



PRESS RELEASE

Stockholm, October 27, 2011
Enea (NASDAQ OMX Nordic: ENEA)

Enea interim report, July – September 2011

Good sales to key accounts, weak income development in other areas

Enea's net sales for the quarter were weak. Net sales amounted to SEK 155.5 (166.1) million with an operating margin of -34.3 (12.2) percent. The operating margin, excluding write offs of goodwill and capitalized development expenses, was 4.1 percent.

Net sales for the Software business unit were 11.7 percent down over the third quarter. This reduction is due mainly to lower royalty income from customers in the wireless devices segment, in addition to reduced sales to customers other than key accounts. Sales of core products to key customers have developed well.

The Consulting business unit increased its net sales by 1.4 percent, adjusted for changes in currency exchange rates. Consultancy operations in the USA and Romania are developing well, while development in Sweden has been weak.

46 MSEK of goodwill and 14 MSEK of capitalized operating expenses have been written off.

Cash flow from operations over the first nine months of the year amounted to SEK 67.6 (96.7) million.

The board of directors has appointed Anders Lidbeck to CEO of Enea on a permanent basis. The full year outlook for 2011 has been revised. The company was previously expecting net sales and profitability to remain on a par with last year. Enea is now expecting net sales and operating profit, excluding existing write offs, to be down on last year.

Third quarter 2011 (third quarter previous year in brackets)

- Net sales, SEK 155,5 (166,1) million
- Growth -6,4 (-3,7) %
- Growth, currency adjusted -4,1 (-3,5)%
- Operating profit, SEK -53,3 (20,2) million
- Operating margin -34,3 (12,2)%
- Net profit before tax, SEK -51,2 (20,4) million
- Net profit after tax, SEK -48,6 (10,9) million



- Earnings per share, SEK -2,82 (0,63)
- Cash flow from operations, SEK 17,9 (26,1) million

First nine months 2011 (same period previous year in brackets)

- Net sales, SEK 520,7 (545,0) million
- Growth, currency adjusted -4,5 (-6,5)%
- Growth, currency adjusted -1,7 (-8,4)%
- Operating profit, SEK -25,3 (50,3) million
- Operating margin, -4,9 (9,2)%
- Net profit before tax, SEK -21,2 (51,0) million
- Net profit after tax, SEK -28,3 (34,2) million
- Earnings per share, SEK -1,64 (1,95)
- Cash flow from operations, SEK 67,6 (96,7) million

Anders Lidbeck, President and CEO comments:

“Our aim is to create growth and growing profitability. We have failed to achieve this in 2011. Our core business was stable over the third quarter. Business with our key customers is good, and sales of operating systems increased, apart from sales in the wireless device market. But that said, sales to smaller customers and sales of smaller product lines are not going well. As a result of this development we are now writing off the part of our goodwill and capitalized development expenses that are related to these areas.

Software Business Unit – Focus and Global Market Leadership

Enea has built up a strong market position over a decade. We have leading edge technology which is embedded in market-leading products world wide. The market for wireless communication is growing quickly. Cisco estimates that data traffic will increase by 26 times between 2010 and 2015. With data traffic increasing at a tremendous pace, there is demand of optimized software and higher concentration of the number of base stations. Enea's core expertise is in this field and our solutions deal with the challenges faced by today's networks. This is the market we will be focusing on and in this market we will be building an even stronger market position.

Our ambition is to become number one. We are the company that the major telecoms companies and hardware manufacturers should consult when they need operating system solutions and expert knowledge on development of the networks of the future.

Successful business relations with major telecoms suppliers demand high quality solutions and long-term partnerships. Also required is far-reaching cooperation with the leading manufacturers of hardware, so that we can achieve the optimized performance that our customers demand.



Consulting Business Unit – Attract and Deliver

Our Nordic consultancy business has also been slow over the quarter. While the economic situation in the Swedish market has been good, consultants have resigned and not been able to recruit new ones at the same pace. As a result, we have lost volume. Our consultancy operations in the USA and Romania have been able to recruit new staff which has resulted in increased net sales and profit over the third quarter.

We launched Enea Experts in Sweden in the spring as a way of calling attention to our profile on the Swedish consultancy market, and also to allow us in the longer term to more effectively attract the experts we are looking for. We will be building on that initiative and making sure that we become one of Sweden's leading suppliers of consultancy services in our fields. My prediction is that we will be seeing positive effects from this initiative in 2012.

Productivity and Commitment

Cost control is good at Enea, also over the third quarter. Lower net sales are the reason why the operating margin is not satisfactory. Productivity at Enea must increase. The business model is still too diverse to be effective. This is why we have launched a project which aims to optimize the organization in accordance with the strategy.

Enea has a strong position on its markets, and it is well respected. We will now be intensifying our communications with players in the ecosystems of the respective business units. Our objective: to create more value, and specific value, from these initiatives. Another objective is to achieve clearer global success which will lead to more commitment, thereby further improving productivity within the organization.

Financial outlook

We have revised our targets for 2011, now predicting that net sales and operating profit, excluding existing write offs, will be down on last year.

In the long term, however, our ambitions are still unchanged. With greater emphasis on wireless broadband, Enea will again demonstrate growth and at the same time achieve its long-term targets of an operating margin of 20 percent for Software and at least 10 percent for Consulting.”

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: Thursday October 27 at 09:00 am CEST.

Link: [Financial Hearings](#)

Phone number: +46 8 505 598 12



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

For more information contact:

Anders Lidbeck, President & CEO Enea

Phone: +46 8 507 1 4000

Email: anders.lidbeck@enea.com

Lars Kevsjö, CFO

Phone: +46 8 507 1 4000

E-mail: lars.kevsjo@enea.com

Catharina Paulcén, VP Corporate Communications

Phone: +46 709 714133

Email: catharina.paulcen@enea.com

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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