

ENEA



Enea

Interim Report January - September, 2006

October 25, 2006

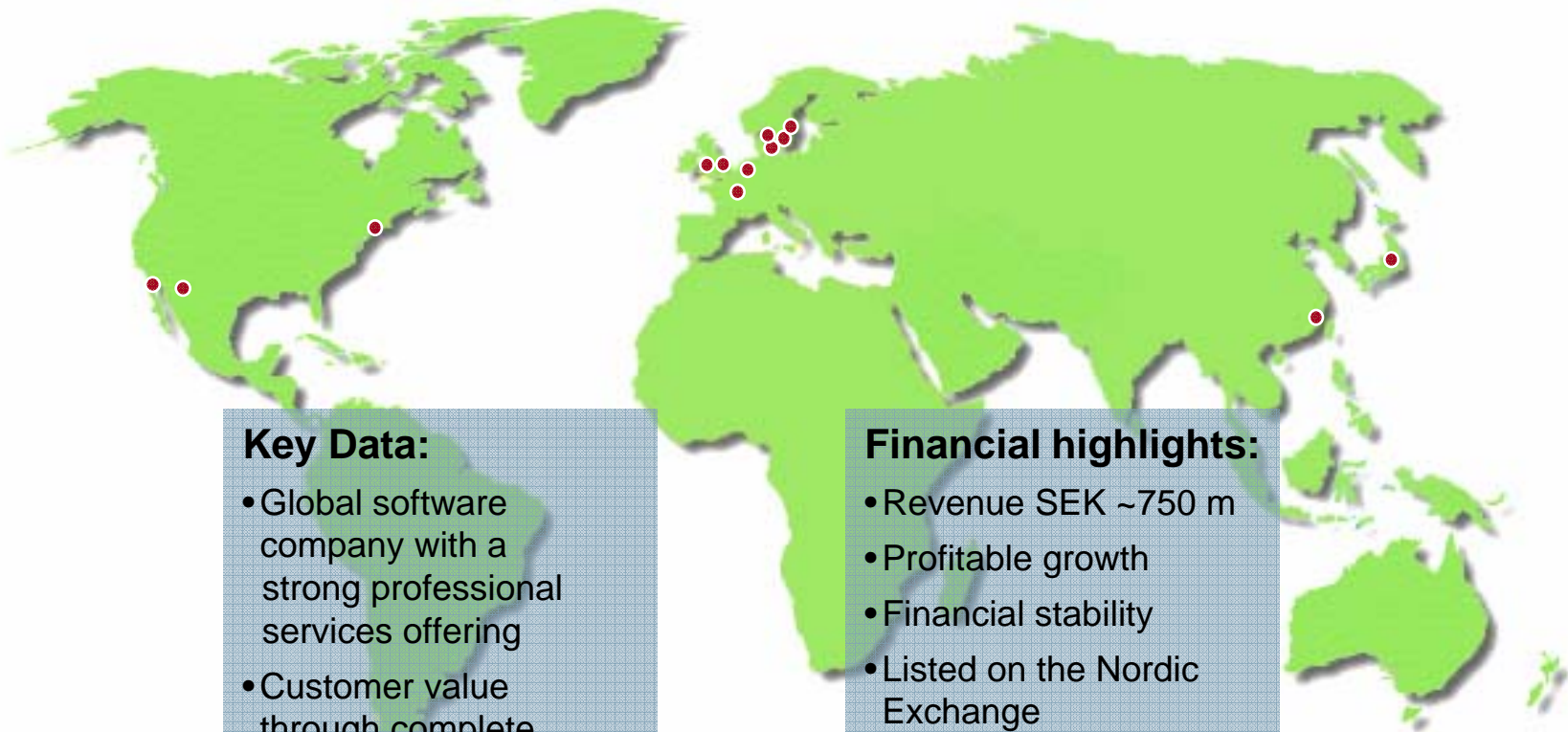
Johan Wall

President & CEO

Håkan Gustavson

CFO

Enea in Brief



Key Data:

- Global software company with a strong professional services offering
- Customer value through complete embedded solutions, reduced development time and cost
- ~500 employees

Financial highlights:

- Revenue SEK ~750 m
- Profitable growth
- Financial stability
- Listed on the Nordic Exchange

Focus on Telecommunications / Datacommunications



Market Offering

- ▶ **Software**
 - OSE™, Real Time Operating System
 - Element™ Middleware Platform
 - Polyhedra™, In Memory Database
 - Optima™ Eclipse-based Tools
 - LINX™ Communications Software
 - NASP Telecom-in-a-box Software

- ▶ **Third party products**
 - Best of breed tools, network protocols and applications
 - Linux provided by MontaVista

- ▶ **Consulting services**
 - Application development, systems integration, testing
 - Hardware and software design
 - Training
 - 300 professional consultants

Revenue Models

▶ Buy-out

▶ Royalty

▶ Rental

▶ “Free”, Loss-leader



Some of Enea's Clients



Q3 2006 in Brief

- Solid quarter with Increasing Software Sales
- Software sales up 14%
- Significant increase in sales of third party products
- Renewed contracts with Tier 1 telecom customers
- Software share of total revenue higher than ever, 41 percent
- EMEA operations improving both revenue and EBIT
- Continued growth in Asian operations
- Nordic Services operations doing well, albeit reductions in sub-contractors
- Still weak professional services operations in North America
- Product portfolio broadening effort continues
- Group Operating margin exceeded 10%

Q3 in Brief, cont.

- Organizational changes effective October 1
- Group Management Team:



Johan Wall
President and CEO

Employed since: 2004

Education: M. Sc. Electrical Engineering, Royal Institute of Technology Stockholm, Visiting Scholar, Stanford University, Palo Alto, USA

Previous positions: President Framfab AB; VP Consulting Framfab AB; President Netsolutions AB; Verizon Laboratories, Boston, USA



Håkan Gustavson
CFO

Employed since: 2005

Education: B. Sc. in Economics, Stockholm School of Economics

Previous positions: CFO Media Edge CIA Europé, London; Director of Mergers and Acquisitions, Young & Rubicam Europe, London



Virginia Walker
SVP Corp Strategy & Marketing

Employed since: 2001

Education: B. Sc., in Business Administration, San Jose, California

Previous positions: GM Enea North America; Executive VP, CFO OSE Systems; Executive VP, CFO Sagent Technology



Per Åkerberg
COO

Employed since: 2004

Education: B. Sc. in Economics, University of Sundsvall

Previous positions: Senior Vice President Telelogic Central Europe and Nordic; Vice President Telelogic North America; Head of Sales Telia Megacom AB



Patrik Holm
SVP Nordic Services

Employed since: 2000

Education: M. Sc Industrial Engineering and Management, Linköpings Institute of Technology

Previous positions: President Enea Epact AB; VP Epact Technology AB



Martin Sandström
SVP R&D

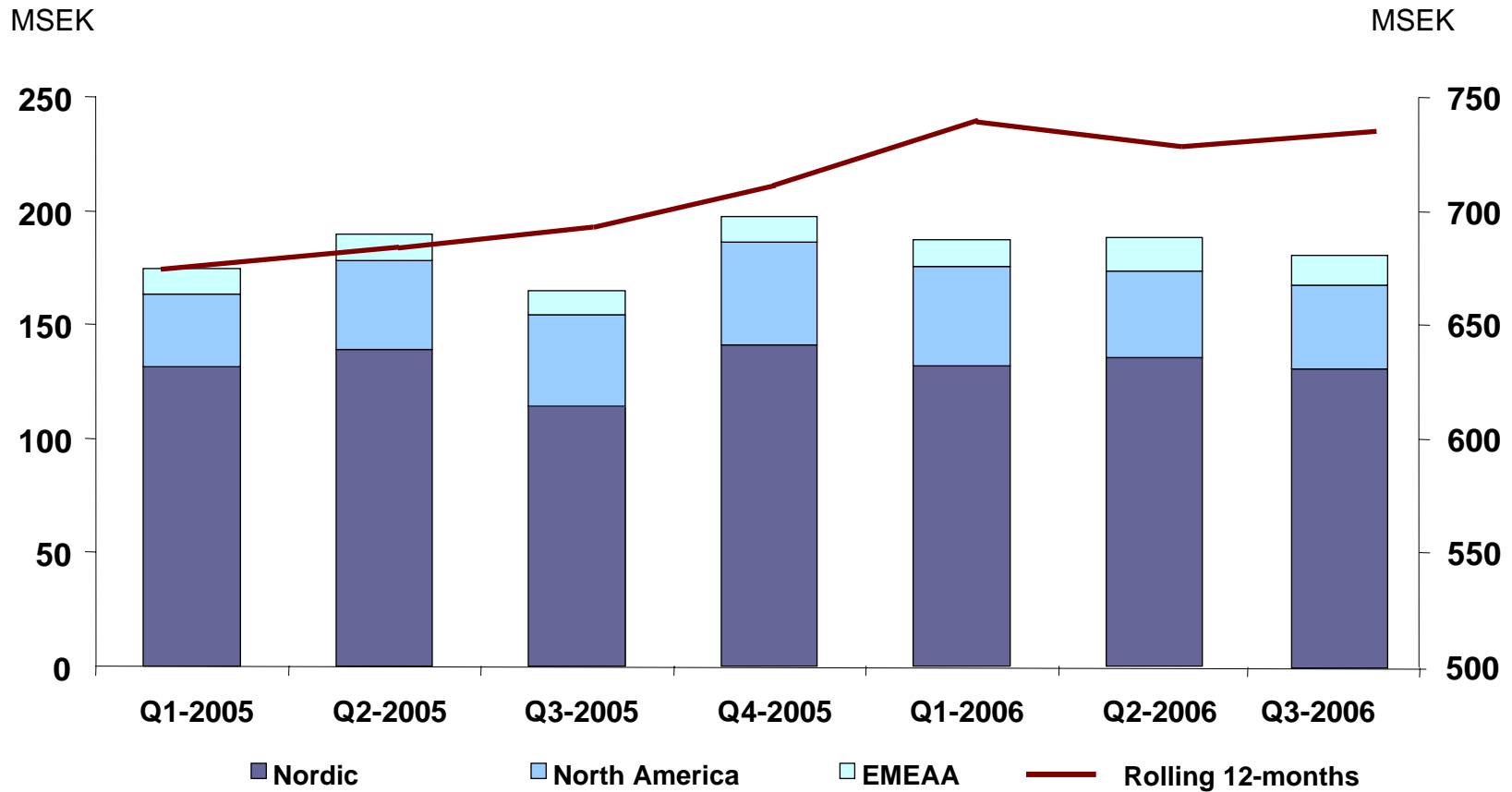
Employed since: 2005

Education: M.Sc Computer Science, Royal Institute of Technology, Stockholm

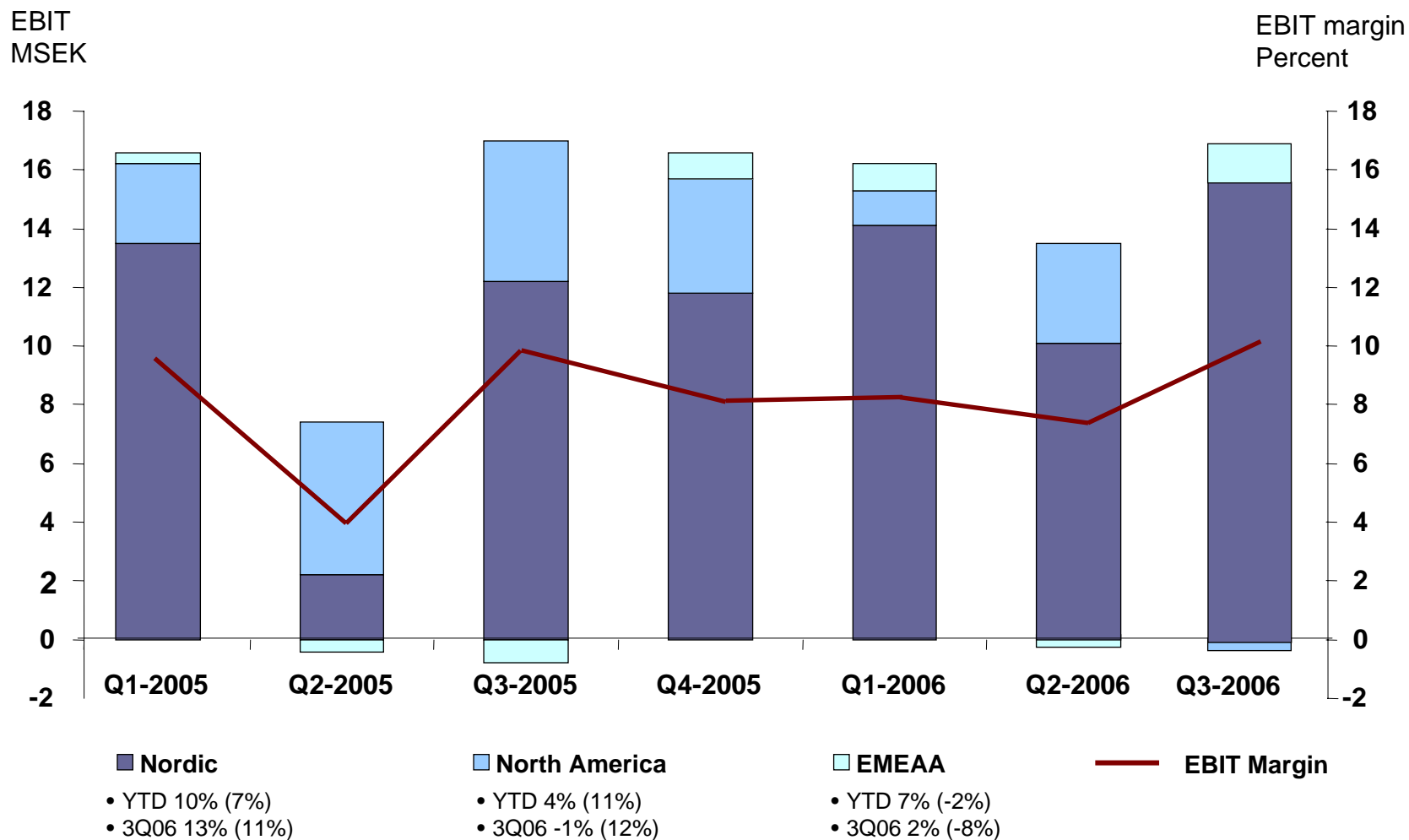
Previous positions: VP System Solutions, Anoto; VP System Technology Anoto; PSO Industri-Matematik Abalon

Financials

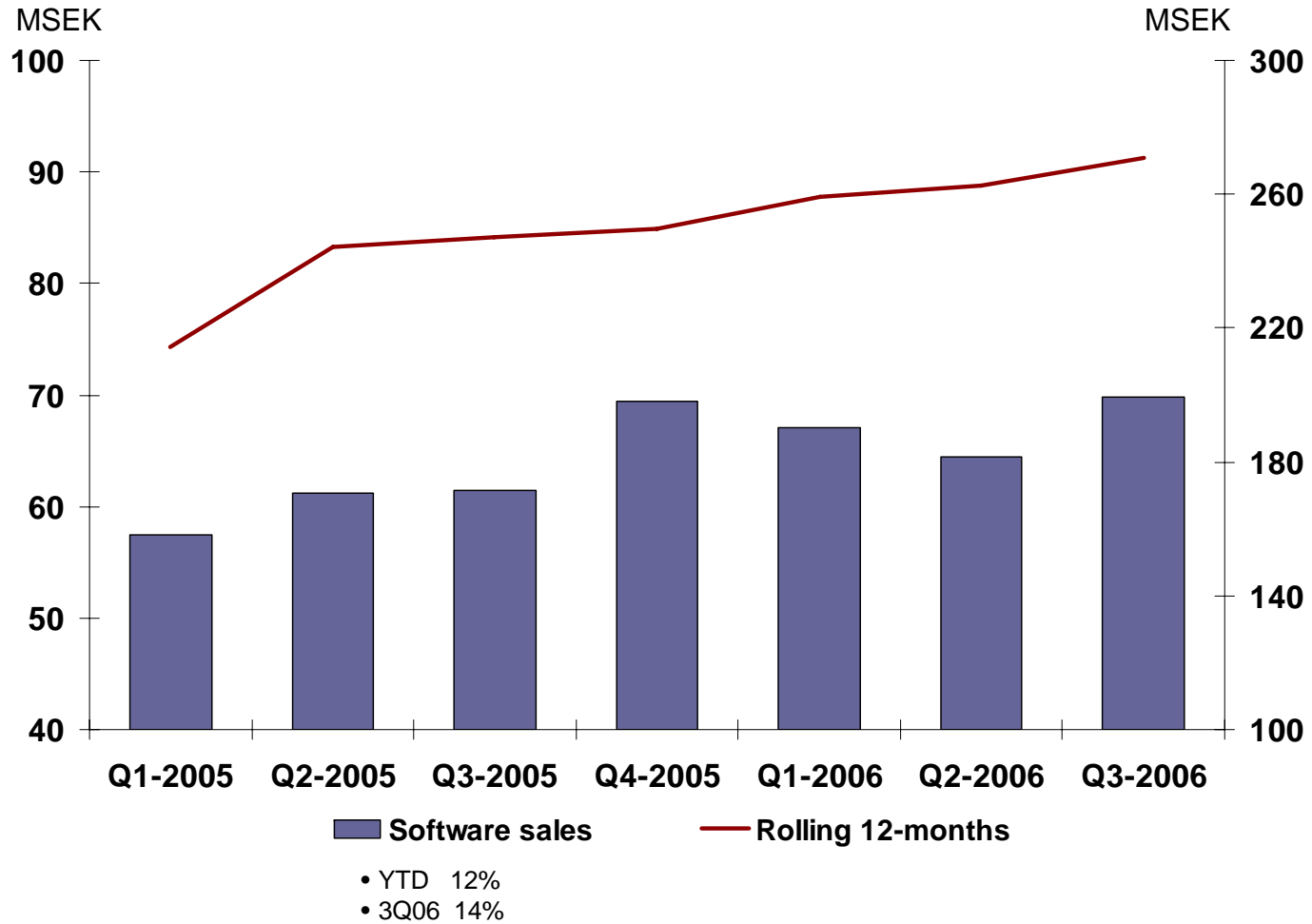
Enea Group - Net Sales



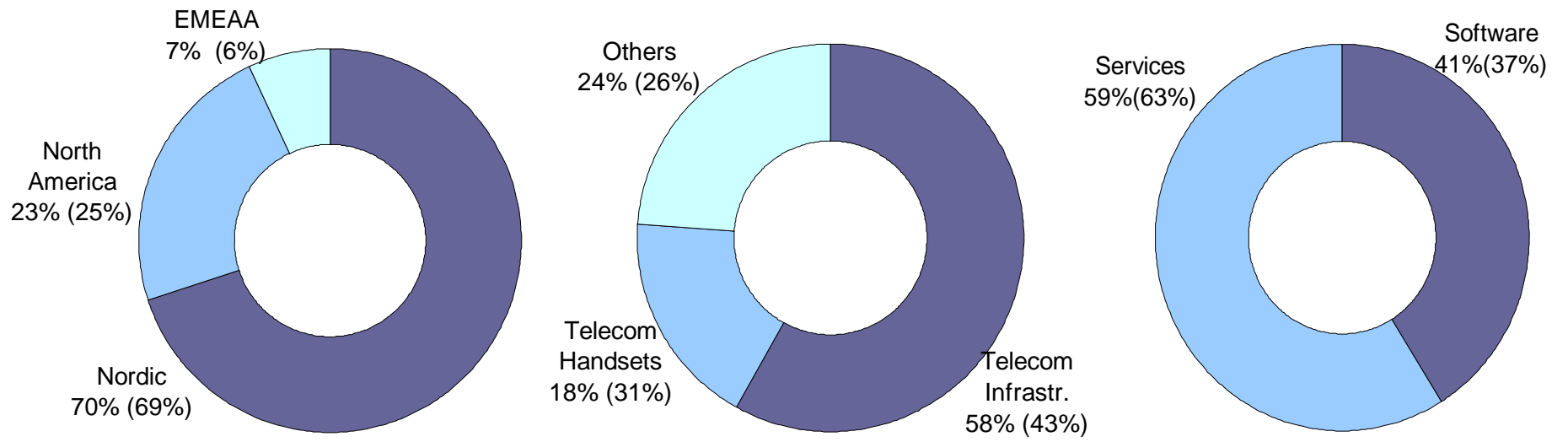
Enea Group - EBIT



Software Sales

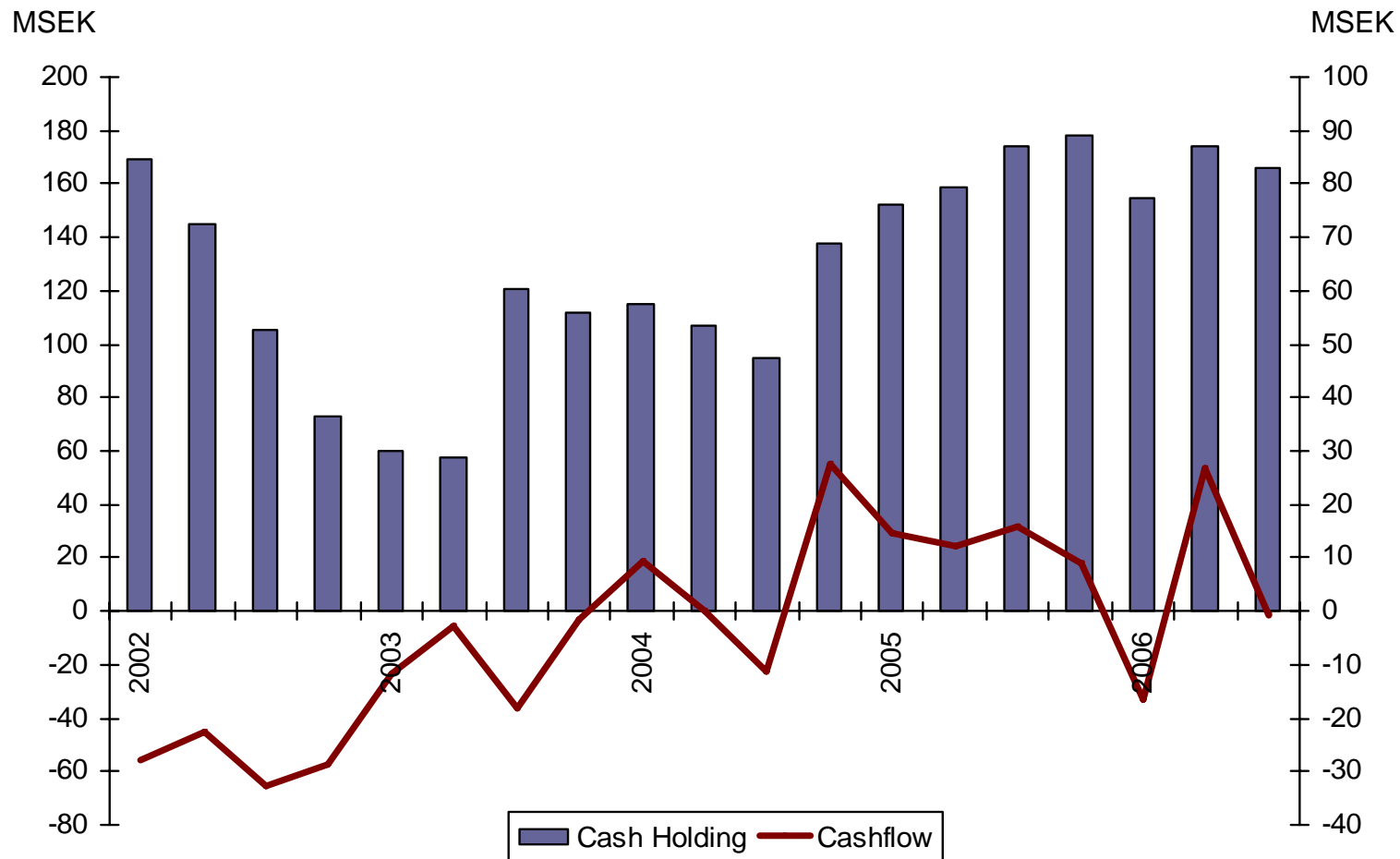


Sales Distribution Last Quarter



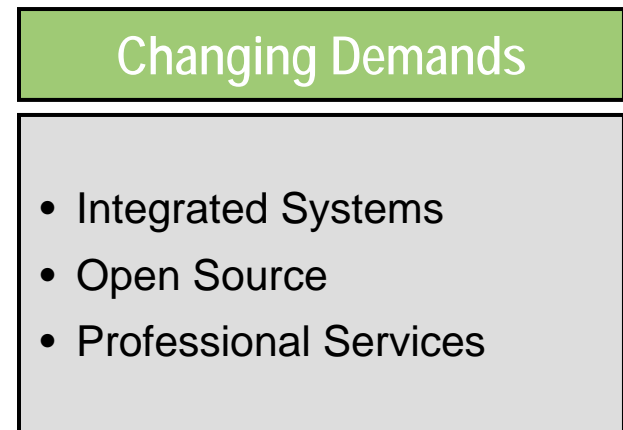
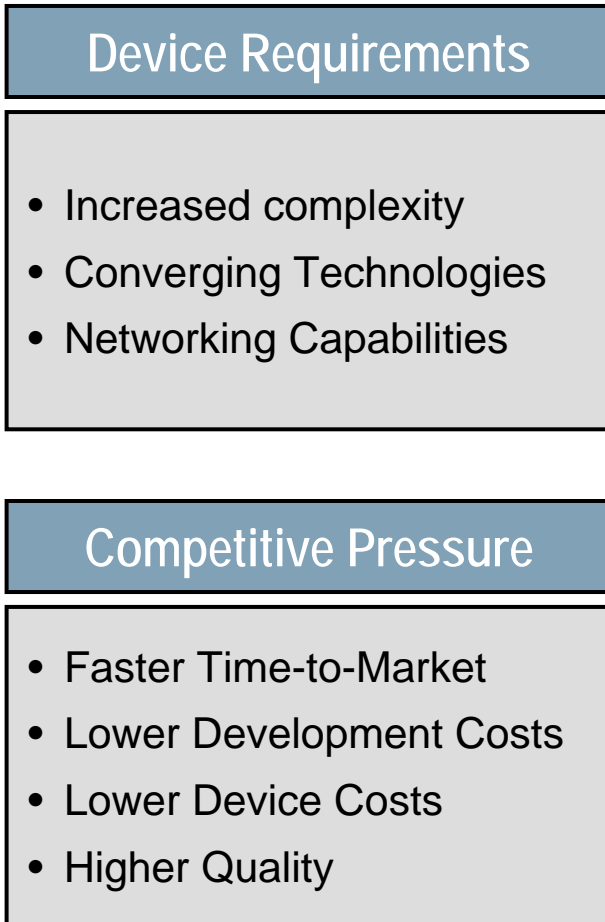
(Q3/2005)

Financial Position



Way Forward

A Changing Marketplace



The Rise of Device Software Optimization

▶ Freedom of Choice

▶ Reusability

▶ Standardization

▶ Interoperability



The New Solution Centric Business Model



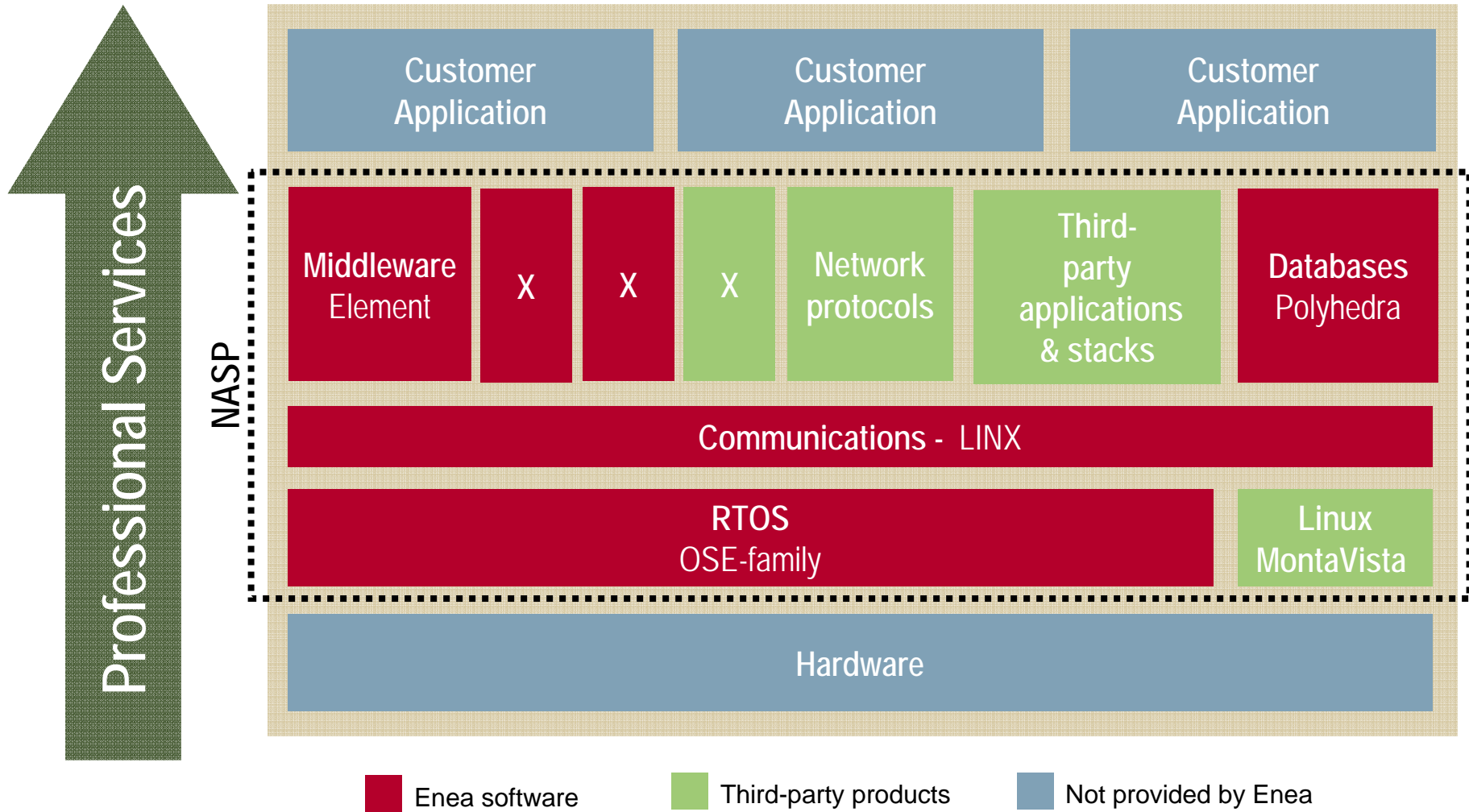
▶ From Build to Buy

▶ From Rewrite to Reuse

▶ From Standalone to Integrated Solutions

▶ From Single Transactions to Trusted Partner

Extended Product Portfolio



Enea's Path to Industry Leadership

**Corporate
Vision**

**“To be the first choice for embedded solutions
that change the world”**

**Corporate
Mission**

**“To ensure our customers success through
complete embedded solutions”**

Targets

Operational targets

- At least 50 % of total revenue from software

Financial targets

- Over the course of a business cycle achieve:
 - Sales increase of more than 15 percent annually
 - Operating margin of at least 10 percent



Our Strategy

Growth

- Expand product range
- Extend geographic reach
- Broaden customer base
- 3rd-party products

Competitiveness

- Platform independent software
- Professional Services
- Complete and integrated solutions
- Middleware integration

Profitability

- Recurring revenue model
- Cost efficiency



Going Forward

- A changing marketplace
- Enea continues to expand the product portfolio
- Financial capacity to participate in the changing environment
- A more market oriented focus

 Enea positioned for further profitable growth

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Question & Answer

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Thanks

For further information, please contact:

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