

Preliminary Report of 1999 Earnings

At the request of the Board of Directors of ENEA DATA AB, the President and CEO submits the preliminary report of 1999 earnings.

- **Operating profit for the Enea Group was SEK 45.4 million (1998: SEK 33.3 million)**
- **Sales for the Enea Group were SEK 513 million (up 35%)**
- **Sales for the ultimate parent company Enea Data AB were SEK 372 million (up 24%)**
- **Operating profit in Enea Data AB was SEK 46.8 million (1998: SEK 34.6 million)**
- **Sales in the subsidiary group Enea OSE Systems were SEK 175 million (up 71%)**
- **The operating loss in Enea OSE Systems was SEK 7.7 million (SEK –4.2 million)**
- **The consulting business grew apace and with healthy margins**
- **International success for OSE continued. Invoicing in Q4 1999 totaled SEK 94.5 million (up 115%)**
- **Enea acquires TekSci Inc, a leading US consulting company with focus on high reliability systems**
- **New shares will be issued to finance rapid international expansion of the product and services business**

This preliminary report of 1999 earnings contains information as follows.

- The entire Enea Group
- The Parent Company, Enea Data AB
- The subsidiary group Enea OSE Systems

The Enea Group

The fourth quarter rounded off 1999 impressively. Full-year earnings of SEK 45.4 million exceeded our forecasts of SEK 23–33 million. Excellent earnings resulted from buoyant demand and good capacity utilization in the consulting business as well as vigorous growth by OSE, particularly in the U.S. market. In the final quarter, OSE reported strong performance in the Swedish market, too.

ENEA DATA

The Group maintained its brisk pace of recruitment. The number of employees at the end of the period was 528 (417), representing an increase of 27%. 15 more persons were signed to start early in 2000. The brisk pace of recruitment showed that Enea is still extremely attractive in the labor market. The rate of employee turnover was 9% (13%).

The Enea Group is considerably bolstering its resources as Enea Data AB acquired all shares in TekSci Inc at January 31, 2000. TekSci is a US-based firm of consultants with 90 employees. The company has operations in Phoenix, San Diego, Seattle, Chicago and Toulouse in France and for 1999 reported sales of roughly USD 14 million and profit around USD 1.4 million.

The acquisition will enable the Group to satisfy even better its customers' needs for OSE products and development services in Enea's and TekSci's fields of expertise. For more information, please refer to the separate press release.

Investments during the period totaled SEK 34.8 million (SEK 12.7 million). The Parent Company invested SEK 30.1 million (SEK 8.4 million).

Liquidity was satisfactory, equaling SEK 32.6 million (SEK 38.3 million) at the end of the period.

Earnings per share for the year, after deductions for estimated tax, were SEK 5:00 (SEK 3:25).

The Parent Company, Enea Data AB

Strong demand characterized the fourth quarter. Invoicing for full-year 1999 reached SEK 372 million (SEK 300 million), representing organic growth of 24%. To that comes the acquisition of Redina Informatik AB with 27 employees. Profit totaled SEK 46.8 million (SEK 34.6 million), up 35%, for an operating margin of 11.6% (9.6%). The margin widened mainly thanks to high capacity utilization and successful control of our fixed-price projects.

During the year, the activity at telecommunications and industrial companies spawned ever-stronger demand for Enea's services. The Group's position as the leading supplier of platforms for the development of real-time systems was further bolstered through Enea OSE Systems AB's advances in the market. Enea's organization for testing computer-based systems began collaborating on research with the Skövde University College to test distributed real-time systems.

During the year, our operations in Malmö expanded more than 50%, positioning us well for the economic growth expected in the Öresund region. Enea now has about 50 people at its Malmö office.

Enea has signed a cooperation agreement with US-based internet-company Persistence for applications within e-commerce.

Enea extends its cooperation with Ericsson Radio Systems regarding the information system 'Greger' used for planning and optimizing mobile networks.

The subsidiary group Enea OSE Systems

ENEA DATA

International expansion continued apace, with the U.S. market delivering particularly robust growth. An OSE subsidiary that opened recently in Great Britain also greatly exceeded expectations.

The Swedish market was somewhat weaker than anticipated in the first nine months of the year but rallied in the final quarter.

Invoicing for the fourth quarter totaled SEK 94.5 million (SEK 44 million), up 112%. Profit for the fourth quarter was SEK 24.3 million (SEK 4 million).

For full-year 1999, Enea OSE reported invoicing totaling SEK 175 million (SEK 102.5 million), an increase of 71%. Full-year loss was SEK 7.7 million (SEK -4.2 million).

To facilitate year-on-year comparisons, we will begin reporting figures for our order book.

In 1999, Enea received orders totaling SEK 191.7 million, compared to SEK 114.4 million in 1998.

Hence, the OSE subsidiary group surpassed its forecasts for sales and earnings in 1999.

International sales growth was outstanding, and invoicing for customers outside Sweden totaled SEK 114 million (SEK 26 million), corresponding to a rise of 338 %.

During the fourth quarter, new orders were received from customers such as:

- Ericsson Wireless Inc. (previously Qualcomm Inc.)
- Lucent Technologies, a total of six new design wins for the quarter
- United States Air Force
- Lockheed Inc.
- Harris Inc.

Enea Redina AB: Enea Redina was acquired in August and consolidated in the accounts starting on September 1, 1999. Sales for the September–December period amounted to SEK 7.5 million, and earnings were SEK 0.6 million.

The associated company Combitech Systems: The company, in which Enea owns 35%, continued to enjoy healthy growth during the year. Sales reached 158.9 SEK million (SEK 99 million), and profit ended at 26.5 SEK million (SEK 16 million). The Enea Group's share of earnings, reported among financial revenues, totaled 9.1 SEK million (SEK 5.6 million). The participation in earnings is reported as gross.

Comments at the Start of 2000

Demand

We estimate demand in Enea's operational areas to be extensive. To satisfy this demand, we plan to grow through recruitment and additional company acquisitions.

International initiatives

The success of Enea OSE Systems and strong growth in its market worldwide suggest that Enea could take the lead in real-time operating systems for datacom and telecom as well as Internet infrastructure. This market

segment is expanding fast, and Enea OSE has won many contracts from key clients in the segment, including Ericsson, Nokia, Lucent and Alcatel.

To accelerate our actualization of this potential and to maximize the technological head-start that we believe OSE's products have, we will redouble our efforts to increase international growth and win market shares.

In the year 2000, these efforts will result in the following:

- A doubling of sales resources. For the crucial U.S. market, we will triple the number of sales teams and boost the market's share of total OSE sales. In this case, the U.S. stock option program will increase dilution of shares. Now it is 3% of the total value of the OSE Group
- Greater development resources will retain the technical head-start in key areas such as digital signal processors, BlueTooth, and data communication solutions for Internet infrastructure
- Management and sales resources for large key clients in the communications segment will be augmented
- Enea's ability to offer multinational clients advanced development support will be expanded aggressively. This should be done through partnering with local consultant firms or through acquisitions, such as the recent acquisition of TekSci Inc

New share issue

To finance our rapid international expansion as well as acquisitions in Sweden and abroad, the Board of Directors will propose the issue of new shares to raise SEK 400 million for the company. The issue will be put before the annual shareholders' meeting for a decision. A separate prospectus will be distributed to shareholders this spring.

Separate listing of OSE

To further step up the international expansion of Enea OSE Systems, a separate listing of Enea OSE Systems on the Nasdaq stock market is planned. The listing should be possible within the next 24 months.

New hires in the Group

During the year 2000, about 200 new recruits will join the Group, not counting additions through TekSci and future acquisitions.

Annual General Meeting

In addition to the new share issue, the Board of Directors intends to propose that the annual shareholders' meeting approve

- A 5:1 split of Enea's shares
- A share dividend of SEK 1.25 (SEK 1.00)
- Renewal of the authorization to issue new shares in direct placements for financing acquisitions

The annual general meeting of shareholders is scheduled for Thursday, May 4, 2000, at 4 p.m. in Enea's corporate offices at Nytorpsvägen 5 in Täby, Sweden.

Shareholders should send any proposals they have in the nomination of candidates to the Board to the Chairman of the Board, Erik Ödmansson, Enea Data AB, Box 232, 183 23 Täby.

Outlook for 2000

The **consulting business** is expected to continue enjoying strong demand. Earnings and sales are expected to continue growing steadily. The business will be expanded aggressively in two market areas:

- *Real-Time Systems* focusing on Swedish and international product development companies
- *Business Support Systems* focusing on Swedish companies and organizations that need specialized IT support in their business processes for electronic commerce and Internet applications

To support these dynamic initiatives, the market-oriented activities in the Swedish Parent Company will be transferred to new subsidiaries:

- Enea Realtime AB
- Enea Business Software AB

The already established OSE business is not affected by this. The corporate transfer should be completed by April 1, 2000.

The **OSE business** in Enea OSE Systems AB and its foreign subsidiaries also enjoys strong demand and has outstanding potential for global development.

The market for data and telecommunications including Internet infrastructure is expanding at a breakneck pace, and OSE has quickly taken home major victories in the market from large communications clients such as Ericsson, Nokia, Lucent and Alcatel.

During the next two years, growth will be a top priority.

Based on the OSE successes, the additional commitment in the years 2000–2001 should reach SEK 70 million overall. This does not include possible acquisitions to augment the range of services in geographic markets or to complement the product range. We expect such vigorous engagement to fuel a growth rate around 50% in 2000 and beyond 50% starting in 2001, on condition that current favorable market conditions prevail.

The seasonal variations experienced by Enea OSE Systems in previous years are expected to continue. Hence, the fourth quarter represents a large part of full-year sales and earnings, while the other quarters can experience wide swings in sales and earnings.

We will release our first forecast for results in 2000 with the interim report for the first quarter.

Other

Enea companies have been notified by the insurance company SPP that funds totaling SEK 30.2 million have been allocated for them. Enea has not reported the amounts in its balance sheets.



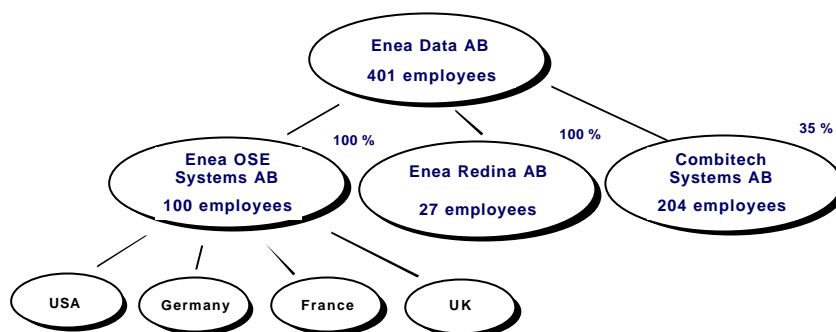
Financial reporting schedule

Interim Report for the First Quarter: May 4, 2000
Interim Report for the Second Quarter: July 28, 2000
Interim Report for the Third Quarter: October 27, 2000
Preliminary Report of 2000 Earnings: February 2, 2001

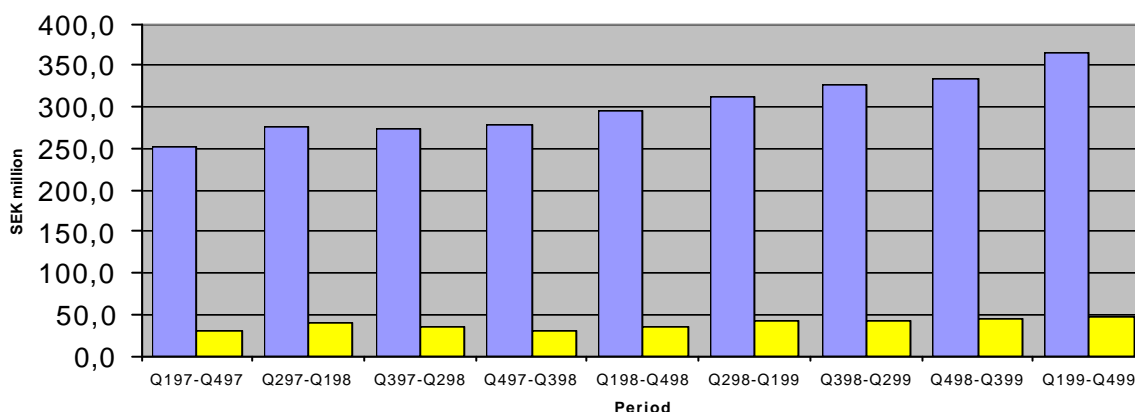
Åke Dovärn
CEO

Please direct questions to Åke Dovärn, +46 709 71 41 19

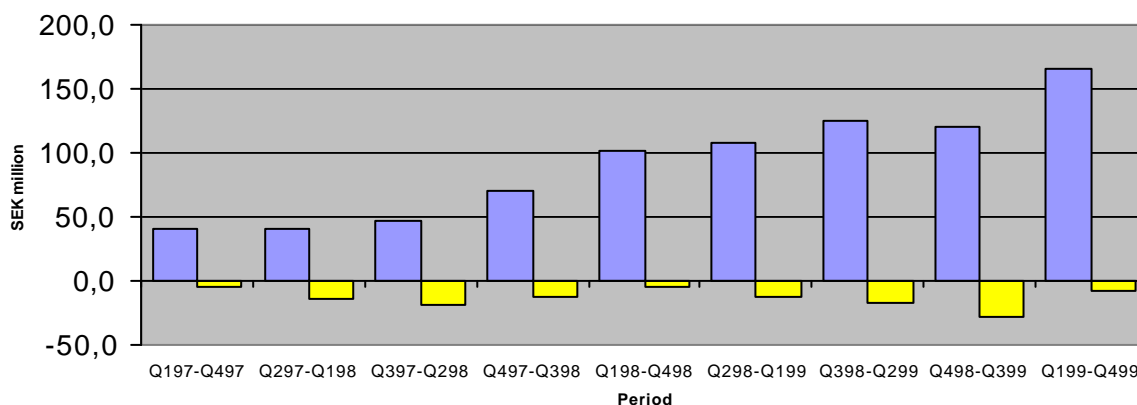
Corporate structure at December 31, 1999



Eneas net sales and profit after financial income and expense, rolling 12-month period



OSE Group net sales and profit after financial income and expense, rolling 12-month period



Income statements (SEK million)

January 1 – December 31

	Group		Parent company	
	1999	1998	1999	1998
Net sales	505,5	380,5	364,4	296,3
Changes in work on contract	1,2	-0,7	-0,8	-0,7
Other operating income	<u>6,4</u>	<u>0,7</u>	<u>8,8</u>	<u>4,9</u>
	513,1	380,5	372,4	300,5
Raw materials and warehouse supplies	-33,6	-28,0	-16,6	-13,4
Other external costs	-92,1	-72,4	-55,9	-47,9
Personnel costs	-335,2	-244,1	-248,3	-202,3
Depreciation and amortization	-13,9	-11,1	-7,4	-7,9
Other operating costs	<u>-2,9</u>	<u>-1,0</u>	<u>-1,7</u>	<u>-0,6</u>
Operating profit	35,4	23,9	42,5	28,4
<i>Profit/loss from financial income and expense</i>				
Profit from shares in associated companies	9,1	5,6	2,8	1,8
Profit from other securities and receivables	0,3	3,3	0,3	3,3
Other interest income and similar revenue	1,4	1,2	1,3	1,2
Interest expense and similar costs	<u>-0,8</u>	<u>-0,7</u>	<u>-0,1</u>	<u>-0,1</u>
Profit after financial income and expense	45,4	33,3	46,8	34,6
Appropriations			<u>-6,4</u>	<u>-5,3</u>
Pre-tax profit	45,4	33,3	40,4	29,3
Tax on profit	<u>-13,8</u>	<u>-12,4</u>	<u>-9,0</u>	<u>-8,0</u>
Net profit	31,6	20,9	27,7	21,3

Balance Sheets (SEK million)

	Group		Parent company	
	1999	1998	1999	1998
ASSETS				
<u>Fixed assets</u>				
Intangible fixed assets	19,0	0,9		
Tangible fixed assets	43,8	32,8	21,7	20,0
Financial assets	<u>25,9</u>	<u>23,3</u>	<u>34,7</u>	<u>13,7</u>
	88,7	57,0	56,4	33,7
<u>Current assets</u>				
Work on contract	5,9	4,6	3,9	4,6
Current receivables	179,5	113,0	145,4	106,4
Cash and bank balances	<u>32,6</u>	<u>38,3</u>	<u>28,9</u>	<u>31,7</u>
	218,0	155,9	178,2	142,7
TOTAL ASSETS	306,7	212,9	234,6	176,4
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity	155,5	110,8	127,5	90,1
Untaxed reserves			42,5	36,0
Minority interests	0,2	0,2		
Provisions	15,1	12,6		
Long-term liabilities	12,1	6,9	1,6	0,1
Current liabilities	<u>123,8</u>	<u>82,4</u>	<u>63,0</u>	<u>50,2</u>
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	306,7	212,9	234,6	176,4

Cash Flow Statement (SEK million)

Group

	1999	1998
Cash flow from operating activities before changes in working capital	36,5	27,8
Cash flow from changes in working capital	<u>-21,6</u>	<u>-21,1</u>
Cash flow from operating activities	14,9	6,7
Cash flow from investing activities	-17,7	-8,8
Cash flow from financing activities	<u>-2,9</u>	<u>-1,9</u>
Cash flow for the period	-5,7	-4,0
Liquid assets att January 1	<u>38,3</u>	<u>42,3</u>
Liquid assets at December 31	32,6	38,3

Income statement OSE (SEK million)

Group

January 1 – December 31

	1999	1998
Net sales	167,0	101,7
Changes in work on contract	2,1	
Other operating income	<u>5,9</u>	<u>0,8</u>
	175,0	102,5
Raw materials and warehouse supplies	-46,4	-29,9
Other external costs	-49,8	-32,3
Personnel costs	-82,6	-42,5
Depreciation and amortization	-2,6	-1,6
Other operating costs	<u>-1,2</u>	<u>-0,3</u>
Operating profit	-7,6	-4,1
Profit/loss from financial income and expenses	<u>-0,1</u>	<u>-0,1</u>
Pre-tax loss	-7,7	-4,2

Year in summary, Group	1999	1998	
Net sales (SEK m.)	505,5	380,5	+ 33%
Sales (SEK m.)	513,1	380,5	+ 35%
Operating profit (SEK m.)	35,4	23,9	+ 48%
Profit after financial income and expense (SEK m.)	45,4	33,3	+ 36%
Operating margin %	7,0	6,3	+ 0,7
Net margin %	9,0	8,8	+ 0,2
Shareholders' equity (SEK m.)	155,5	110,8	+ 44,7
Balance sheet total (SEK m.)	306,7	212,9	+ 93,8
Equity/assets ratio %	51	52	- 1
Profit per share (SEK)	5,00	3,25	+ 1,75
Equity per share (SEK)	24,75	18,00	+ 6,75
Share price at December 31, (SEK)	655,00	173,00	+ 482,00
P/E ratio	>99	44	n a