



Enea

Q3 Financial Result 2010

Per Åkerberg, President and CEO

October 28, 2010

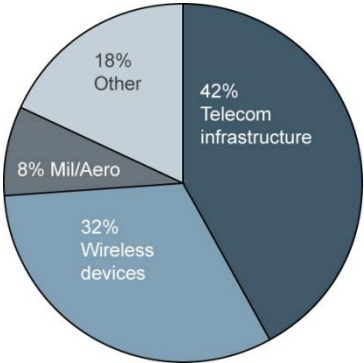
ENEAA



Leader in Communications Software & Services

Global software and services company focused on solutions for communication-driven products.
Founded 1968

Revenue per segment (2009)



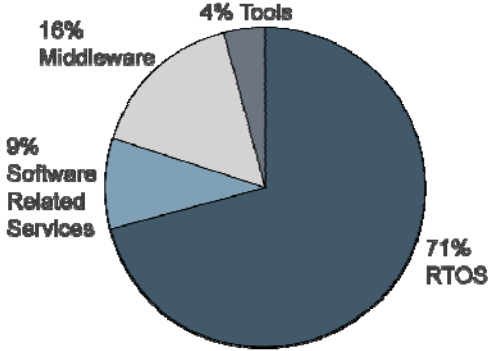
- Enea Consulting
- Full product life cycle software development
 - Outsourcing capabilities
 - Training
 - Solution centers for Android, Linux, wireless, communication and certification

620 employees

16 offices in Sweden (HQ), Romania, North America, France, Germany, UK, Israel, China and Japan

- Enea Software
- is among the most widely deployed in the world
 - handles 5 billion phone calls every day
 - is installed in over 400 million new cell phones in 2008 alone

Revenue per product (2009)





Global Footprint – Global Customers

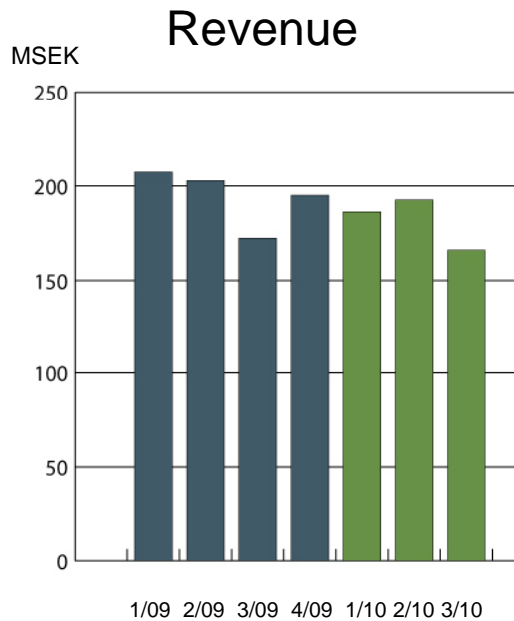




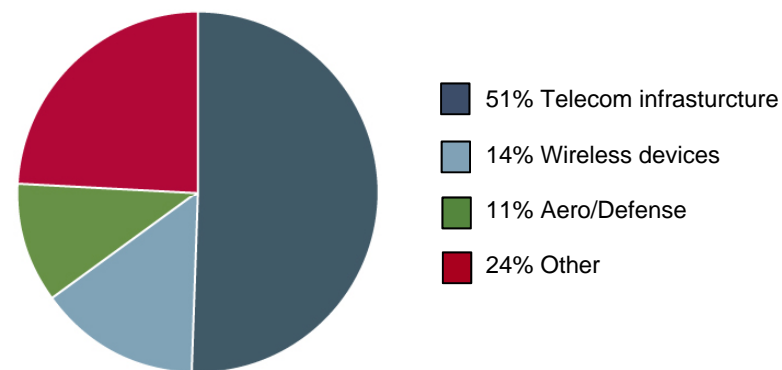
Third quarter & first nine months 2010



Revenues have stabilized



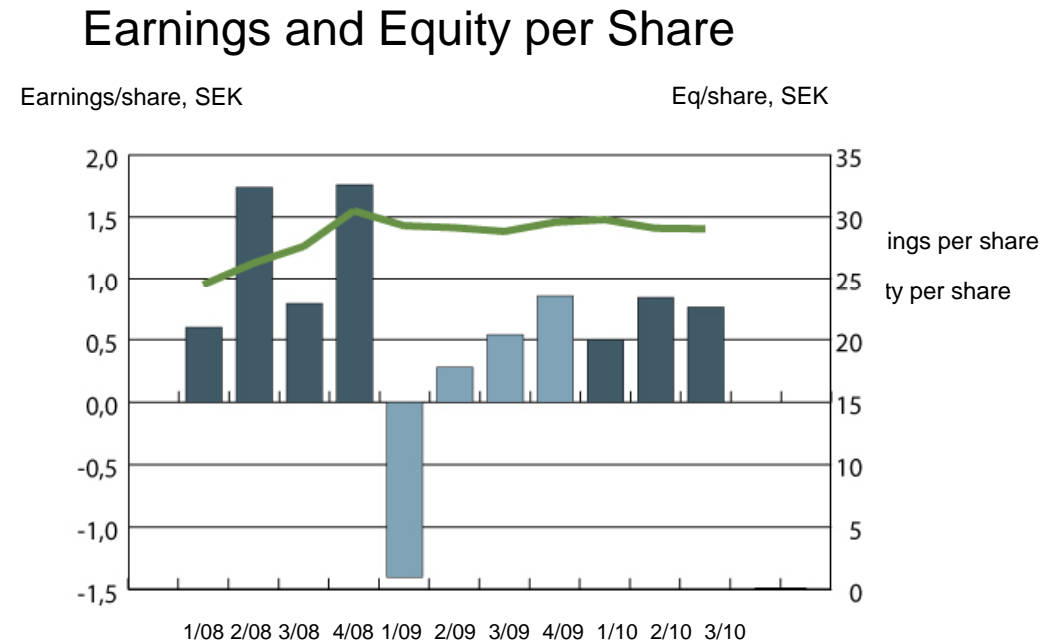
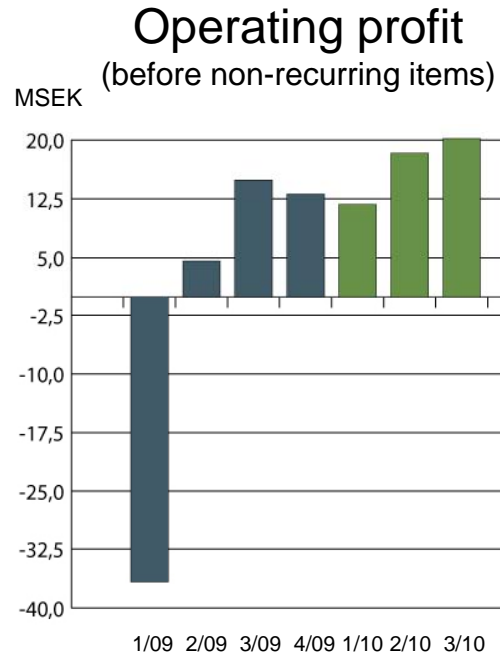
Revenue per customer segment



	Q3/10	Q3/09	9M/10	9M/09
Revenue (MSEK):	166.1	172,4	545	582.6
Growth (%)	-3.7	-16.7	-6.5	-12.5
Growth (%) (exl. currency effects)	-3.5		-8.4	



Profit continues to improve

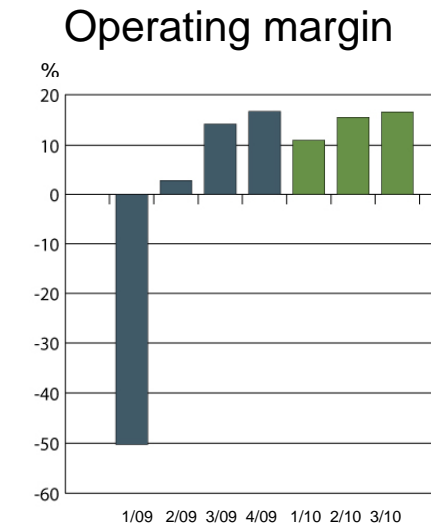
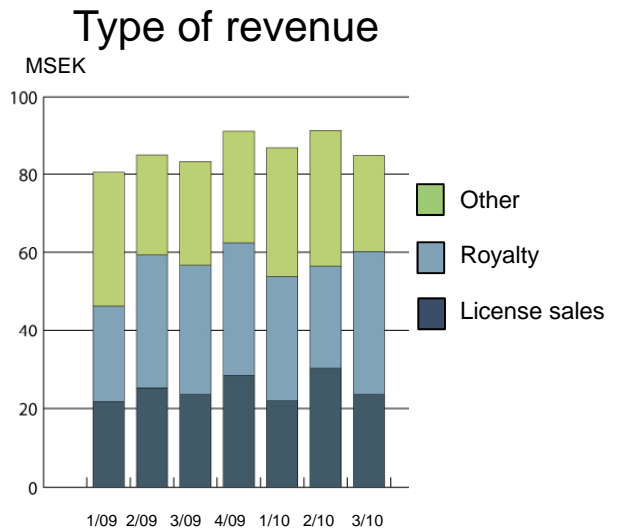


	Q3/10	Q3/09	9M/10	9M/09
Operating profit (MSEK):	20.2	14.9*	50.3	-17.2
Operating margin (%)	12.2	8.6*	9.2	-3.0
Earnings per share (SEK)	0.63	0.53	1.95	-0.60



Software: Revenue growth and improved margins

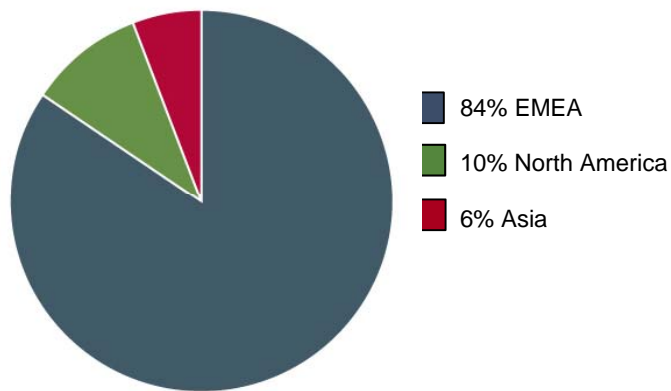
- Software accounted for 51% of the total revenue in Q3.
- Revenue of 84.8 MSEK in Q3 resulting in 1.8% growth.
- License sales on same level as in Q3/09. Royalty based revenue increased over Q3/09.
- Growth in France, Germany and Japan. Weak development in China and the US. Stable development with key accounts.
- Operating margin of 16.6% in Q3, compared with the long term objective of 20%.



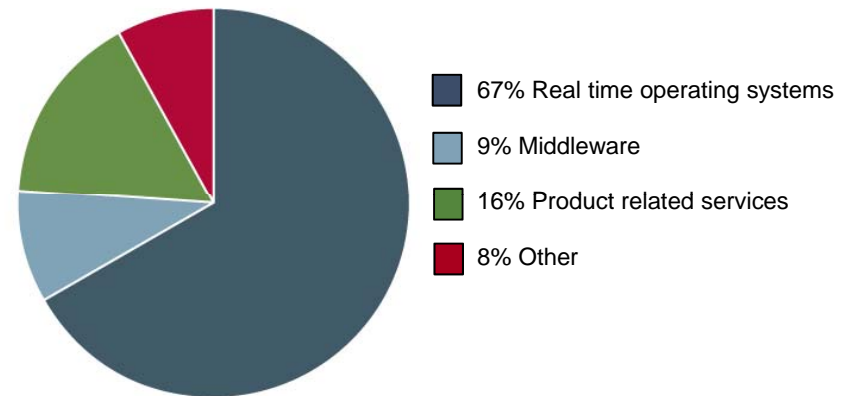


Software: Sales Distribution

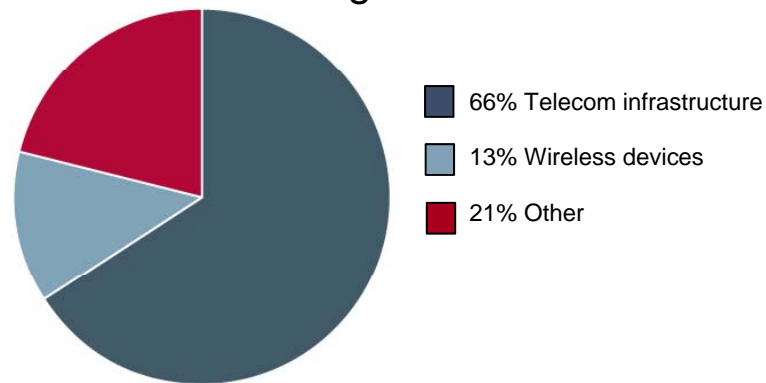
Revenue per geography



Revenue per product



Revenue per customer segment





Software: Business highlights

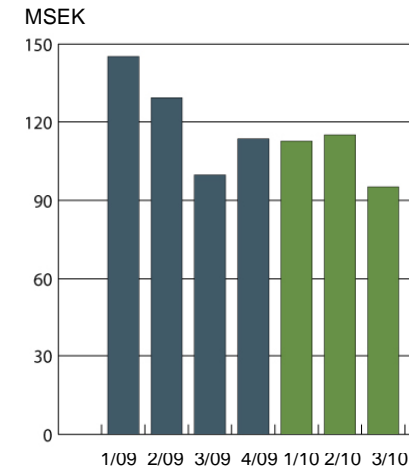
- Closed **9 software design-wins**.
- A leading **telecoms supplier** invested **SEK 20 million** over three years. Will migrate its current telecoms applications platform to a multicore based platform. This migration has been made possible thanks to Enea Hypervisor,
- A **European supplier of medical equipment** has entered into a licensing agreement worth **SEK 4.8 million**. The customer will be upgrading its software platform to a multicore solution by using Enea OSE Multicore edition and the development tool Optima.
- **Partnership with NetLogic** that includes improved performance of Enea products for NetLogic's processors, and cooperation around **Linux** in the shape of a build environment for the customer's Linux distribution.



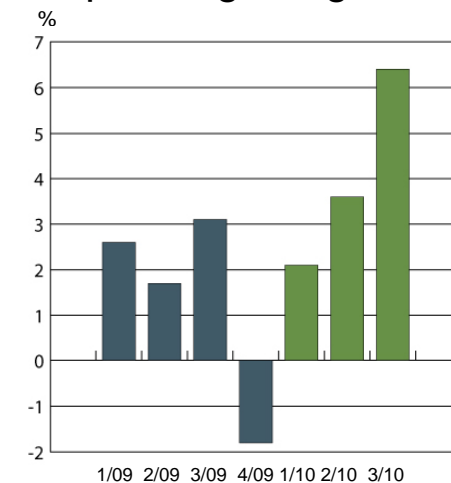
Consulting: Recovery continues

- Consulting accounted for 49% of the total revenue in Q3.
- Revenue of 95.2 MSEK in Q3 resulting in a 4.6% decline.
- Improved profitability in all regions. Growth in US and Romania. Positive trend in Stockholm and Linköping. The recovery in Öresund is slower than the other regions.
- Operating margin of 6.4% in Q3, compared with the long term objective of 10% operating margin.

Revenue



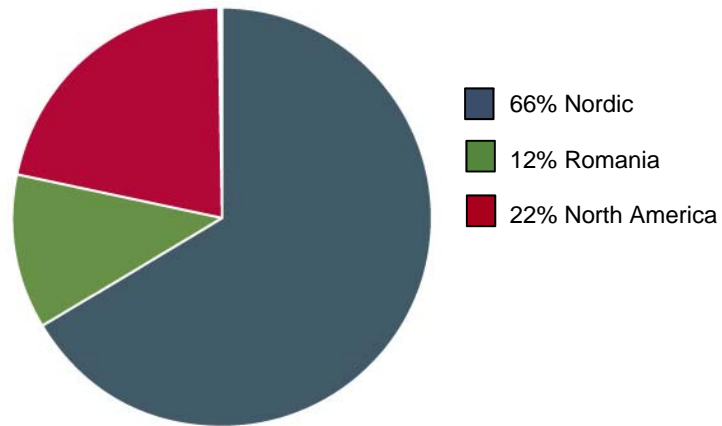
Operating margin



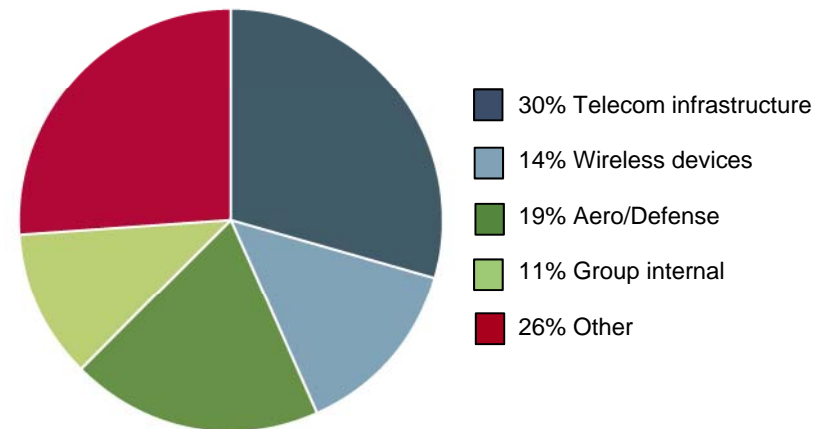


Consulting: Sales Distribution

Revenue per geography



Revenue per customer segment





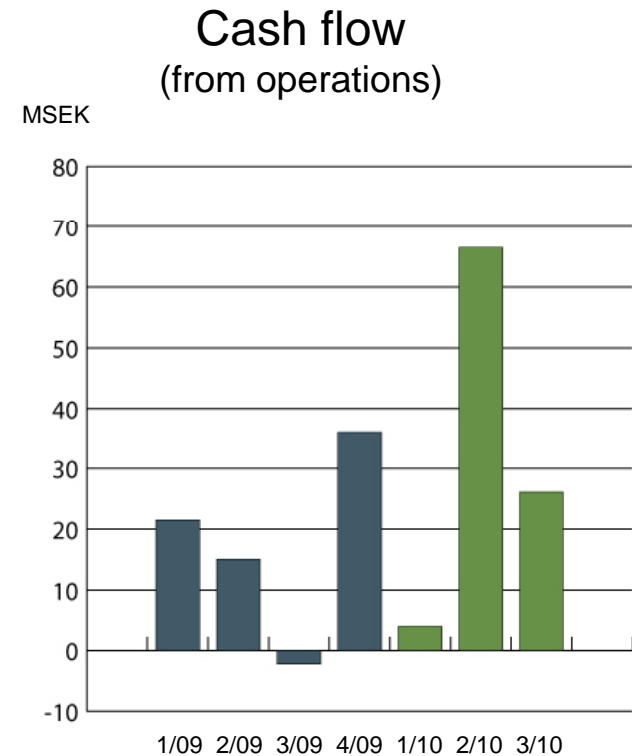
Consulting: Business highlights

- Several deals with key accounts within telecom, a defense company and a solar heat technology manufacturer.
- Enea has opened a competence center in Linköping in order to take full advantage of the opportunity presented by the rapid growth of the M2M market (Machine to Machine). Enea's M2M competence center will be offering a complete range of consultancy services for hardware and software development, training, and support. Moreover, Enea is offering a flexible M2M development platform that can be customized to meet application requirements.



Continued Strong Financial Position

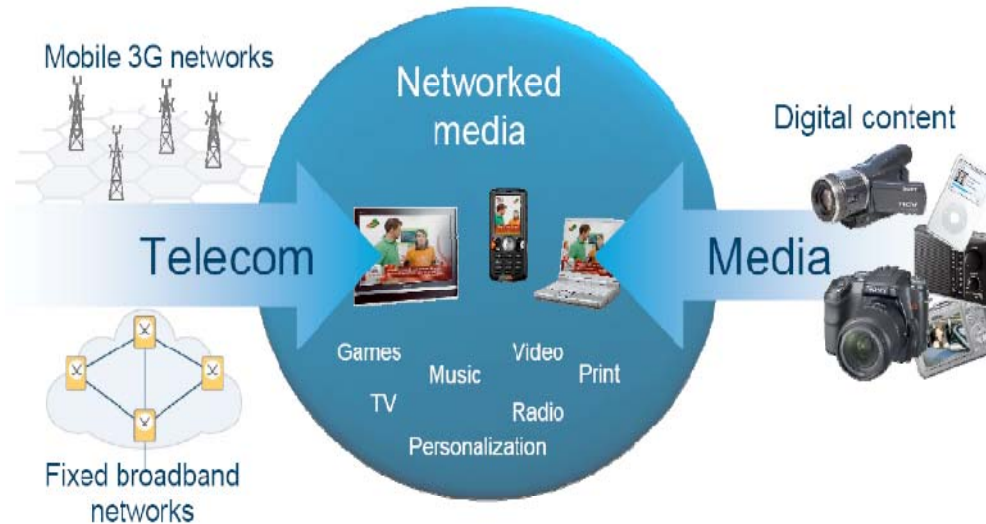
- Cash flow from operations amounted to 26.1 MSEK (-2.2) for Q3
- Cash and cash equivalents at the end of the period were 202.5 MSEK (132.7)
- Enea has unused credits amounting to 100 MSEK
- The equity/assets ratio was 76.0 (74.3) percent





Way Forward

Technology Development Drives Demand



■ Telecom Infrastructure

- IP-based services driving networks towards “all IP”
- Application specific processors – multicore and hw acceleration engines
- Scalable multicore solution needed
- RTOS and Linux combination needed

■ Wireless Devices

- Growth in emerging markets brings down price per phone
- Apple and Google reshaping the market
- Consolidation in the chip-set market
- RTOS needed in access part



Enea's great opportunity

- Excellence through focus
 - Two business units; Enea Software & Enea Consulting to create clarity and value for customers, employees and shareholders
 - Build on Enea's strong position for RTOS
 - Build on Enea's strong position for consulting in Sweden

- Take advantage of the technology shift
 - Exponential data traffic increase and more and more devices are getting connected
 - Multicore is redefining the RTOS market. Enea OSE is excellent in addressing Multicore

- Take active part in the restructuring of the market
 - Complement organic growth with strategic M&A activity
 - Take advantage of the recent acquisitions and build strategic partnerships



Market Outlook

■ Software:

- The underlying demand for Enea products and services remains good
- Technology development means major, long-term investments for Enea's customers

■ Consulting:

- Demand is increasing in 2010

■ Financial outlook:

- Stable development in revenue and significantly improved operating profit
- Long term objectives:
Operating margin of 20 percent for Software
and exceeding 10 percent for Consulting



Why invest in Enea?

- Market drivers for growth are evident
- An industry leader in the telecom market
- Technology to meet future demand in place
- Strong skill set with local consultancy presence
- Financial backing to increase growth through strategic acquisitions
- Proven ability to grow with solid profitability and positive cash flow

Enea share





THANK YOU!

For further information, please contact:

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