



Enea

Q2 Financial Result 2010

Per Åkerberg, President and CEO
July 22, 2010

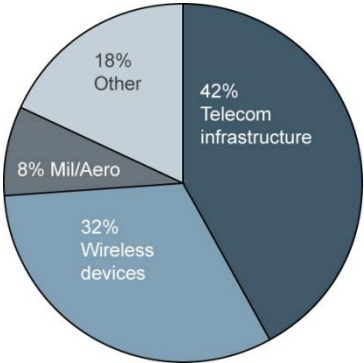
ENEAA



Leader in Communications Software & Services

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

Revenue per segment (2009)



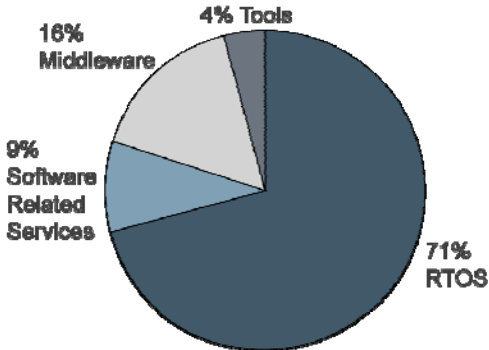
- Enea Consulting
- Full product life cycle software development
 - Outsourcing capabilities
 - Training
 - Solution centers for Android, Linux, wireless, communication and certification

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

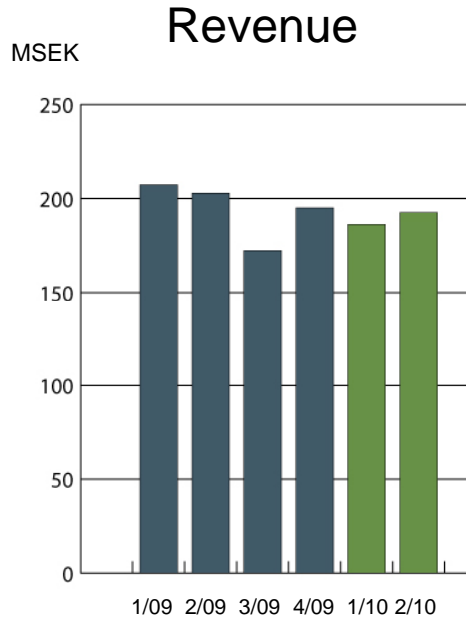




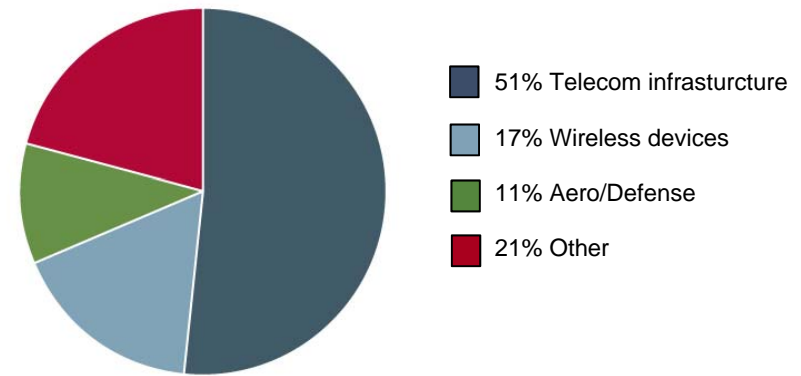
Second quarter and first half year 2010



Revenues are recovering



Revenue per customer segment

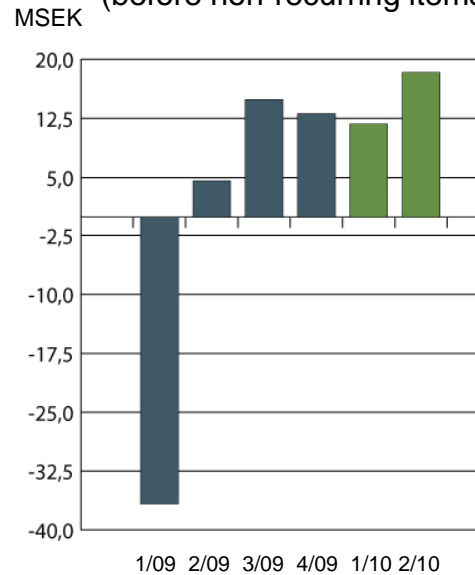


	Q2/10	Q2/09	H1/10	H1/09
Revenue (MSEK):	192.6	202.9	378.9	410.2
Growth (%)	-5.1	-15.5	-7.6	-10.6
Growth (%) (exl. currency effects)			-5	

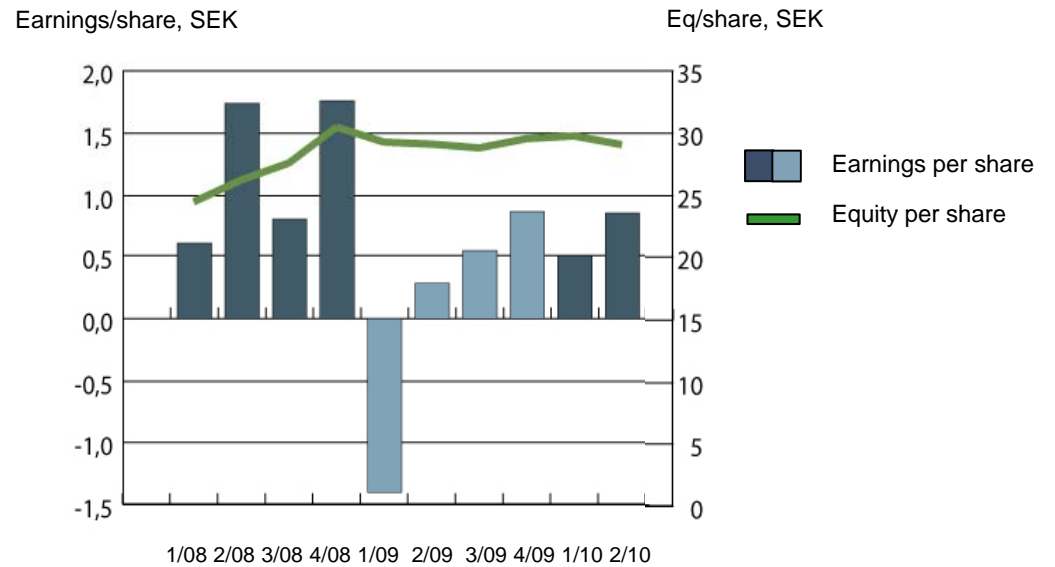


Significantly improved profit

Operating profit
(before non-recurring items)



Earnings and Equity per Share

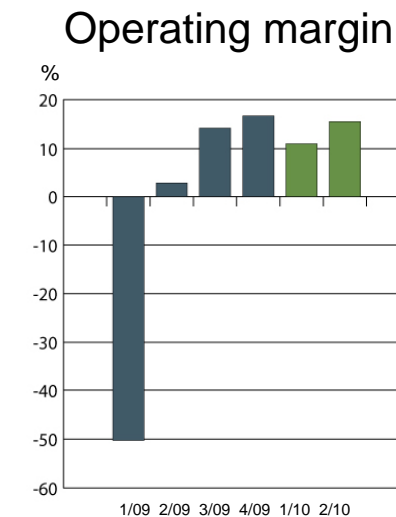
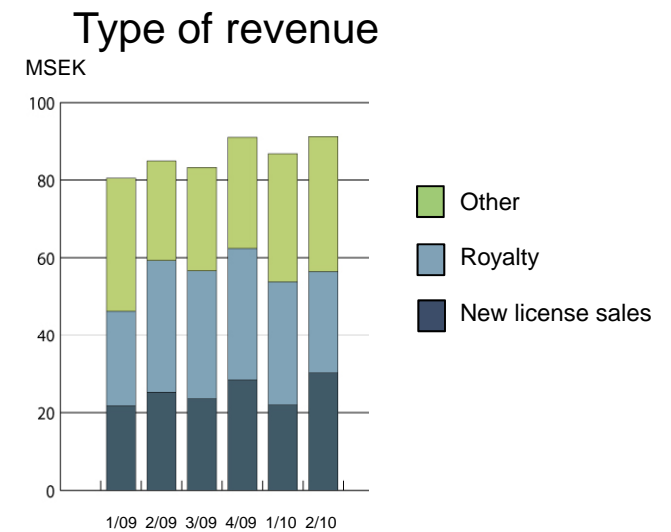


	Q2/10	Q2/09	H1/10	H1/09
Operating profit (MSEK):	18.3	4.6	30.1	-32.1
Operating margin (%)	9.5	2.3	7.9	-7.8
Earnings per share (SEK)	0.84	0.28	1.34	-1.13



Software: Revenue growth and improved margins

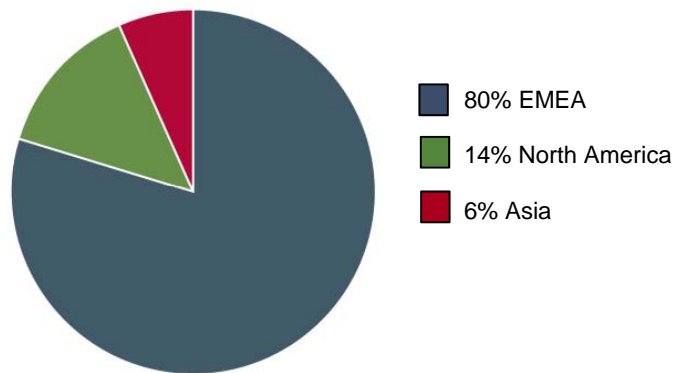
- Software accounted for 47% of the total revenue in Q2.
- Revenue of 91.2 MSEK in Q2 resulting in 7.4% growth.
- New license sales increased in Q2. Royalty based revenue decreased in Q2 due to reclassification from new license sales. Royalty increased for the first half year.
- Growth in key accounts, France, China, Japan and the US. Weak development in Germany and in the Nordics.
- Operating margin of 15.5% in Q2, compared with the long term objective of 20%.



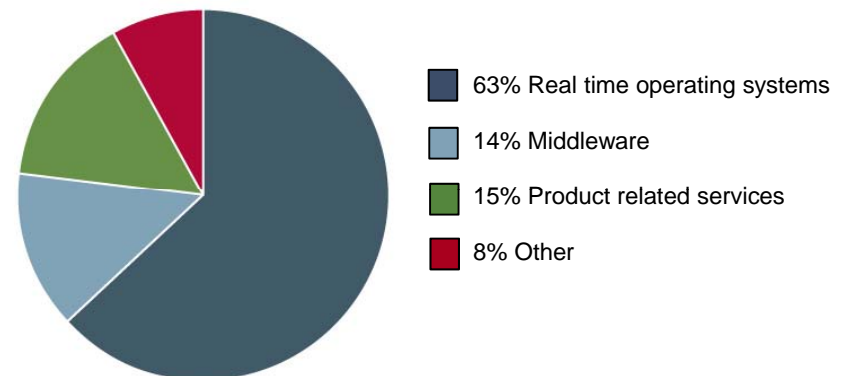


Software: Sales Distribution

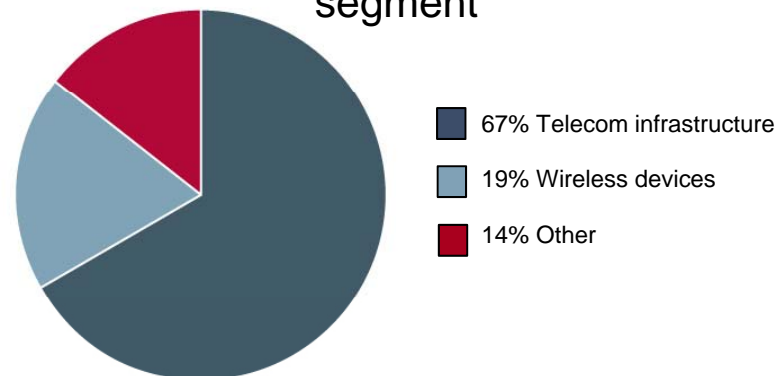
Revenue per geography



Revenue per product



Revenue per customer segment





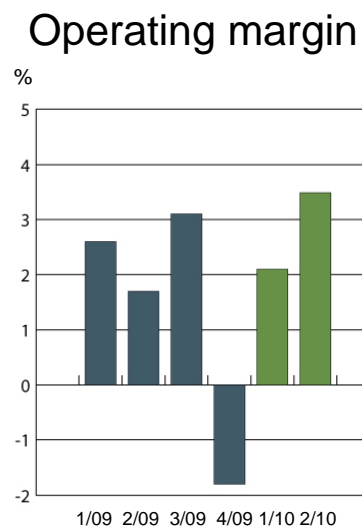
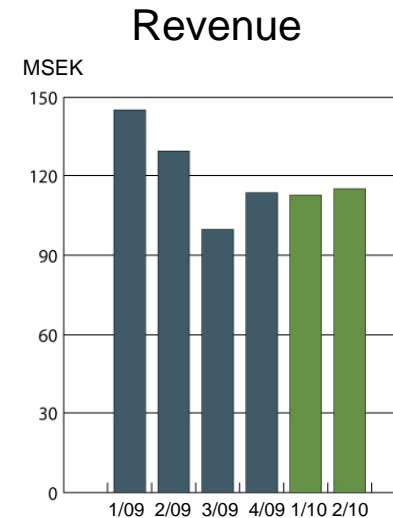
Software: Business highlights

- Closed 29 software design-wins. All time high!
- An American telecom company invests 4.2 MSEK for three years in the real time operating systems Enea OSE and Enea OSEck, in the development tool Enea Optima and the middleware product Enea dSPEED
- The partnership with Freescale was strengthened further. Enea and Freescale are sharing product road maps and sales/marketing efforts. Several product upgrades during Q2 were related to Freescale's hardware, especially in the area of multicore.
- Partnership with NetLogic that includes improved performance of Enea products for NetLogic's processors, and cooperation around Linux.



Consulting: Recovery continues

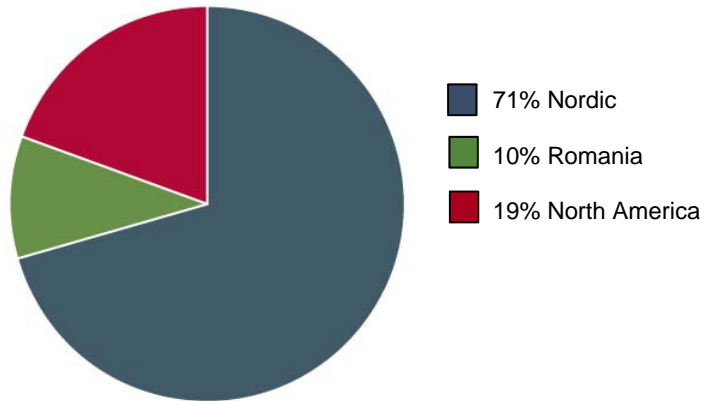
- Consulting accounted for 53% of the total revenue in Q2.
- Revenue of 115.1 MSEK in Q2 resulting in a 11% decline. Significantly decreased number of consultants during 2009 to adjust the organization to the market climate.
- All five regions have demonstrated positive development, and we can see gradual recovery in terms of both net sales and profitability. Good performance in Stockholm, Linköping, US and Romania. The recovery in Öresund is slower than the other regions.
- Operating margin of 3.6% in Q2, operating margin of 5.6% excl restructuring cost for Öresund.
- Long term objective of 10% operating margin.



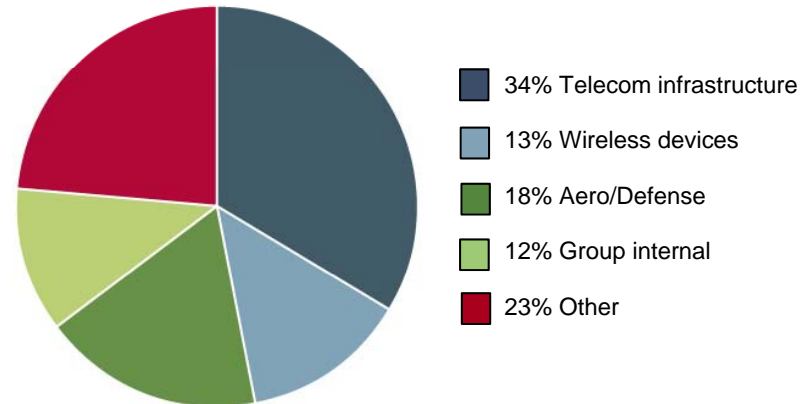


Consulting: Sales Distribution

Revenue per geography



Revenue per customer segment





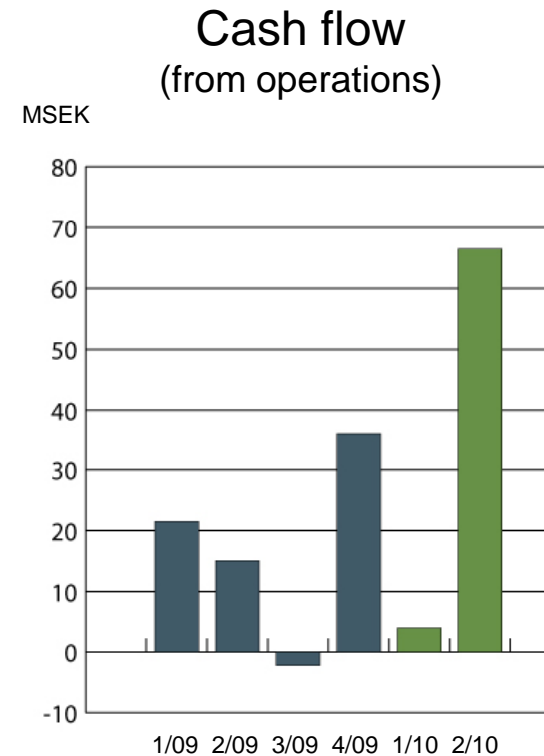
Consulting: Business highlights

- Several deals within the area of testing e.g with a Swedish government organization, a media company and a science company
- Enea closed a deal with an automotive company where we will assist in configuration of vehicles.
- We won a deal in North America with a US based company producing micro electronic systems
- Re-organization of the Öresund unit. A reduction of overhead has taken place. Restructuring cost of 2.2 MSEK was included in the Q2 cost.



Continued Strong Financial Position

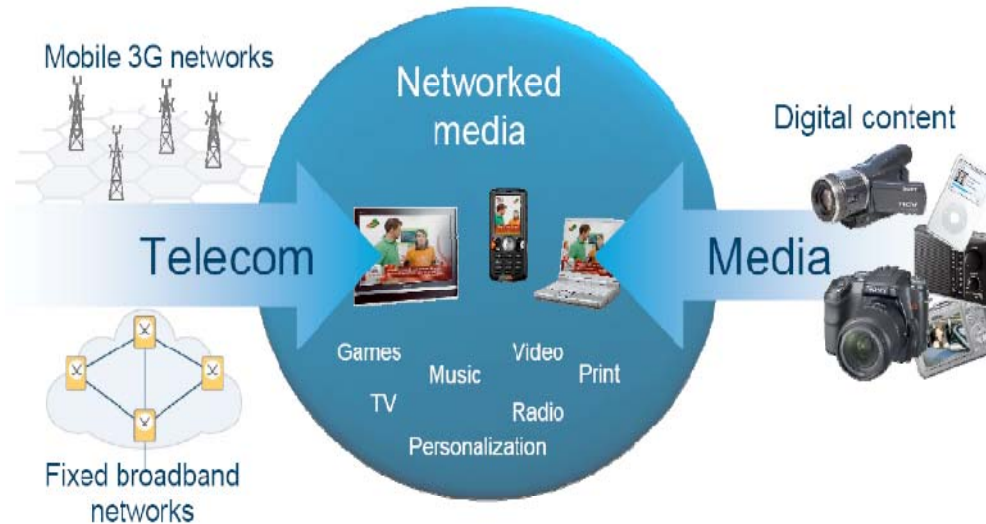
- Cash flow from operations amounted to 66.5 MSEK (15.1) for Q2
- Cash and cash equivalents at the end of the period were 182.8 MSEK (142.1)
- Enea has unused credits amounting to 100 MSEK
- The equity/assets ratio was 73.0 (71.1) percent





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:

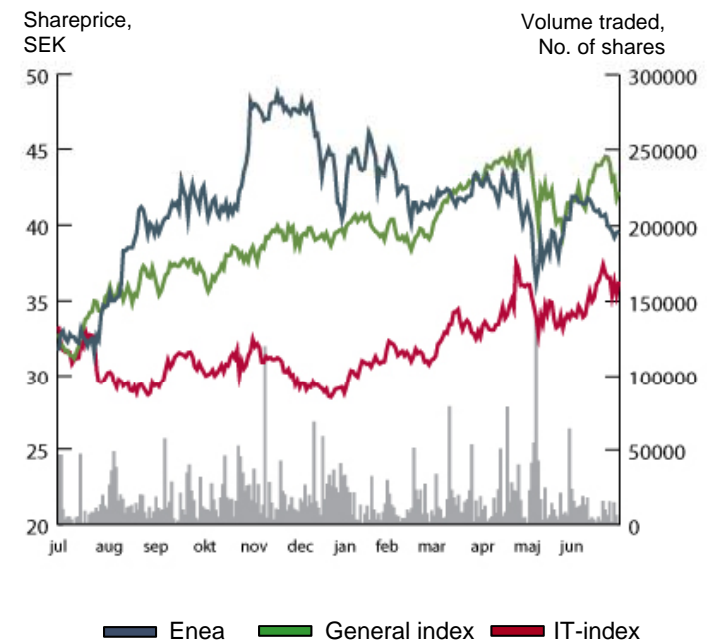
- Stable development in revenue and significantly improved operating profit
- Long term objectives:
Operating margin of 20 percent for Software
and exceeding 10 percent for Consulting



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!

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