



PRESS RELEASE

Stockholm, July 20, 2012
Enea (NASDAQ OMX Nordic: ENEA)

Interim Report, April – June 2012

Increase in net sales and significantly improved profitability

Enea continued to achieve growth and improved profitability over the second quarter. The company has been run as a focused software company since the beginning of 2012, following the divestment of the Nordic consultancy business at the end of last year.

Net sales for the second quarter increased to SEK 120.6 (107.4) million, which is equivalent to growth of 12.3 (-6.2) percent. Growth of 7.7 (-3.6) percent was achieved for the first six months of the year.

Other income amounted to SEK 61.7 million, which was reported during the first quarter, refers to capital gains from the divestment of the Nordic consultancy business.

The operating profit for the second quarter amounted to SEK 18.4 (4.3) million, which is equivalent to an operating margin of 15.3 (4.0) percent. For the first six months of the year, operating profit increased to SEK 34.1 (18.2) million, corresponding to an operating margin of 14.3 (8.2) percent, excluding capital gains.

Earnings per share amounted to SEK 0.88 (0.19) for the second quarter and SEK 1.53 (0.77) for the first six months of the year, excluding capital gains.

Cash flow from operations amounted to SEK 27.3 (44.3) million for the second quarter and SEK 33.4 (49.7) million for the first six months of the year. Cash and cash equivalents amounted to SEK 117.3 (122.6) million at the end of the second quarter.

On May 16, SEK 8.00 (5.00) per share was paid out to shareholders via a redemption program, equivalent to a transfer amounting to SEK 136.9 (86.7) million.



April to June 2012

(second quarter previous year in brackets)

- Net sales, SEK 120.6 (107.4) million
- Growth, 12.3 (-6.2)%
- Growth, currency adjusted, 8.1 (-2.8)%
- Operating profit, SEK 18.4 (4.3) million
- Operating margin, 15.3 (4.0)%
- Net profit before tax, SEK 20.5 (5.6) million
- Net profit after tax, SEK 14.9 (3.3) million
- Earnings per share, SEK 0.88 (0.19)
- Cash flow from operations, SEK 27.3 (44.3) million
- Cash and cash equivalents, SEK 117.3 (122.6) million

January to June 2012

(first half year previous year in brackets. All numbers excluding capital gain.)

- Net sales, SEK 238.0 (221.0) million
- Growth, 7.7 (-3.6)%
- Growth, currency adjusted, 4.9 (-0.6)%
- Operating profit, SEK 34.1 (18.2) million
- Operating margin, 14.3 (8.2)%
- Net profit before tax, SEK 36.8 (20.3) million
- Net profit after tax, SEK 26.1 (13.2) million
- Earnings per share, SEK 1.53 (0.77)
- Cash flow from operations, SEK 33.4 (49.7) million

Anders Lidbeck, President and CEO comments:

“Enea has continued its positive development over the second quarter of the year. Net sales were up by 12.3 percent compared with the same quarter last year, and by 2.9 percent compared with the first quarter. The operating margin has also continued to increase and amounted to 15.3 percent over the second quarter, which is the highest margin reported by Enea in a very long time. This means that our profit was more than four times higher than in the same quarter last year.

Market Trends

We want to be the best company in the world when it comes to operating systems solutions for communicating systems and associated services. Linux, combined with real-time operating systems, is currently the widespread standard when constructing telecom equipment for



infrastructure, and so we need it in order to retain our leading position among major companies all over the world. Consequently, we have initiated and accelerated our investment on Linux. We have also opted to provide our version of Linux with reinforced real-time characteristics, a crucial factor in the communications segment. We can also benefit from our strong service organization, which has many years of experience of successful management of large-scale projects requiring intensive service.

Another clear trend is the use of what is known as “system-on-chip”, i.e. hardware with pre-integrated software such as its operating system. The equipment manufacturer can then consult a single player and receive a fully integrated solution which is tested and verified right from the outset. This development is still in its infancy, but it makes our relationships with hardware manufacturers even more important. Demands for reliable, high performance operating systems have not decreased, and we want to be the partner selected by hardware manufacturers for their system-on-chip solutions. This is why we are working ever more closely with hardware manufacturers and have increased our investments in this field.

Innovation

The massive increase in connected devices and the resulting increase in data traffic are turning telecom into a market with good growth forecasts. However, this is also a market where there are clear demands for more and more capacity at lower prices. This means that manufacturers in the field of telecom are very price-sensitive. Like Linux and system-on-chip, this continuous hunt for better prices and performance means increasing business opportunities for Enea. However, it also means constant pressure on our business and margins. Therefore, we will continue our investments outside the telecom segment as well as moving resources to new areas in the long term, all with a view to improving our competitiveness, market position and margins.

To ensure growth and high profitability in the future, we have to benefit from the market trends which we have identified and ensure that we play our part in the development projects started by our customers in order to build the networks of the future. This work is constantly ongoing. For instance, we are currently working on a development project in order to extend the Enea operating system OSE with 64-bit support.

We have worked in close cooperation with hardware manufacturer Freescale during the quarter to launch Enea Linux Base Station Platform, which provides customers with easy access to a basic platform for base station development. Enea's Linux version, which constitutes the foundation for this platform, is optimized to meet the requirements of the telecom industry. Enea Linux Base Station Platform also utilizes hardware more efficiently, which meets demands for lower cost.

A Final Word

Enea's sales vary depending on the success of our customers; this is due to the royalties we receive based on customers' sales. Therefore, growth will vary from quarter to quarter. Some of



our important customers saw weaker sales volumes than expected during the first quarter, which adversely affected our second quarter. Of course, the development of our customers' sales over the year will be of significance to our margin development. Our ambition during the next five years is to create a global software company with considerably higher net sales, high profitability, good cash flows and a large proportion of repeat income."

Press and analyst meeting

Press and financial analysts are invited to a press and analyst meeting where Anders Lidbeck, President and CEO, will present and comment on the report.

Time: Friday July 20 at 10:00 am CET.

Link: [Financial Hearings](#)

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The full report is published at www.enea.com/investors

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About Enea

Enea is a global software and services company focused on solutions for communication-driven products. With 40 years of experience Enea is a world leader in the development of software platforms with extreme demands on high-availability and performance. Enea's expertise in real-time operating systems and high availability middleware shortens development cycles, brings down product costs and increases system reliability. Enea's vertical solutions cover telecom handsets and infrastructure, medtech, automotive and mil/aero. Enea has offices in Europe, North America and Asia. Enea is listed on Nasdaq OMX Nordic Exchange Stockholm AB. For more information please visit enea.com or contact us at info@enea.com.

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