

ENEA



Enea

Interim Report January - March 2008

April 23, 2008

Johan Wall

President & CEO

Håkan Gustavson

CFO

This is Enea

- Leading provider of software and services for embedded systems
- Software offering targets run-time software, development tools and third party products
- Professional services for systems development, integration, project management and quality assurance
- **Enea solutions enable customers to accelerate development and reduce cost**



Enea Global Footprint



- 560 employees in seven countries
- R&D facilities in Great Britain, North America, Romania and Sweden
- Sales offices in China, France, Germany, Great Britain, Japan, North America and Sweden.

Enea Business Models

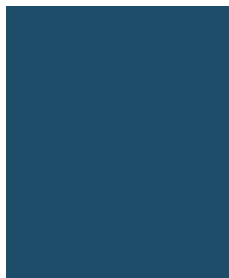
Software

- Royalty
- Rental
- Perpetual
- "Free", Loss-leader

Support & Maintenance

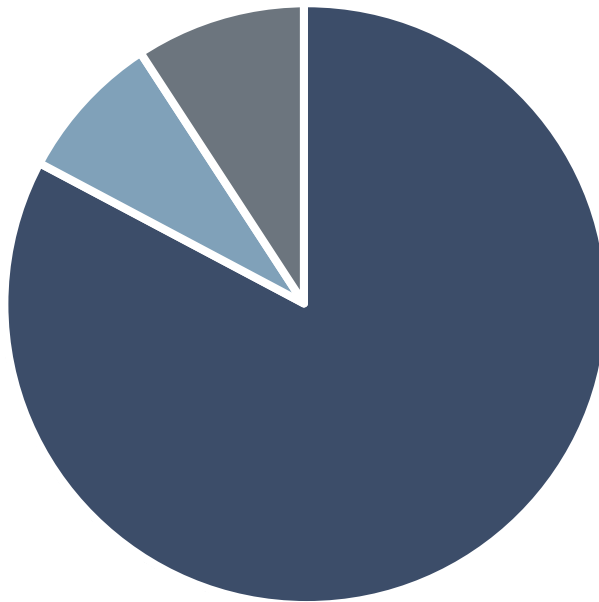
Services

- Time & Material
- Project assignments
- Fixed fee assignments



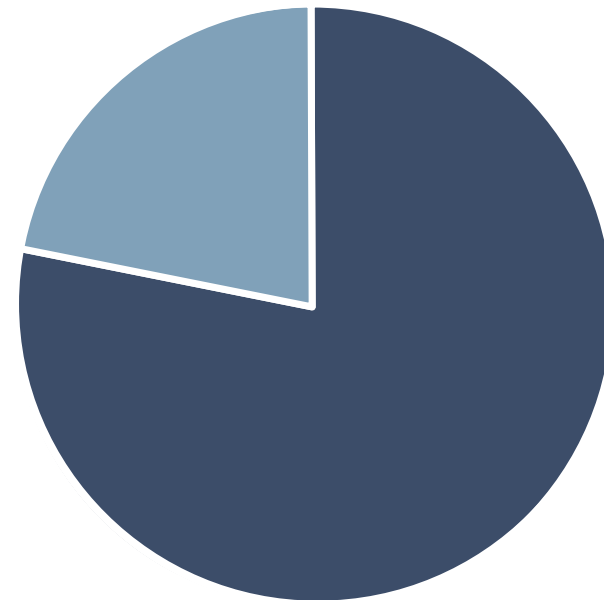
Enea Revenue Split

Software



83% Recurring revenue
– *Royalties*
– *Rental*
– *Maintenance*
9 % Third party products and other
8% Perpetual licenses / Buy outs

Services



78% Time & material
22% Fixed-fee and project assignments

Enea Software Offering

▶ **Run-time software**

Traditional Products:

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

New Products:

- Element™ and dSPEED Platform™ Middleware
- LINX™ Communications Software

▶ **Tools**

Traditional Products:

- Illuminator™ Run-time analysis tools

New Products:

- Optima™ Eclipse-based Software Development tools

▶ **Third party products**

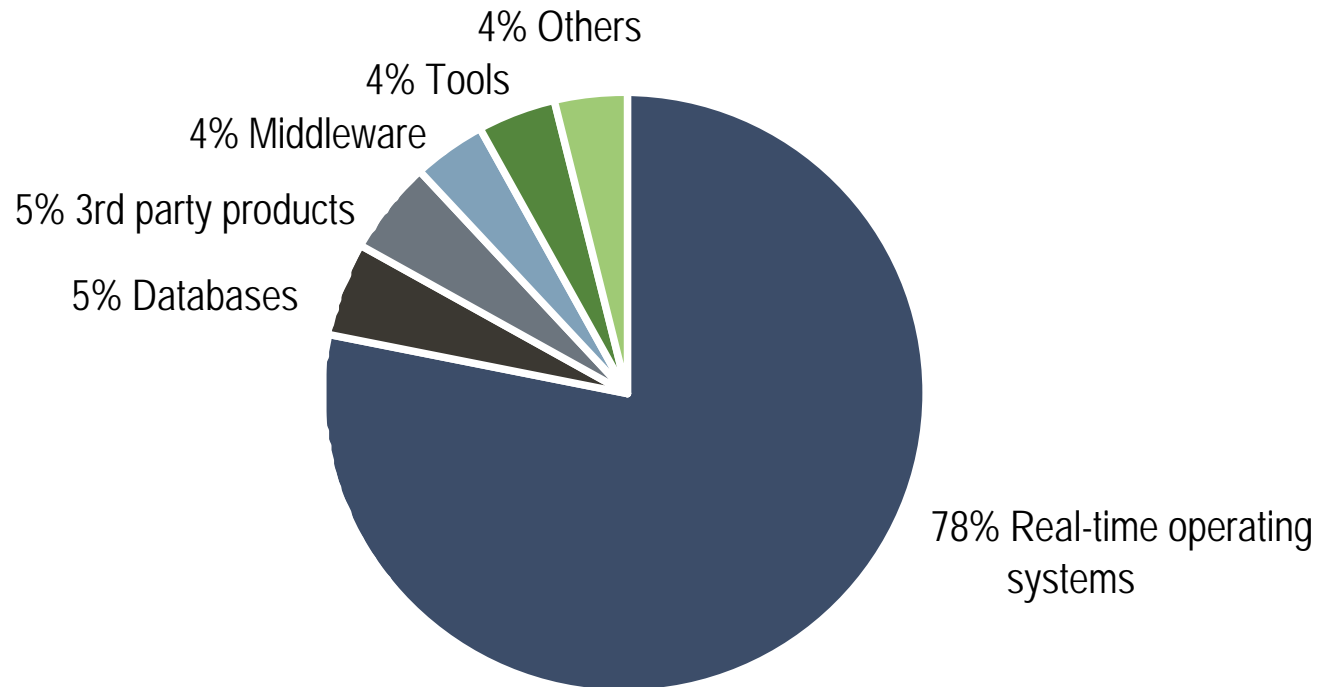
- Development tools
- Network protocol software
- Applications
- Linux

▶ **Platforms**

New Products:

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

Sales per Product, Software



- Enea has balanced portfolio of run-time software and tools that accelerate development and reduce costs
- Enea embraces open source initiatives like Linux

Enea Strategy

- Expand with vertically integrated solutions
- Provide software foundations that accelerate software development and reduce cost
- Leverage partnerships and joint customer financed R&D efforts
- Invest in companies with key technologies or customer bases



IP Devel Acquisition

- Specialized in embedded systems development and advanced test services.
- The Bucharest based company is profitable and has grown quickly since 2000.
 - Net sales for 2007 were approximately EUR 4 million
 - 120 employees
- Enea acquires 100 percent of the shares for EUR 3.2 million in cash at closing, with an additional payment after four years based on the financial performance of IP Devel.
- IP Devel management will continue to run the company



Netbricks Acquisition

- A leading developer and supplier of network communication software.
- Strengthens and expands Enea's existing product portfolio
- Well-run and profitable company with solid growth
 - Net sales for 2007 exceeded EUR 2.5 million.
 - 17 employees, offices in France and Israel
- Enea acquires 100 percent of the shares for EUR 3 million in cash at closing, with an additional payment after three years based on the financial performance of Netbricks.
- Netbricks management will stay at Enea



First Quarter 2008 in Brief

- In spite of market uncertainties, Enea continues to perform well
- Stable demand for software
- Expectations met in general
- North America software sales disappointing
- High demand for professional services
- 30 MSEK order for mobile technology consulting project
- One order for Element middleware software

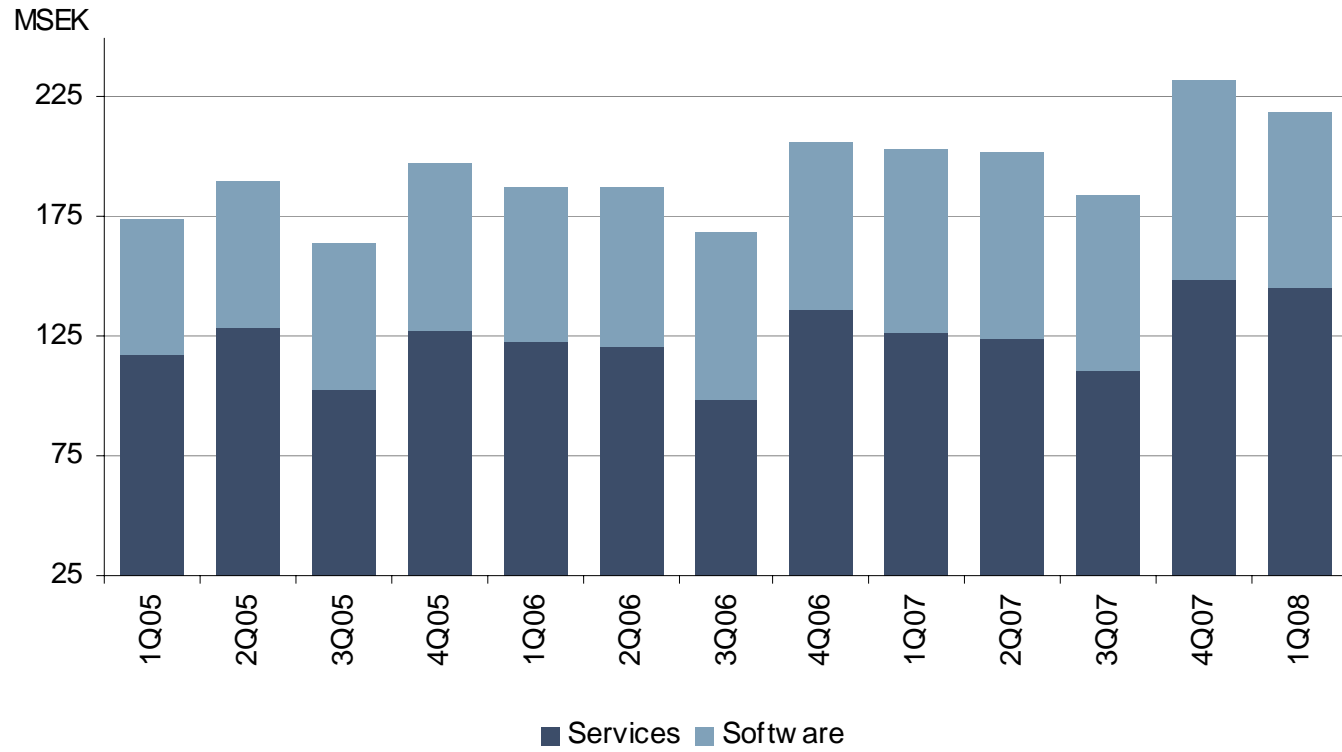


Q1 2008 Financials

- Net sales increased by 8 percent to MSEK 219 (203). Currency-adjusted growth was 9 percent
 - Software sales decreased by 4 percent to MSEK 74 (77). Currency-adjusted growth was 2 percent
 - Consulting increased by 15 percent to MSEK 145 (126). Currency-adjusted growth was 17 percent
- Operating profit increased by 4 percent to MSEK 19 (18) with a profit margin of 9 (9) percent



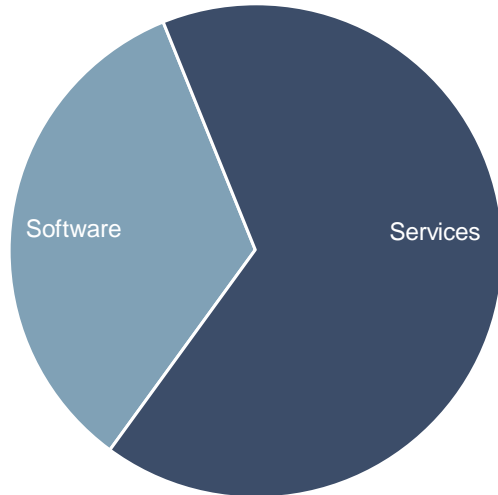
Enea Group – Net Sales per Quarter



- HG: Services growth
- North America siffror

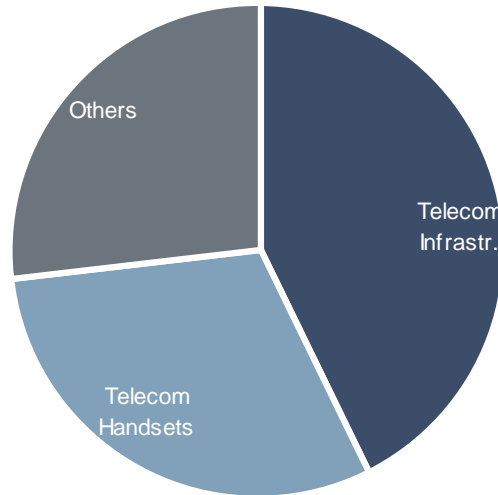
Enea Group – Sales Distribution

Business area



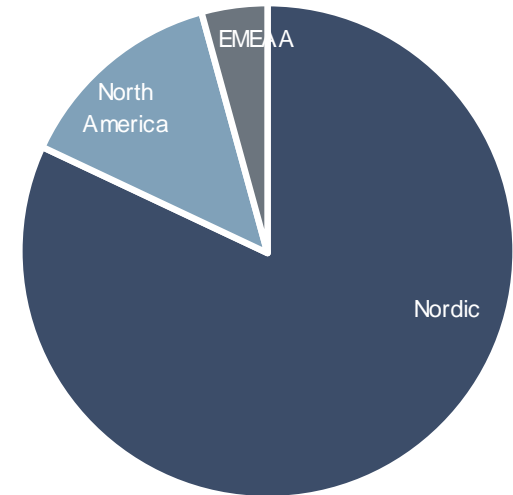
66% Services
34% Software

Customer segments



43% Telecom Infrastructure
30% Mobile Handsets
27% Others

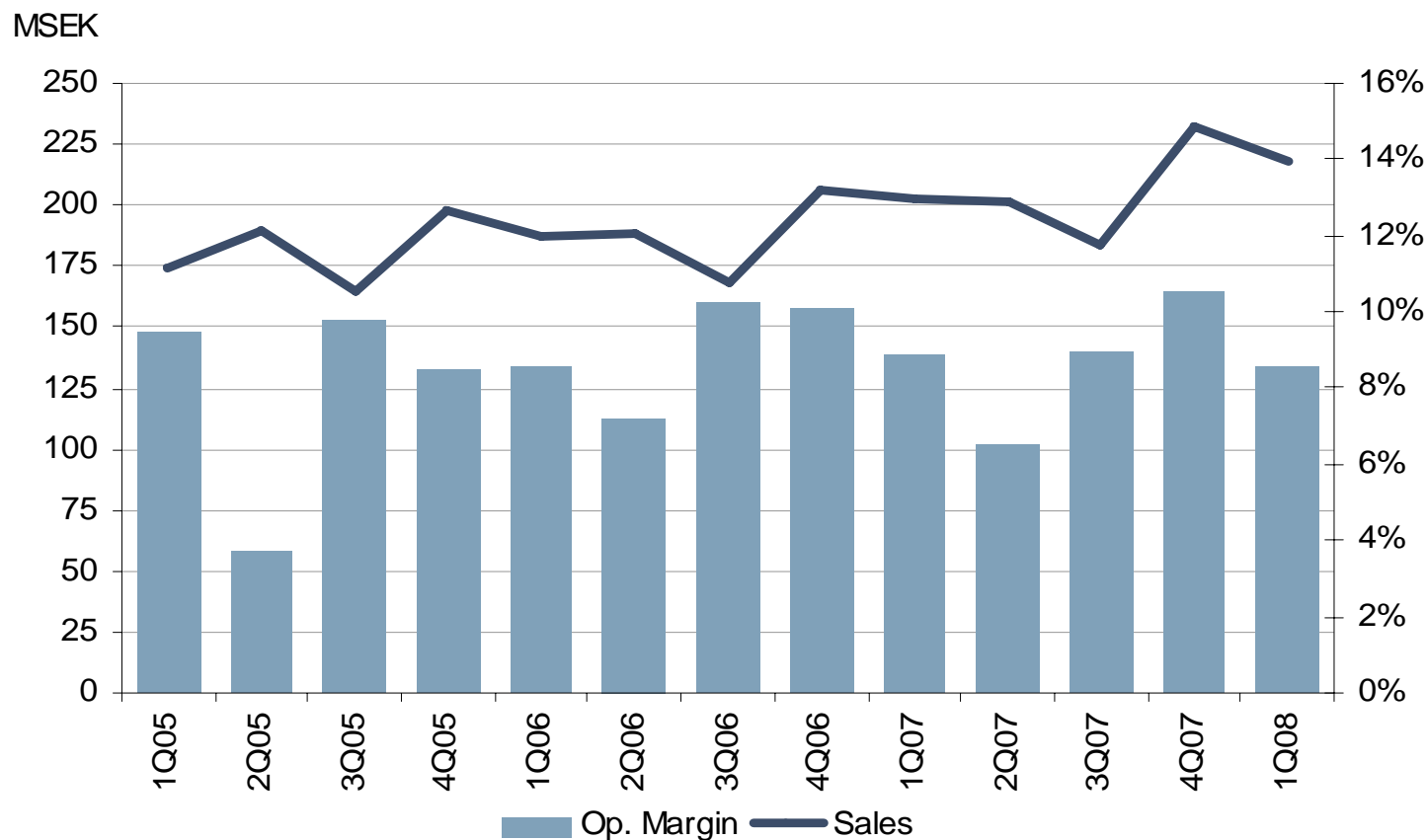
Geography



82% Nordic
14% North America
4% EMEA

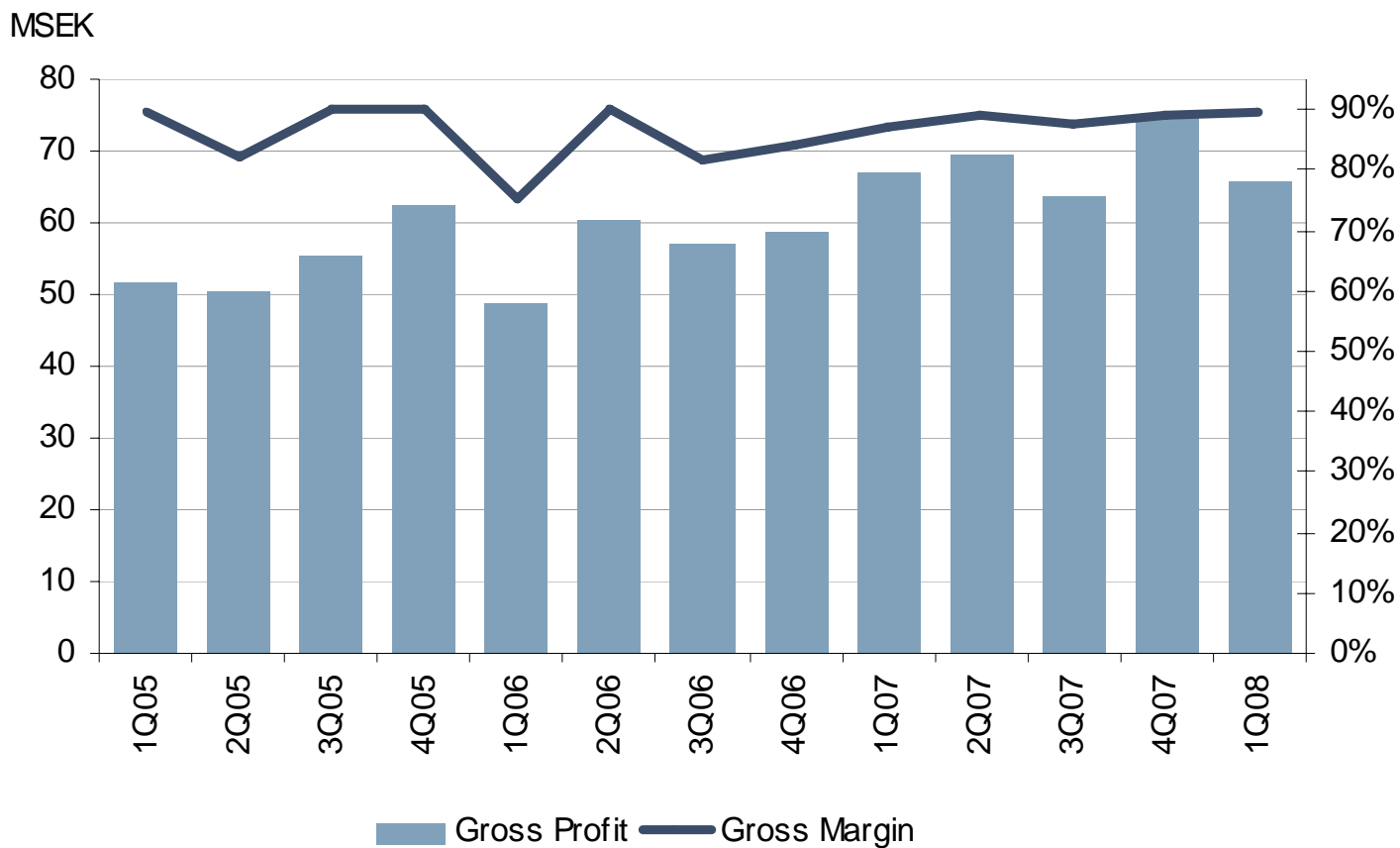
- Bullets: HG

Enea Group – Operating Profit and Margin per Quarter



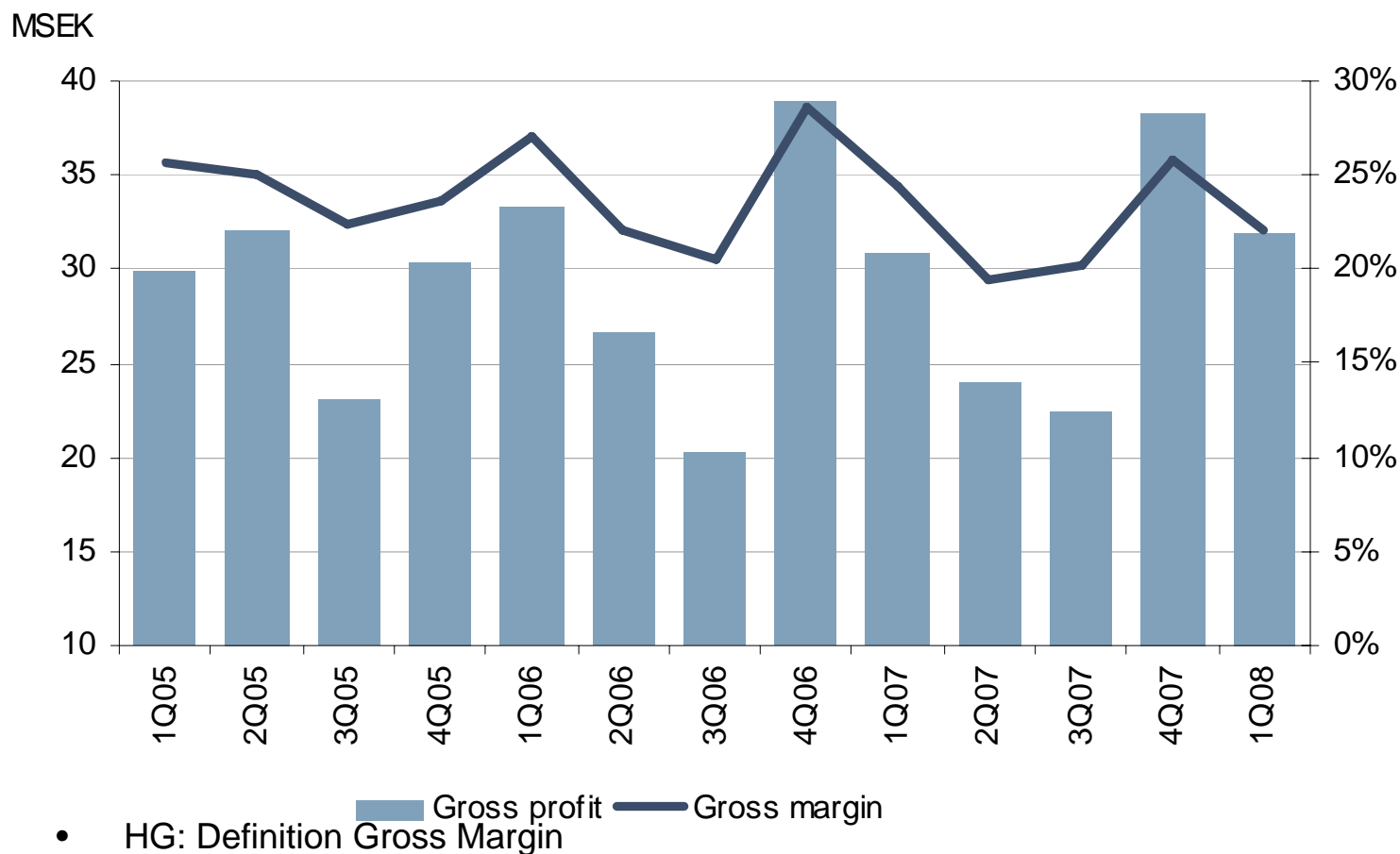
- Bullets: HG

Enea Software – Gross Margin per Quarter



- HG: Definition Gross Margin

Enea Services – Gross Margin per Quarter



Income Statement

GROUP INCOME STATEMENT (SEK million)	Jan-Mar		12 months			
	2008	2007	Apr-Mar	2007	2006	2005
Software revenues	73.7	76.7	308.6	311.6	271.4	249.7
Consulting-and other revenues	144.9	126.2	527.7	509.0	478.7	476.5
Net sales	218.6	202.9	836.3	820.6	750.1	726.2
Cost for sold products and services	-120.8	-105.2	-445.7	-430.1	-405.9	-390.7
Gross profit	97.8	97.7	390.6	390.5	344.2	335.5
Expenses for sales and marketing	-41.4	-45.4	-169.9	-173.9	-146.7	-148.8
Expenses for product development	-25.6	-19.8	-96.7	-90.9	-65.4	-58.9
Expenses for administration	-12.1	-14.5	-51.2	-53.6	-64.5	-71.4
Operating profit/loss	18.7	18.0	72.8	72.1	67.6	56.4

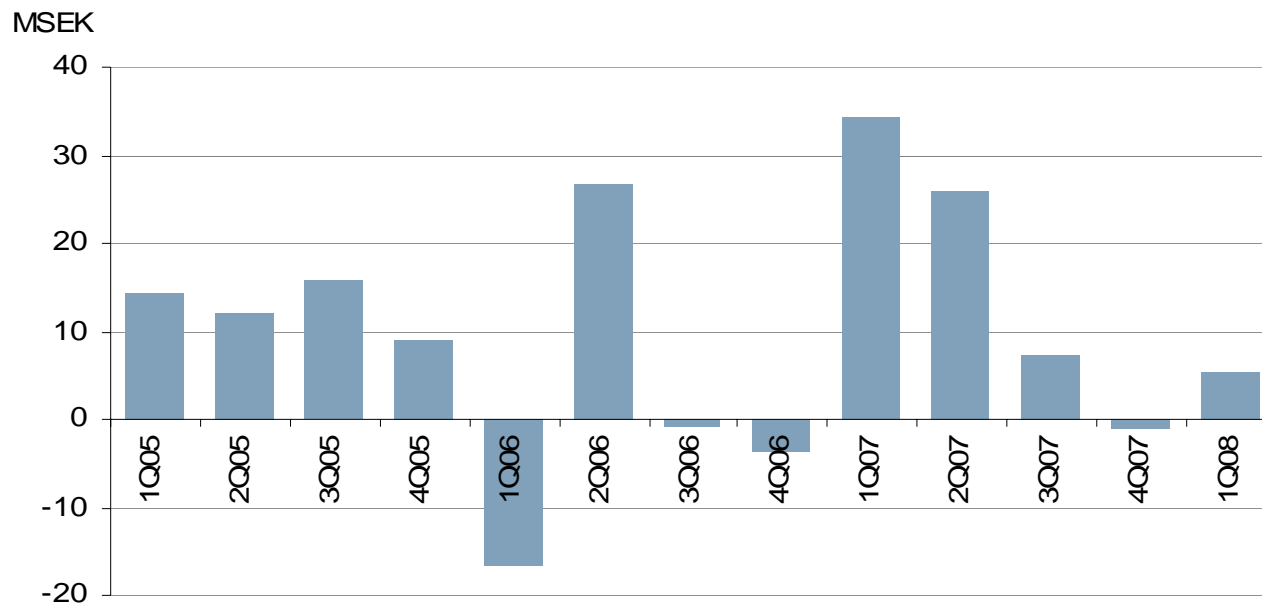
- HG: Definition Gross Margin

Strong Financial Position

Cash Flow 1Q08, MSEK

Current operations	5,3
Investment activities	-5,3
Financing activities	-1,6
Cash & Bank	152,5

- Positive cash flow despite changes in payment terms
- Considerable cash holding, no debts
- Invested in
 - Expanded product portfolio at a lower pace
 - Repurchasing of own shares



General Market Outlook 2008, Embedded Software

- Market growth in embedded systems and tools 2008 expected at 6-8 percent *)
- Trend towards Commercial of the Shelf Technologies (COTS) continues
- Few market entrants, further consolidation in embedded segment expected

*) Source: VDC



General Market Outlook 2008, Telecom

- **Overall** telecom market growth expected to be flat in 2008, according to major TEMs
- Still, significant growth expected in certain **segments**
- Subscriber growth, convergence, data growth and IP technology major telecom growth drivers
- Longer term outlook positive, supported by fundamentals and consumer trends



General Market Outlook 2008, Services

- Solid demand in Swedish and North American services markets
- Swedish market Ericsson dependent
- Outsourcing trend continues
- Trend towards fixed projects rather than staffing contracts
- Solutions, contracts combining software and services becoming more important



Why invest in Enea?

- Enea is in an exciting, rapidly evolving marketplace with trends such as mobile data and subscriber growth
- Enea has the resources and the ambition to actively take part in the development and potential consolidation of the embedded market
- Enea has shown ability to grow with solid profitability and positive cash flow
- **Enea well positioned for future growth**



ENEAA



Thank you!

For IR related questions and information, please contact us at +46 8 5071 4000 or:
President and CEO Johan Wall, johan.wall@enea.com
CFO Håkan Gustavson, hakan.gustavson@enea.com
Director of Communications Jenny Palmblad, jenny.palmblad@enea.com

Enea®, OSE®, OSE® ck, OSE® epsilon, Enea® Element, Polyhedra®, Enea® Optima, Enea® LINX, Enea® Accelerator are all registered trademarks by Enea AB or its subsidiaries. Accelerating Network Convergence™, Device Software Optimized™ and dSPEED Platform™ are unregistered trademarks by Enea AB. All rights are reserved.

© 2008 Enea

www.enea.com