and for middleware.
- Services sales were in line with previous year.

Revenue per product (FY 2012)



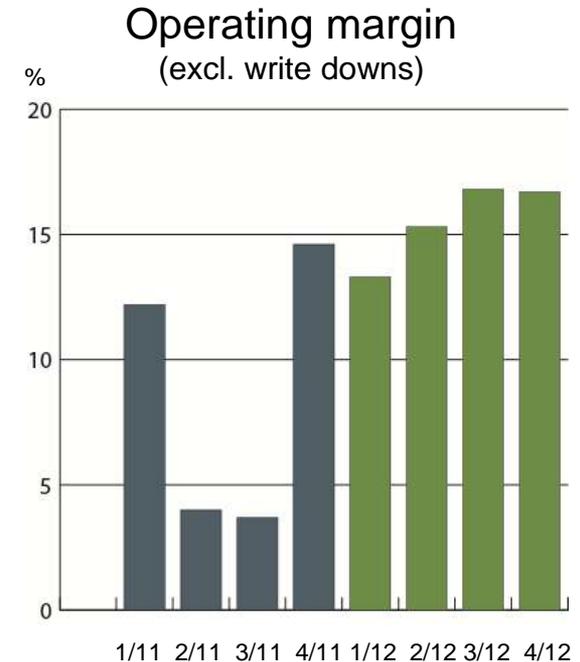
Revenue per product



Improved Earnings

| | Q4/12 | Q4/11 |
|--------------------------|-------|-------|
| EBIT (MSEK) | 20.4 | 18.2 |
| Operating margin (%) | 16.7 | 14.6 |
| Earnings per share (SEK) | 0.88 | 0.86 |

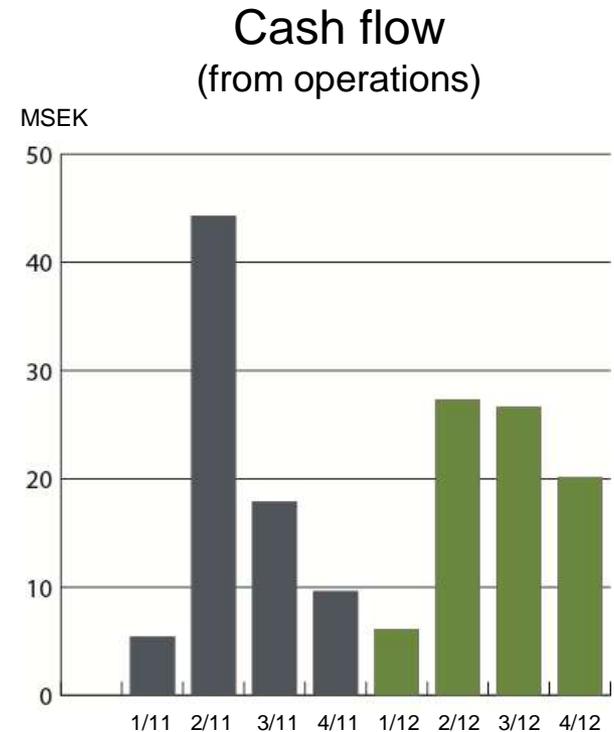
| | FY/12 | FY/11 |
|--------------------------|-------|--------|
| EBIT (MSEK) | 72.5 | 2.2 |
| Operating margin (%) | 15.5 | 0.5 |
| Earnings per share (SEK) | 3.18 | -0.06* |



All numbers excluding capital gain.
 *including write downs of SEK 37.5 millions.

Continued **Strong** Financial Position

- Cash flow from operations amounted to 20.1 (29.7) MSEK for Q4 and to 80.1 (69.6) MSEK for the full year.
- Cash and cash equivalents at the end of the period were 146.7 (127.3) MSEK
- Enea has unused credits amounting to 100 MSEK
- The equity/assets ratio was 79.9 (73.6)%



The figures from 2011 in the chart include the divested business

Dividend

- At least 30 percent of profit after tax should be transferred to shareholders.
- The Board proposes transferring an amount equivalent to **SEK 3.00** (8.00) **per share** to shareholders.
- This is equivalent to a transfer amounting to SEK 49.7 (135.2) million.
- The Board proposes that the dividend be executed in the form of a redemption program.



Way Forward & Outlook

Long Term **Ambition**

- Enea's ambition during **five years**, starting 2012, 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**.

Market Outlook

Outlook for 2013

For 2013, we will be continuing to strive towards our long-term profitability target of 20 percent. Our assessment is that we will improve both our operating margin and our profit per share over the full year. However, it is likely that the first quarter will not be as good as the same period in 2012.

Thank **You!**

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