



ENEIA

40 Years of Embedded Leadership

Agenda

- Corporate Overview
- Highlights and Financials Q3 2008
- Market Outlook, Opportunities and Growth Factors

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40 Years of Embedded Leadership

Business:

- Software and consulting services within embedded systems
- Main segments Telecom, Avionics, Automotive and MedTech
- 750 employees
- Listed on OMX Nordic Exchange
- Revenue of 821 MSEK with operating profit of 9% in 2007
- Offices in North America, China, Japan, Sweden (HQ), France, Germany, Great Britain, Israel and Romania
- R&D in North America, Sweden, Great Britain, France and Romania

Mission:

- To be the first choice for innovative embedded solutions that change the world

Offering:

- Complete, integrated solutions with software, consulting services and third party products within embedded systems
- Increased value for customers through improved quality, shorter development cycles and reduced costs

Enea, Leading Provider in Telecoms

- Enea software delivered to 350 million mobile handsets during 2007
- Enea OSE embedded in more than half of the world's radio base stations
- Scandinavian Linux experts
- Wireless Solution Center

Half of all mobile phone calls delivered through Enea software



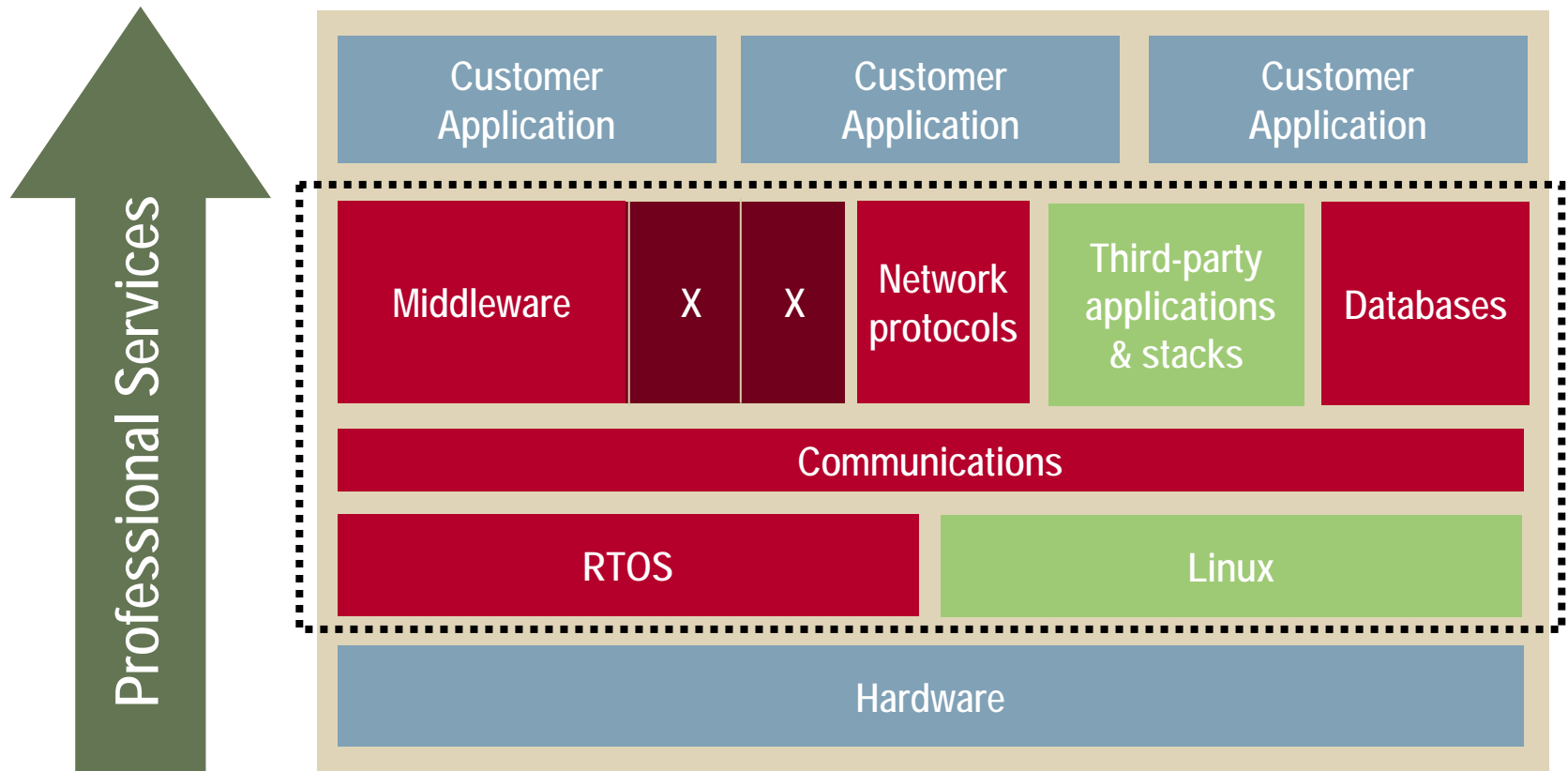
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Enea Global Footprint – Global Customers



Enea Offers Integrated Solutions



■ Enea software ■ Third-party products ■ Not provided by Enea ■ Potential expansion

Enea Business Models

Software

Royalty (80 percent)
Rental
Perpetual
"Free", Loss-leader

Support & Maintenance

Services

Time & Material (80 percent)
Project assignments
Fixed fee assignments



2008 at a Glance – So Far...

- Acquisitions of IP Devel, Netbricks and Zealcore
- Launch of Enea Accelerator Platform 2.0 - the industry's most comprehensive software platform for delivering high-quality, always-on IP-based services like broadband access, VoIP, IPTV, gaming, and streaming video
- Largest customized software deal in Enea history
- Expansion of ELCC to more locations
- Member ship of the OpenSAF Foundations => expansion of middleware offering



Zealcore Acquisition, July 1

- A continuation of Enea's strategy to acquire "plug-in" technology companies
- Tools sales cycle different from run-time software sales cycle
- Leading provider of best-in-class debug and diagnostic software tools for complex, mission-critical, embedded systems
- ZealCore tools initially available with Enea's Eclipse-based Optima tools. Near-term availability also for Enea's middleware (Enea Element) and DSP management (Enea dSPEED) platforms
- ZealCore's customers are market leaders in telecom, transportation and industry automation
- 4 employees, expected sales of 5,5 mSEK during 2008. Office in Västerås, Sweden



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Third Quarter 2008

- Net sales grew by **13 percent** to **207** (183) mSEK
 - Organic growth 7 percent, 6 percent acquired
- Software sales grew by **17 percent** to **85** (73) mSEK
- Services and other revenue grew by **10 percent** to **122** (111) mSEK
- Operating profit **grew by 10 percent** and amounted to **18,0** (16,4) mSEK. The operating margin was **8,7** (8,9) percent
- Net profit rose to **14,3** mSEK (11,6)



Year-to-date 2008

- Net sales grew by **13 percent** to **666** (588) mSEK
 - Organic growth 11 percent, 2 percent acquired
- Software sales increased by **5 percent** to **239** (228) mSEK
- Services and other revenue grew by **18 percent** to **426** (361) mSEK
- Operating profit amounted to **49,7** (47,6) mSEK and the operating margin was **7,5** (8,1) percent
- Net profit rose to **56,5** mSEK (35,3) and cash flow from operating activities was **51,2** (67,6) mSEK



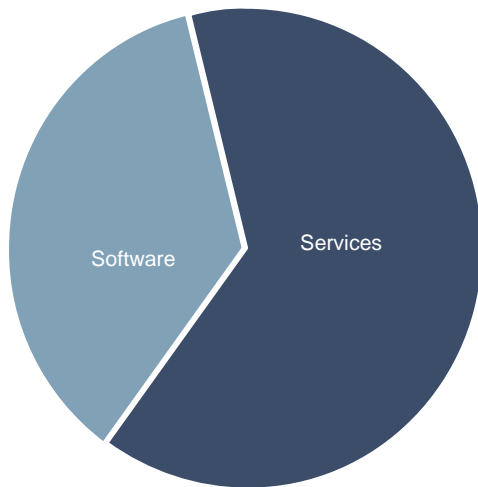
Stable financial position

- Cash on hand 96 mSEK
- Unused credit facilities of 250 mSEK
- Positive cash flow
- Solid equity/assets ratio of 70%



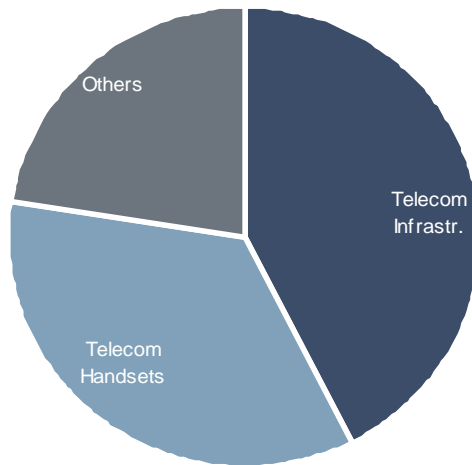
Enea Group – Sales Distribution

Business area



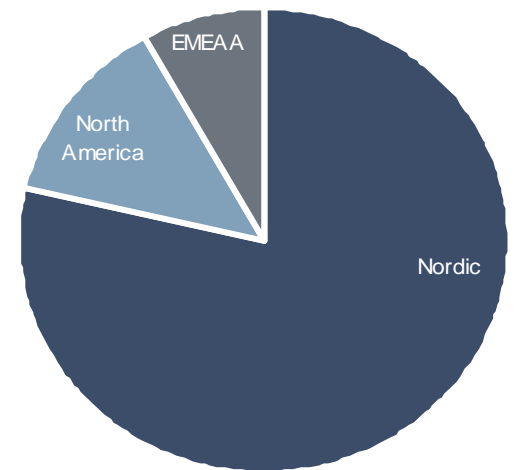
64% Services
36% Software

Industry Segment



42% Telecom
Infrastructure
37% Telecom Handsets
23% Others

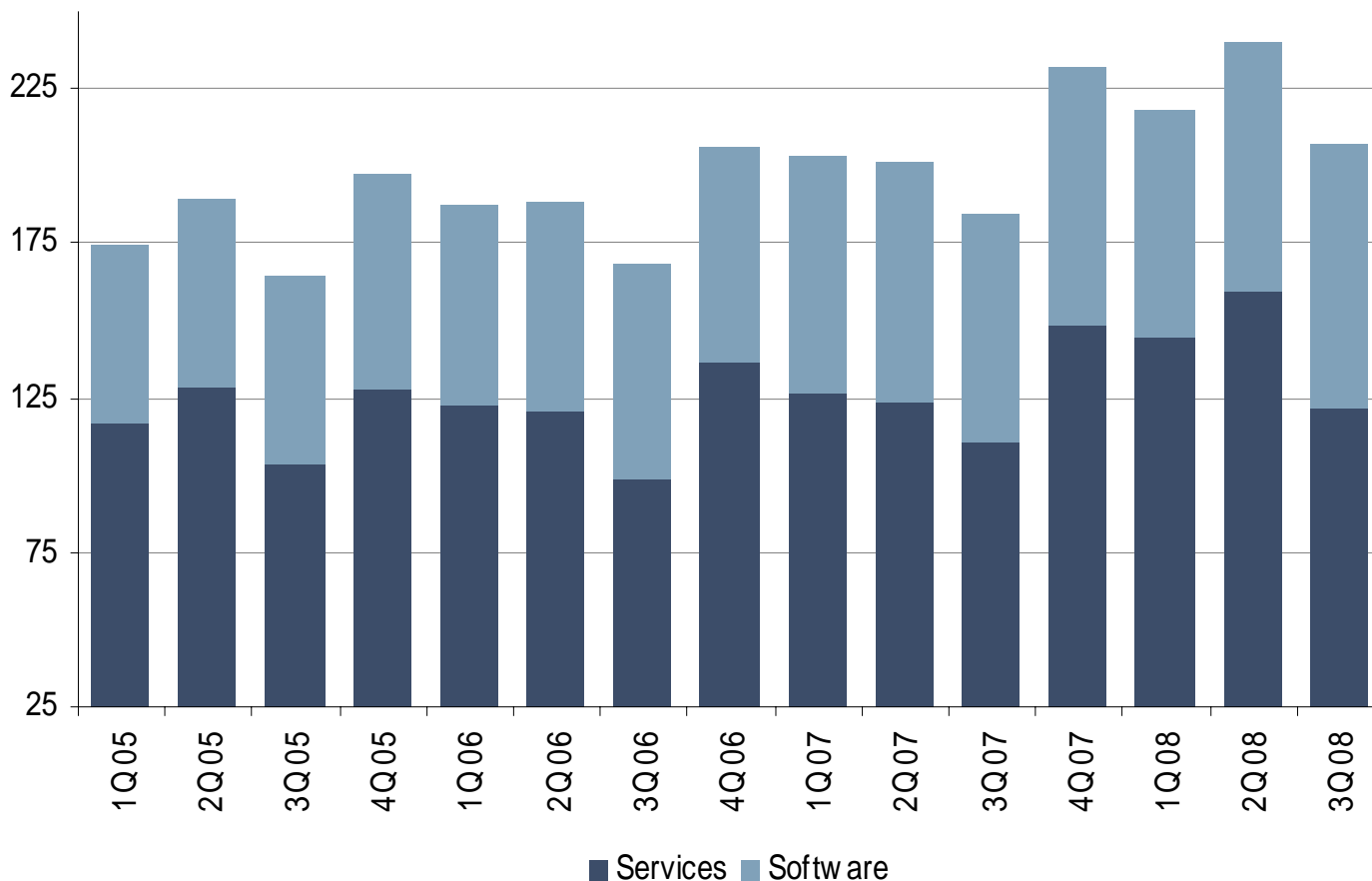
Geography



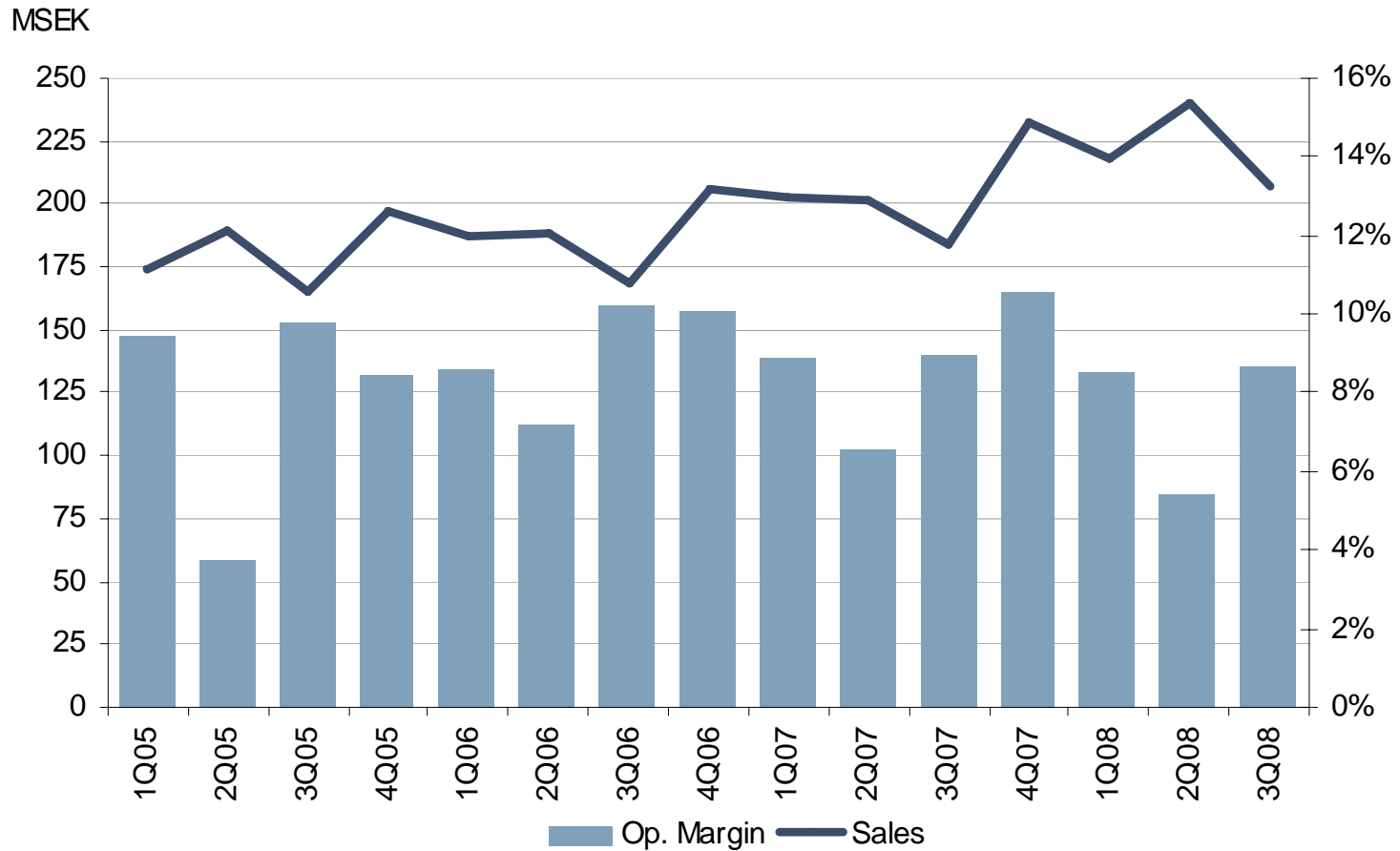
79% Nordic
13% North America
8% EMEA

Enea Group – Net Sales

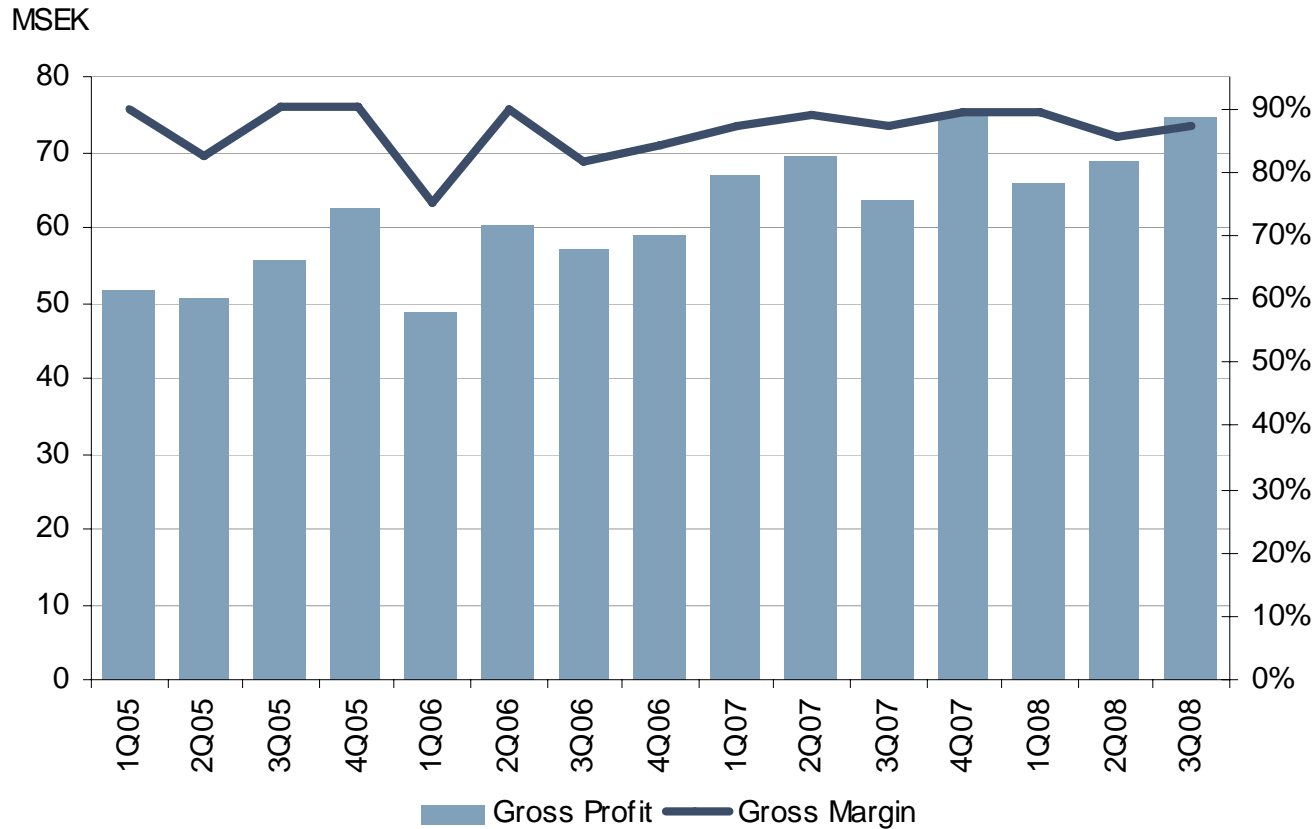
MSEK



Enea Group – Sales and Operating Margin

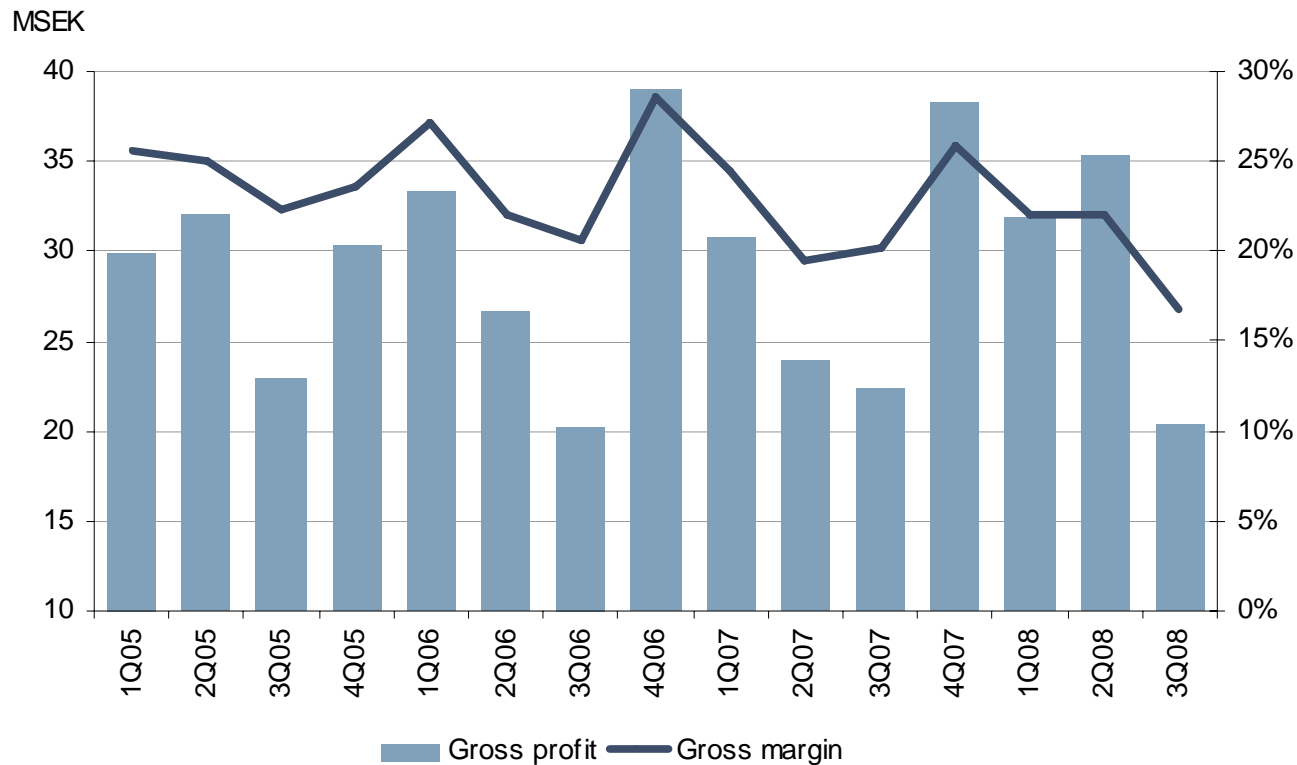


Enea Software – Gross Margin



- Gross Margin equals Sales minus third party cost, amortization of intangibles, order & delivery, support

Enea Services – Gross Margin



- Gross Margin equals sales minus personnel related costs associated with providing services

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Media and Telecommunications Convergence – and Consolidation

Mobile 3G networks



Networked media

Telecom



Media

Digital content



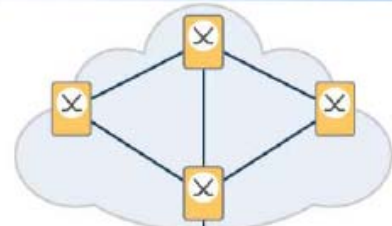
Games
TV

Music

Video
Radio

Print

Personalization



Fixed broadband networks

Wireless Industry Trends

- Increasing use of new advanced services
 - data traffic growing rapidly
 - high consumer expectations on bandwidth
- Increasing number of subscribers
 - growth mainly from emerging markets
- Decreasing ARPU
- Increased competition and price pressure at all levels in the value chain



Mobile Platform Market Continues to Consolidate

- Semiconductor and mobile platform vendor consolidation is accelerating
 - Vertical platform integration increasingly critical
 - OEMs relying on platform vendors for more value add as cost pressures mount
- ST-NXP / EMP Joint Venture creates the third largest silicon/platform vendor behind Qualcomm and TI
 - Likely to force Freescale, Broadcom, and Infineon to take significant action soon
 - Could be a new business opportunity for Enea



General Market Outlook 2008 Professional Services

- Demand holds up well in European and North American services markets
- So far, stable demand also in Sweden, however...
- ...Swedish market Ericsson dependent, increasing uncertainty
- Trend towards fixed-price projects rather than staffing contracts
- Solutions - contracts combining software and services are increasing in importance



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



Strategy for the Future



- Offer integrated solutions – software and services - which accelerate development and reduces costs for customers
- Continue building a broader product base, via in-house development and acquisitions
- Broaden customer base and increase number of fixed price projects/outsourcing assignments in services business
- Increase presence in Asia
- Maintain solid profitability based on recurring revenues and cost efficiency

Why invest in Enea?

- Enea is in an exciting, rapidly evolving market driven by trends such as mobile data growth, convergence and subscriber growth
- Enea has the financial and managerial 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**



THANK YOU!

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