



Enea

Earnings Presentation Q2 2011

Per Åkerberg, President and CEO

July 21, 2011

ENEAA



Agenda

- Intro
- Q2 2011
- Way forward & Outlook



Leader in Communications Software & Services

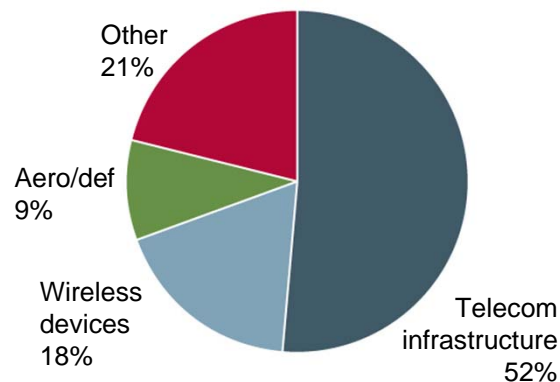
Global software and services company focused on solutions for communication-driven products.

Founded 1968

626 employees

16 offices in Sweden (HQ), Romania, North America, France, Germany, UK, Israel, China and Japan

Revenue per segment (2010)



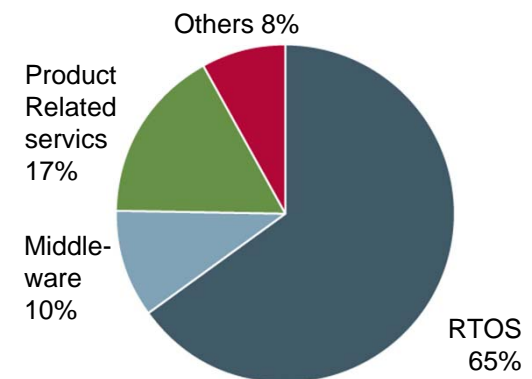
Enea Consulting

- Full product life cycle software development
- Outsourcing capabilities
- Training
- Solution centers for Android, Linux, M2M, wireless, test and certification

Enea Software

- is among the most widely deployed in the world
- handles 5 billion phone calls every day
- is installed in over 1 700 million wireless devices

Revenue per product (2010)





Global Footprint – Global Customers

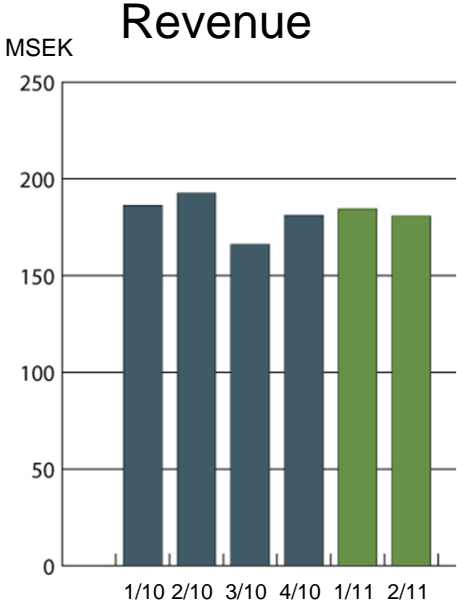




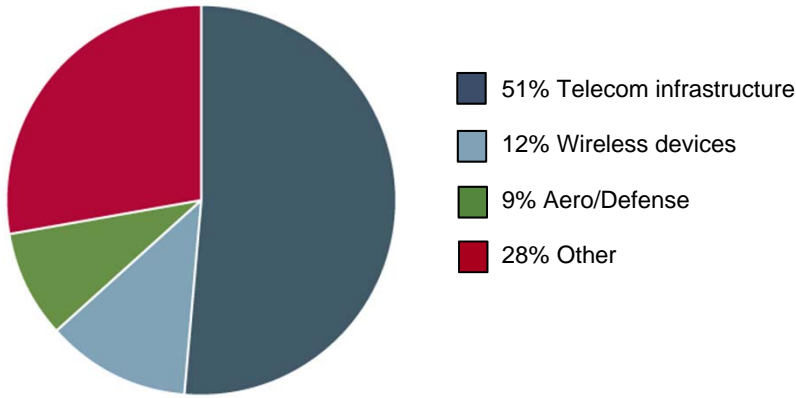
Second quarter 2011



Revenues are not picking up – weak quarter in the US



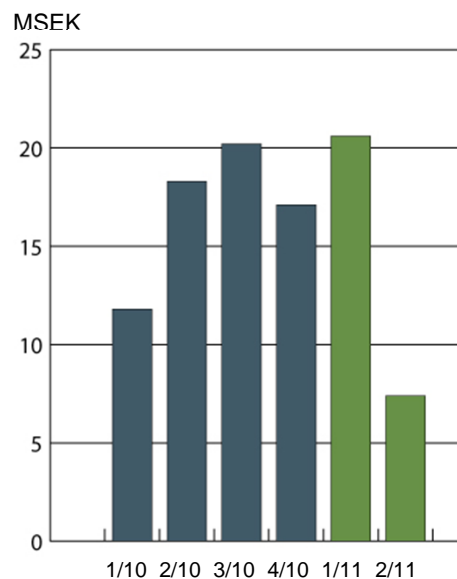
Revenue per customer segment



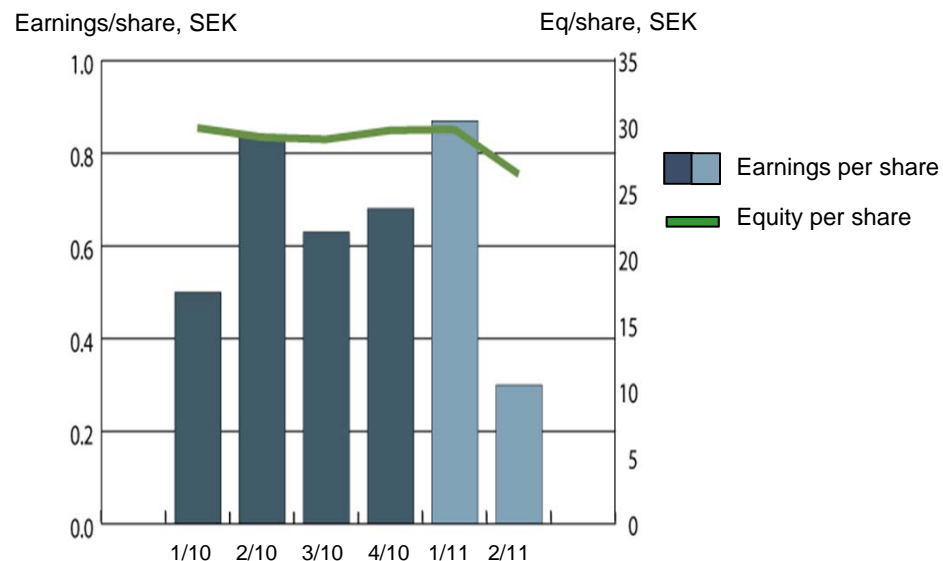
	Q2/11	Q2/10	H1/11	H1/10
Revenue (MSEK):	180.7	192.6	365.2	378.9
Growth (%)	-6.2	-5.1	-3.6	-7.6
Growth (%) (excl. currency effects)	-2.8	-6.8	-0.6	-10.5

Profit impacted by weak sales and restructuring

Operating profit



Earnings and Equity per Share



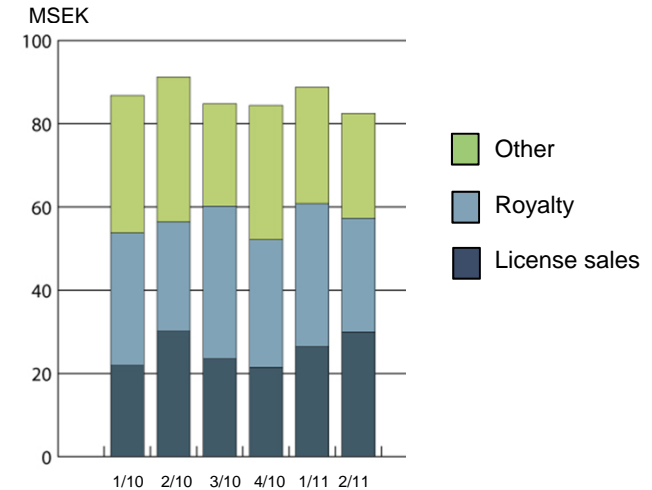
	Q2/11	Q2/10	H1/11	H1/10
Operating profit (MSEK):	7.4	18.3	28.0	30.1
Operating margin (%)	4.1	9.5	7.7	7.9
Earnings per share (SEK)	0.30	0.84	1.18	2.20



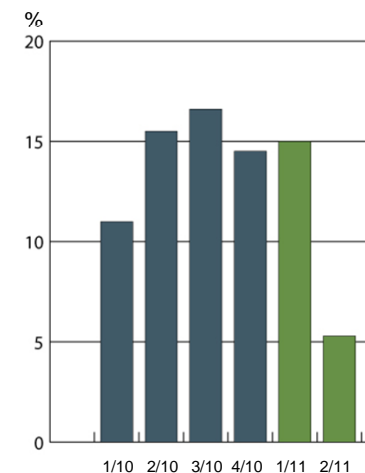
Software: Growth outside of US and France

- Software accounted for 46% of the total revenue in Q2/11.
- Revenue of 82.6 MSEK in Q2/11 resulting in 9.4% decline. Growth adjusted for currency amounted to -6.8%.
- Operating margin of 6.4%.
- Royalty sales increased, license sales were on par, while product related services declined.
- Growth in Asia and in EMEA except for France. Weak sales in the US.
- Restructuring cost of 2.8 MSEK related to France. Expected annual cost savings of about 4 MSEK.

Type of revenue



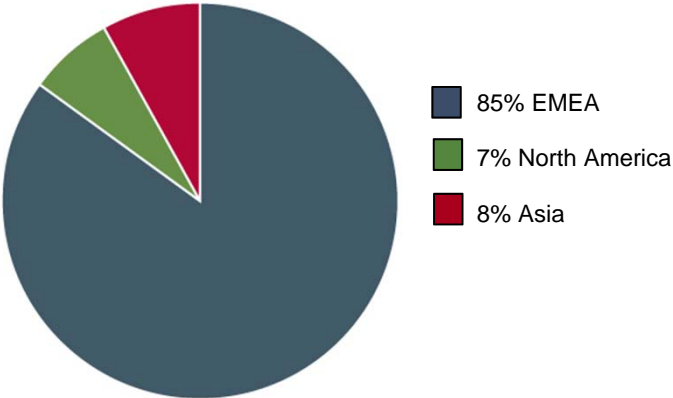
Operating margin



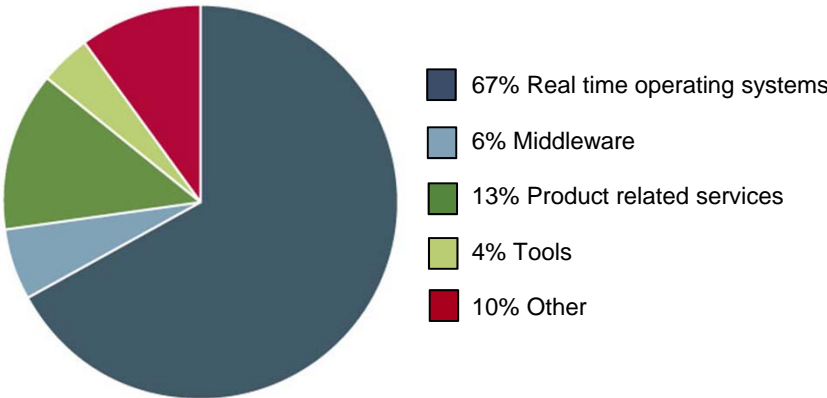


Software: Sales Distribution

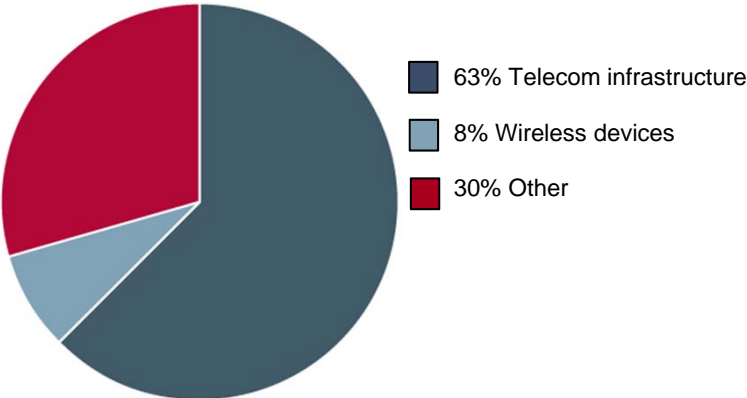
Revenue per geography



Revenue per product



Revenue per customer segment





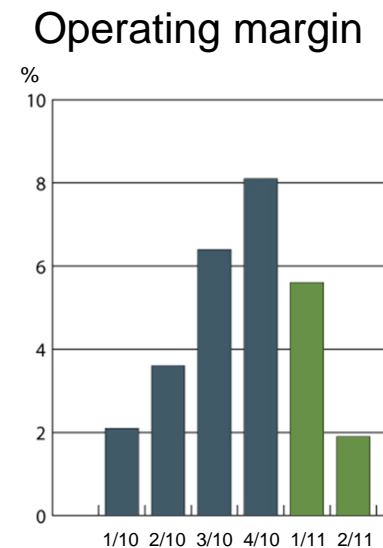
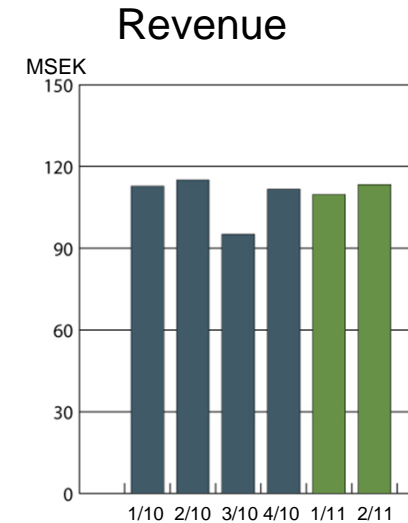
Software: Business highlights Q2/11

- Closed **17 (29) software design-wins**, among them one with a European manufacturer of test and measurement equipment and one with a Japanese telecom customer.
- **Hypervisor deal with telecom vendor worth 3.2 MSEK**. Customer to use Enea Hypervisor based on Enea OSE Multicore edition. Add-on sales to a value of 7.9 MSEK possible until Q1 2012, of which 0.9 MSEK was signed already in Q2 2011.
- **First Bare Metal Performance tool** for NetLogic Microsystem's multicore processors.
- **FastTrack evaluation kit** for Freescale's reference cards for base stations. Can be used when developing small LTE base stations.



Consulting: Growth in local currency

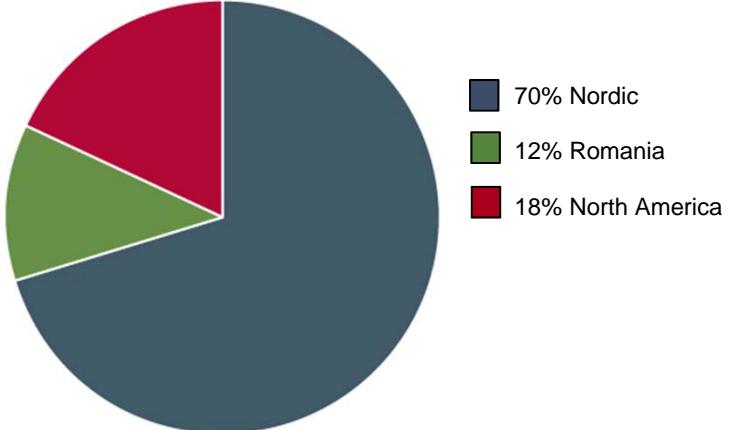
- Consulting accounted for 54% of the total revenue for Q2/11.
- Revenue of 113.4 MSEK in Q2/11 resulting in a 1.5% decline. Growth adjusted for currency amounted to 2.7%.
- Operating margin of 1.9%.
- Growth in Stockholm, Öresund, Romania and the US. Declining revenues in Linköping.
- Restructuring cost of 1.8 MSEK related to Öresund. Expected annual cost savings of about 2 MSEK.



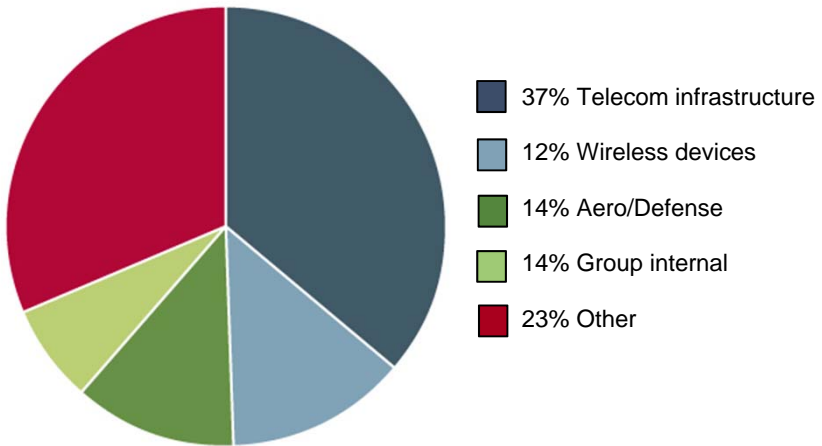


Consulting: Sales Distribution

Revenue per geography



Revenue per customer segment





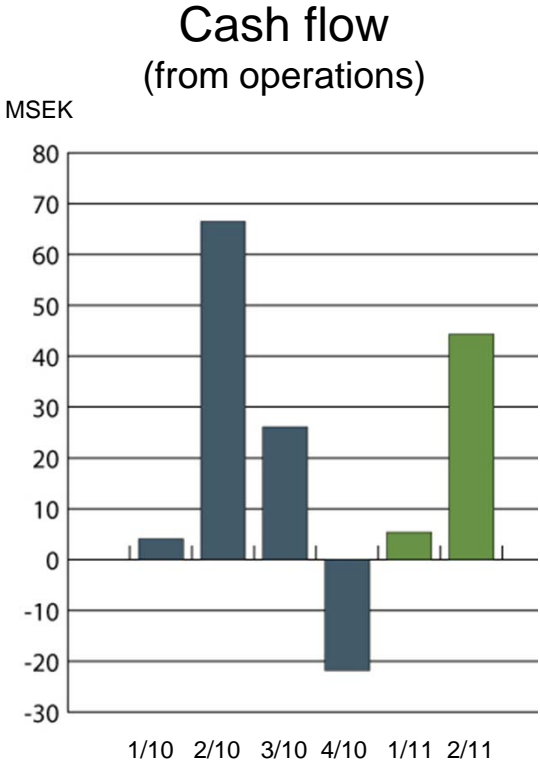
Consulting: Business highlights Q2/11

- A number of **success stories** have been announced, among others EVI Heat where Enea has developed a solar powered heating system. For both City of Malmö and for Bam Språktechnik Enea has developed smart phone apps.
- **Launch of Enea Experts** – a common profile for the Swedish consulting organization. Six Expert hubs will highlight Enea's skills in selected technology areas.
- Several **recruitment activities** on-going.
- The **American consultancy business** has signed a number of follow-up orders, resulting in an **expansion** of the operation.



Continued Strong Financial Position

- Cash flow from operations amounted to 44.3 MSEK for Q2/11.
- Cash and cash equivalents at the end of the period were 122.6 (182.8) MSEK
- Enea has unused credits amounting to 100 MSEK
- The equity/assets ratio was 71.8 (73.0) percent



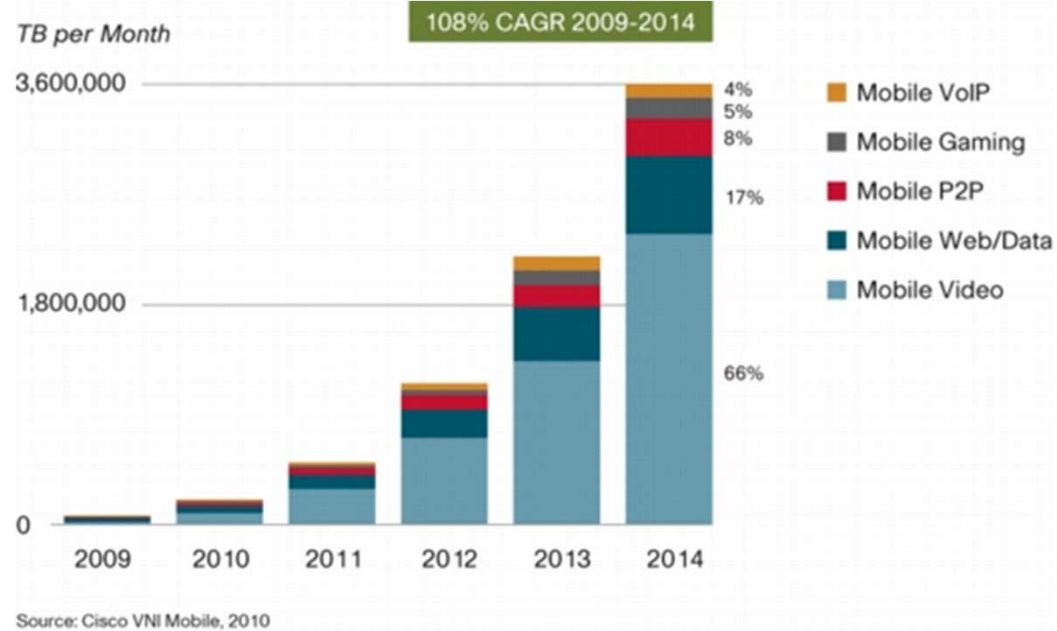
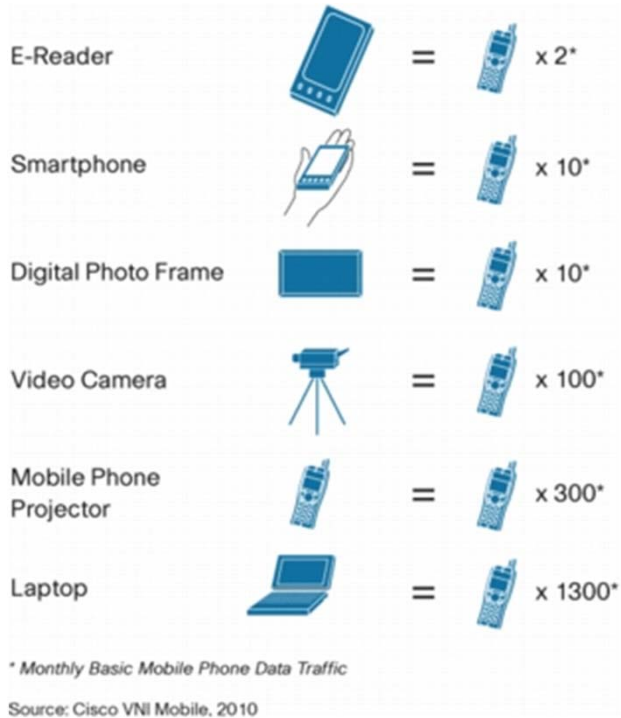


Way Forward & Outlook



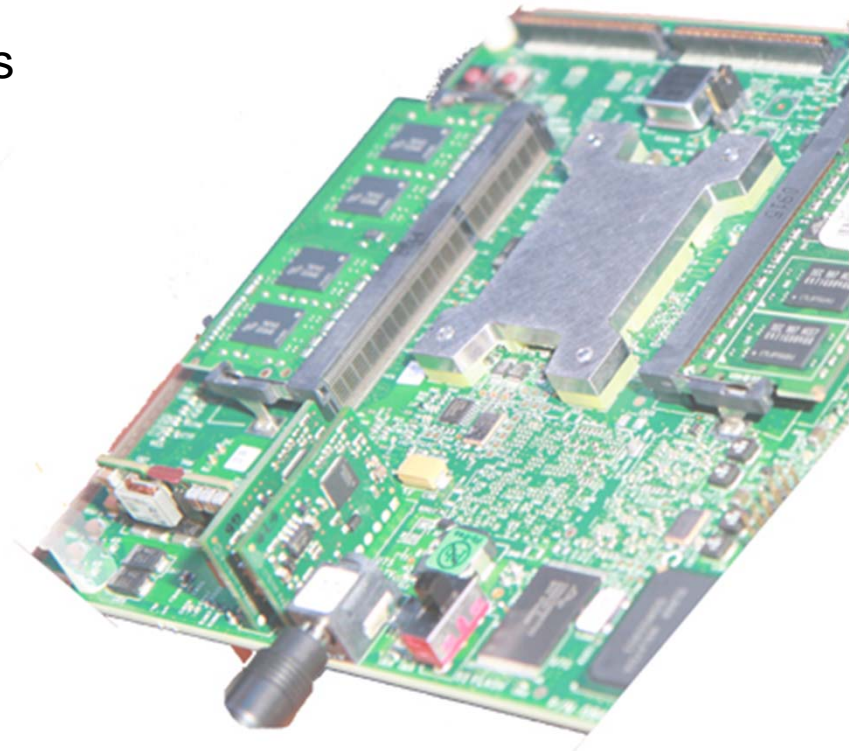
Technology Development Drives Demand

- Ericsson predicts 50 billion **connected devices** by 2020
- Cisco believes mobile data traffic will increase 39 times through 2014, thus requiring major investments in **infrastructure**



Enea's market opportunity

- The technology answer to the increased complexity spells **multicore**, a technology shift that is redefining the market
- Today approximately 10-15% of all projects are using multicore. In two years it's expected to grow to 40% usage
- The world wide shipment of multicore components, tools and related services is expected to grow with +30% annually
- Enea has award winning multicore solutions with high scalability





Strategy

Software

- Offer operating systems used for embedded development
- Offer high quality services to complement product offering
- Continued focus on telecom, with emphasis on the networking segment
- Build strategic relationships with key accounts
- Strong partnerships with chip manufacturers
- Best solutions for multicore

Consulting

- Regional strategies based on the core competences
- Create competence centers for growth areas
- Grow off-shoring as a competitive advantage

General

- Develop the organization's productivity with focus on finding growth
- Attract and develop individuals with exceptional attitudes and skills



Changes in Enea's management

- President and CEO Per Åkerberg has resigned. Per will remain in his role until a new CEO is recruited.
- As of August 1, Bo Strömqvist will join as VP Ericsson sales. Bo has held senior sales positions at companies such as Rational, IBM, TDC and Cision.





Market Outlook

■ **Software:**

- The underlying demand for Enea products and services remains good. There is however an uncertain market situation, especially in North America, affecting demand in the short-term.

■ **Consulting:**

- Demand continues to be good

■ **Financial outlook for 2011:**

- Net sales and profitability is expected to be on par with the previous year.

■ **Long term objective:**

- Operating margin of 20 percent for Software and exceeding 10 percent for Consulting



THANK YOU!

For further information, please contact:

Per Åkerberg, CEO, per.akerberg@enea.com

Lars Kevsjö, CFO, lars.kevsjo@enea.com

Catharina Paulcén, VP CorpComm catharina.paulcen@enea.com

Phone: +46 8 507 140 00