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Enea Pioneering Software Development

Per Åkerberg, President and CEO

October 22nd, 2009

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Agenda

- **Corporate Overview**
- Highlights & Financials 2009
- Market Outlook & Strategy





Leader in Communications Software & Services

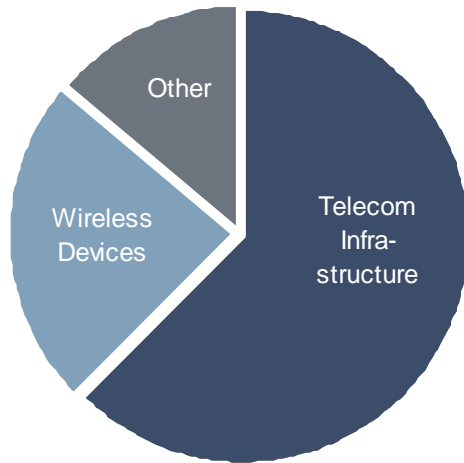
- Global software and services company focused on solutions for communication-driven products since 1968
- Primary segments: telecom (infrastructure and wireless devices), mil/aero, automotive and medtech
- 640 employees and 16 offices in Sweden (HQ), Romania, North America, France, Germany, UK, Israel, China and Japan
- Listed on OMX Nordic Exchange in Stockholm since 1989
- The 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

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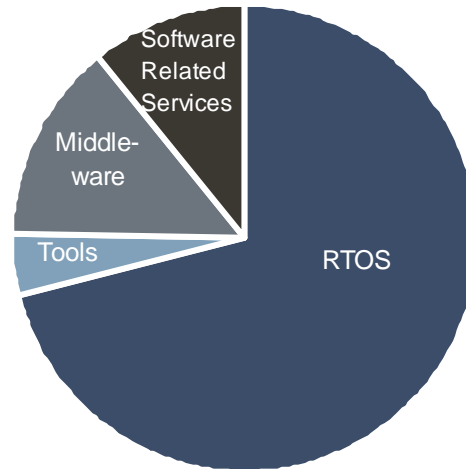
Sales Distribution January-September 2009

Sales per segment, Software, Jan-Sep 2009



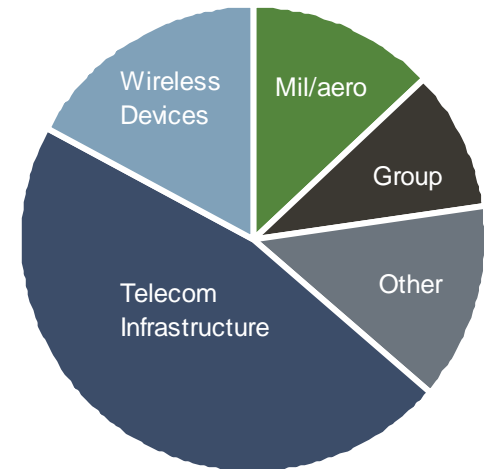
- Telecom Infrastructure 62%
- Wireless Devices 24%
- Other 14%

Sales per product, Software, Jan-Sep 2009



- RTOS 71%
- Software Related Services 11%
- Middleware 14%
- Tools 4%

Sales per segment, Consulting, Jan-Sep 2009



- Telecom Infrastructure 46%
- Wireless Devices 17%
- Mil/aero 13%
- Group 10%
- Other 15%





Global Footprint – Global Customers





Enea Software Portfolio

■ Run-time Software

- RTOS family, In-memory database, Middleware platform, Interprocess communication, Communications software, Network protocols

■ Tools

- Eclipsbased software development tools and System debug tools, Run-time analysis tool

■ Platforms

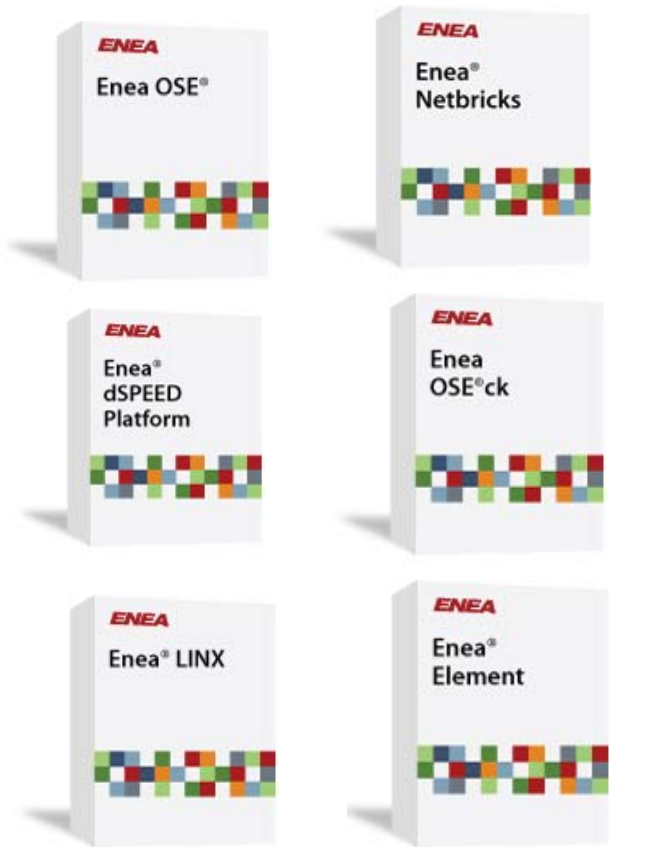
- A pre-integrated solution including Enea run-time software and third party products

■ Platform Services

- Evaluation, Design, Integration, Development, Test, Support and Maintenance

■ Third Party Products

- Network protocol and Software security, Linux, Middleware extensions, System management software





Enea Global Consulting Expertise

- Over 430 professional services staff
- Full product life cycle software development
 - Hardware & software design/architecture
 - Systems integration, test, & verification
 - Application & system development
- Outsourcing capabilities
- Standard and customized training services
- Solution centers
 - Linux
 - Mobile platforms
 - Middleware
 - Software quality
 - Mil/aero certification services



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The Third Quarter of 2009

- Net sales amounted to SEK 172,7 (207,5) million
- Revenues for Software were SEK 83,4 (88,8) million
- Revenues for Consulting were SEK 100 (137,7) million
- Operating profit was SEK 14,8 (18) million
- Operating profit before restructuring costs of SEK 6,7 million amounted to SEK 21,6 million meaning a margin of 13 percent
- Net profit declined to SEK 9,5 (14,3) million corresponding to SEK 0,54 (0,79) per share*
- The SEK 50 million cost-cutting program on track



Q3 Financial information

- Cash flow from operations amounted to SEK -2,2 (6,1) million
- Cash and cash equivalents at the end of the period were SEK 132,7 (96) million
- Enea has unused credits amounting to SEK 100 million
- The equity/assets ratio was 74,3 (70,4) percent



Business highlights during the quarter

- Closed 8 software design-wins
- dSPEED design win at major European telecom equipment manufacturer
- Enea signs Element Contract with leading North American telecom equipment manufacturer estimated value at 2 MUSD
- Enea receiver of Best of Show Award for OSE Multicore Edition
- Launch of Enea Android center in Lund. Has lead to 2 agreements worth 2,3 MSEK



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The Telecom Market 2009

■ Infrastructure

- Ericsson: "Planning for zero growth"
- NSN: "Expecting 5% decline in Euro terms"
- Huawei: "Expecting 30% growth"

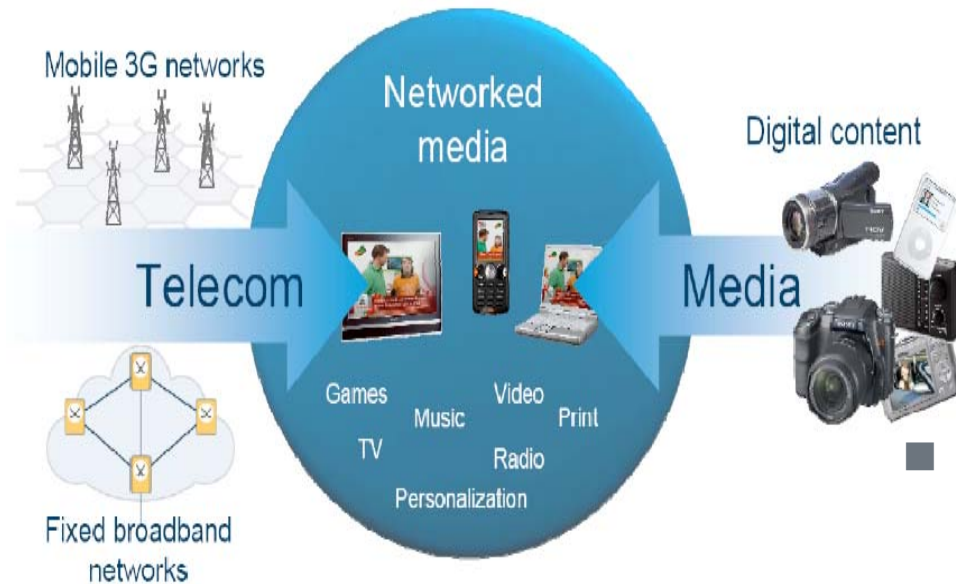
■ Handsets

- SEMC 45% drop in shipment Q3 09 vs. Q3 08
- Nokia 8% drop in shipment Q3 09 vs. Q3 08

■ BUT –

Enea sales are driven by our customers' R&D and technology development

Technology Development Drives Demand for Enea



■ 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

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Multicore in the news!

Du är här: SvD.se » Bästingstäv » Nyheter » Nytt under skalet kan skaka om it-världen

FOTO: STEFAN GUSTAVSSON

De mest kända operativsystemen används i våra persondatorer och fungerar som en brygga mellan själva datorn och programmen i den.

Nytt under skalet kan skaka om it-världen

INNOVATION | Centralt system

Publicerad: 21 september 2009, 08:44. Senast ändrad: 21 september 2009, 09:17

Vem orkar bry sig om vad datorn har för operativsystem? När allt mer hamnar ute på nätet och sköts via webbläsaren är det inte så viktigt hur det ser ut i datorn hemma. Men det kan ändras snabbt framöver när nya processorer ger datorerna mycket mer kraft och tvingar fram nya operativsystem och program.

Läs vidare » Textstorlek: A A A Skriv ut Kommentarer (33 st) Blogglänkar (1 st)

Senaste nytt | **Mest läst** | **Populära klipp**

- 16:59 **USA** NEW YORK: Inledande nedgångar, caterpillar tyngd, djiä -0,8%
- 16:51 Bore och Skandteck handelsstoppade
- 16:51 **USA** Bröllopsmiljoner till hovet
- 16:26 Sveriges krona
- 16:20 **USA** USAs ledande indikatorer upp 0,6 procent

Visa fler » Se hela nyhetsöversikten

ANNONS

Svar på alla frågor.

Hos oss på Toyota Center Metro Auto får du svar på alla frågor om tredje generationen av fullhybridbilen Toyota Prius. Vi har svaren.

SvD 21 september 2009

- VCD projects multicore market to grow more than 40% annually

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Enea Software Strategy: RTOS“R”US!

- Focus on global RTOS market
 - Enea OSE represent 46% of total Software business
 - 2006-2008 Enea OSE grew with 31%

- Leverage telecom market position and multicore technology
 - Dominant position with Ericsson & Nokia
 - Multicore market estimated to grow >40%

- Strengthen alliances with semiconductor vendors to accelerate growth
 - Intel acquisition of Wind River alters industry landscape
 - Enea and LSI Corporation partnership results in design wins and new customers
 - New hardware/software vendor alliances formed to drive growth



Enea Consulting Strategy: Local expertise with off-shoring capabilities

- Focus on local market expertise
 - Sweden, Romania & USA have distinct profiles and strengths
 - Vertical industry expertise:
wireless, telecom infrastructure, aerospace & defense
 - Competence centers:
real-time systems, test, Linux, Android, Autosar, certification standards

- Grow off-shoring as a competitive advantage
 - Currently 150 engineers at Enea Romania
 - Enea Romania is a strategic supplier in local Swedish and US projects

- Leverage business with embedded leaders
 - Strategic supplier of technology and expertise to Ericsson & Nokia
 - Skills and experience to be leveraged with new customers



Why invest in Enea?

- More devices contain embedded software systems
– increasing need for expertise
- An industry leader in the telecom market
- Financial backing to increase growth through strategic acquisitions
- Proven ability to grow with solid profitability and positive cash flow



THANK YOU!

For further information, please contact:

Per Åkerberg, +46 8 507 140 00, per.akerberg@enea.com

Lars Kevsjö, +46 8 507 140 00, lars.kevsjo@enea.com

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