

Interim Report for the Period January 1 – September 30, 2002

- Enea Group net sales decreased in the third quarter by 14% to SEK 152 million. Sales for the nine-month period decreased by 24% to SEK 520 million.
- Operating expenses for the quarter, excluding items affecting comparability, decreased compared to the previous year by 30%, or SEK 78 million, to SEK 181 million. In addition, the write-down of the stockholding in Polyhedra burdens the result to the amount of SEK 43 million.
- The loss after net financial income in the third quarter was SEK –67 (–87) million. The result for the nine-month period was SEK –135 (–197) million.
- OSE Systems net sales in the third quarter increased by 5% to SEK 53 million, with a loss after net financial income of SEK –68 (–81) million, including the write-down of the Polyhedra stockholding.
- Consultancy operations net sales in the third quarter decreased by 21% to SEK 106 million, and the operating loss was SEK –4.3 (–8.9) million.
- The program that has been put in place to radically improve the Group's efficiency and profitability is continuing. The goal of the program is to achieve a positive result during 2003.

The Market

The global market for investment in real-time operating systems has been marked by restraint among both existing and potential customers. It is our belief that this market will turn around to a positive trend again only after the general state of the market for industrial investments has improved.

Enea's OSE products continue to hold a strong position in the market, evidenced by the fact that even in a declining market, sales of OSE rose in the third quarter compared with the same period last year.

The Swedish market for consultancy shows marked regional differences. In the Öresund region, there is a solid demand for Enea's services, while in the Stockholm region the trend is weaker. In the other regions, market development is stable with a certain weakening in the Linköping region, which has previously been strong. Thanks to a differentiated offer and excellent cooperation with our most important customers, in most areas we have maintained a strong position in the market.

Restructuring and Cost Reduction

Enea's management is of the opinion that the market for products and services will continue to be weak during the remainder of 2002 and for all of 2003. For this reason, management together with the board of directors has designed a radical restructuring program to bolster the business concept, reduce costs, and increase cash flow throughout the entire Group. Solidity remains good, at the end of the period 64% (68%) and the cash flow for the nine-month period was SEK 1,5 million (SEK –106 million).

The Group will be reorganized into two branches of operations: one as a global supplier of real-time operating systems with associated services in the real-time area; the other as Swedish consultancy operations with a strong local profile in selected niche markets.

The Group's costs are being reduced to adjust the company to the current market trend and the business concept is being reviewed in order to improve our capacity to meet customers' needs with respect to complete solutions. The goal is to lower the costs by approx. SEK 190 million on an annual

basis, with full effect from the turn of the year. The restructuring costs are estimated to be around SEK 50 million, which will burden the result for the fourth quarter.

The restructuring also means an adjustment of the organization to the prevailing market conditions. This means that the OSE organization outside of Sweden will be reduced by between 20 and 30 people. In the Swedish operations, 75 people will be given notice of termination of their employment, of which 35 will be from Enea Realtime in Stockholm, 25 from Enea Business Software in Stockholm and 15 from OSE Systems.

The results of the restructuring program, together with the previously decided and ongoing reductions in personnel mean that the Enea group will have only 600 employees once all the measures that have been decided on have been implemented. The number of employees in the group at the end of the period was 683 (899).

As a result of the strong decline in the global telecoms market, Enea has revised its opinion concerning the market's need for more integrated solutions for high availability. Enea therefore now believes that the acquisition of Polyhedra in spring 2001 will not result in an improvement in the result in the future equivalent to the investment made. For this reason, during the period OSE Systems' stockholding in Polyhedra Plc has been written down to the amount of SEK 43 million. Activities within Polyhedra Plc are concentrated on existing customers.

Analysis of the Third Quarter

Net Sales

Net sales in OSE operations increased by 5 percent to SEK 53.1 million. The quarter was somewhat weaker than anticipated in the US, and somewhat stronger than anticipated in Asia. Europe was roughly as anticipated.

The net sales for consultancy operations reduced all in all by 21 percent to SEK 106 million. This reduction is primarily attributable to smaller volumes as a result of reductions in personnel that have already been implemented, where the most tangible volume changes could be seen in Enea TekSci.

Result

The result before taxes and items affecting comparability has improved strongly, or by SEK 40,8 million to SEK -34.9 million. The improvement in the result was achieved through reductions in operating costs by SEK 78.5 million, of which the reductions of personnel costs account for SEK 51.6 million.

The Group result for the quarter excluding items affecting comparability improved strongly, by SEK 42.1 million to SEK -35.8 million.

Operating loss for OSE operations excluding items affecting comparability was SEK -22.6 million, compared to SEK -67.7 million for the same period last year.

The operating loss for consultancy operations was SEK -4.3 million for the quarter, compared with SEK -8.9 million for the same period last year. Goodwill amortization of SEK 2.9 million is included. Enea Realtime and Enea TekSci showed a profit while Enea Business Software showed a loss for the quarter.

The result distributed per business area is shown below:

July – September (SEK million)	Net sales		Operating profit/ loss. excl gw amort.		Operating profit/ loss. incl gw amort.		Profit/loss after net financial items	
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	2002	2001	2002	2001	2002	2001	2002	2001
Enea Realtime	66.2	71.7	2.7	-2.7	0.4	-5.0	-1.3	-6.2
Enea Business Software	17.7	21.5	-4.5	-8.4	-5.1	-9.1	-5.7	-9.5
Enea TekSci	23.3	44.6	0.4	5.1	0.4	5.2	0.5	5.6
Consulting adjustments	-0.7	-2.3						
Consulting business	106.5	135.5	-1.4	-6.0	-4.3	-8.9	-6.5	-10.1
Enea OSE Systems *	53.1	50.5	-19.4	-75.3	-65.6	-78.8	-68.3	-80.9
Parent company, gw, other	-7.6	-8.4	5.0	3.9	1.9	-1.3	7.7	4.2
Enea Group	152.0	177.6	-15.8	-77.4	-68.0	-89.0	-67.1	-86.8

July – September %	Operating margin excl gw amort.		Operating margin incl gw amort.		Net margin	
	Actual	Actual	Actual	Actual	Actual	Actual
	2002	2001	2002	2001	2002	2001
Enea Realtime	4%	-4%	1%	-7%	-2%	-9%
Enea Business Software	-25%	-39%	-29%	-42%	-32%	-44%
Enea TekSci	2%	11%	2%	12%	2%	13%
Konsultrörelsen	-1%	-4%	-4%	-7%	-6%	-7%
Enea OSE Systems *	-37%	-149%	-124%	-156%	-129%	-160%
Enea-koncernen	-10%	-44%	-45%	-50%	-44%	-49%

* OSE Group including Polyhedra from 01.05.2001

Any summation differences are due to figures being rounded up.

Investments

Group investments during the period amounted to SEK 7.8 (129.1) million.

Cash Flow and Liquidity

Cash flow for the third quarter was SEK –33.9 (–36.7) million.

Liquid assets amounted to SEK 105.7 (131.0) million at the end of the period. The cash flow for the nine-month period after financing activities was SEK 2 (-106) million.

Accounts receivable decreased during the third quarter by SEK 16 million. Accounts receivable have decreased by SEK 56 million during the year and at the end of the period amounted to SEK 120 million, equivalent to 17 % of net sales for the last 12 months.

The Group's stockholder equity as per September 30 was SEK 388 million and equity was 64 %.

Earnings per share

Earnings per share for the period amounted to SEK -0:89 (SEK-1:02). No dilution is anticipated.

Parent Company – Enea Data AB

Net sales for the period were SEK 0.0 million (0.0) with profit after financial income at SEK 74.3 (24.9) million. Since the first quarter, this result has been burdened with a write-down of stock in the subsidiary TekSci Inc of SEK 45 million.

Financial income was SEK 78.1 (20.8) million. Liquid assets amounted to SEK 56.9 (78.4) million. The parent company's investments amounted to SEK 2.0 (3.8) million.



On September 30, 2002, the number of employees in the parent company was 25, a reduction from the beginning of the year of 14 people.

Subsidiary Group – Enea Realtime

For net sales and result, please refer to the separate statement.

During the quarter, assignments have been received from ABB, Tetra Pak, Volvo, Kreatel, Saab, Autoliv and Ericsson, among others.

We believe that our market position is still strong thanks to the clear way in which we have communicated and profiled our offer and our close cooperation with our customers. Our position is strongest in the Öresund region and in the Linköping region.

The market in Stockholm has weakened further during the quarter and an adjustment of the organization to the prevailing conditions is now being made.

On September 30, 2002, the number of employees was 321, a reduction from the beginning of the year of 77 people.

Subsidiary Group – Enea Business Software

For net sales and result, please refer to the separate statement.

During the quarter, assignments have been received from Stockholms Läns Landsting (the Stockholm County Council), Ericsson, Läkemedelsverket (the Swedish Medical Products Agency), Läkemedelsförmånsnämnden (the Swedish Pharmaceutical Benefits Board) and Uppsala Kommun (Uppsala Municipality), among others.

It is our belief that our market position is still very strong, particularly in the Health Care sector and in the local market in Uppsala.

The market in Stockholm has weakened further during the quarter and an adjustment of the organization to the prevailing conditions is now being made.

On September 30, 2002, the number of employees was 118, a reduction from the beginning of the year of 42 people.

Subsidiary Enea TekSci

For net sales and result, please refer to the separate statement.

During the quarter, assignments have been received from Boeing, Honeywell, BAE Systems and Northrop-Grumman, among others.

Despite the market remaining weak, Enea TekSci has managed to grow in volume thanks to a number of large undertakings in safety-critical systems development, primarily for customers in the aviation industry.

On September 30, 2002, the number of employees was 75, a reduction from the beginning of the year of 3 people.

Subsidiary Group – OSE Systems

For net sales and result, please refer to the separate statement.

In spite of a still weak global market, OSE systems has increased its sales during the third quarter compared to the same period last year. This is solid proof of the competitiveness of our real-time operating system OSE. The operating loss before goodwill amortization improved from SEK –75 million to SEK –19 million.

The strong market position of OSE products was also underlined by a large number of design wins during the quarter, including those from Motorola, NASA, Broadcom, Fujitsu, and Mitsubishi.

During the quarter, an agency/cooperation agreement was signed with MentorGraphics concerning the sale of development tools integrated with OSE products.

In order to strengthen our offer to customers and achieve profitability, OSE operations will be integrated with closely allied service operations in both Sweden and the USA. The number of employees will continue to be reduced.

The number of employees at September 30, 2002 was 144, of which 69 were outside Sweden. During the year, the number of employees has been reduced by 28 people.

Net sales and result per business area for the period January 1 – September 30, 2002

January – September (SEK million)	Net sales		Operating profit/ loss. excl gw amort.		Operating profit/ loss. incl gw amort.		Profit/loss after net financial items	
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	2002	2001	2002	2001	2002	2001	2002	2001
Enea Realtime	233.9	281.8	-26.4	11.9	-33.3	5.0	-36.9	1.5
Enea Business Software	69.8	135.4	-13.7	-5.4	-15.4	-7.4	-16.9	-8.8
Enea TekSci	83.0	146.9	2.0	13.5	2.0	13.5	2.2	14.2
Consulting adjustments	-4.3	-5.9						
Consulting business	382.4	558.2	-38.1	20.0	-46.7	11.1	-51.6	6.9
Enea OSE Systems *	157.6	169.5	-69.7	-201.0	-123.1	-207.4	-130.1	-215.7
Parent company, gw, other	-20.2	-45.6	-3.8	6.3	-60.5	-8.5	46.8	12.3
Enea Group	519.8	682.1	-111.6	-174.7	-230.3	-204.8	-134.9	-196.5

January – September %	Operating margin excl gw amort.		Operating margin incl gw amort.		Net margin	
	Actual	Actual	Actual	Actual	Actual	Actual
	2002	2001	2002	2001	2002	2001
Enea Realtime	-11%	4%	-14%	2%	-16%	1%
Enea Business Software	-20%	-4%	-22%	-5%	-24%	-6%
Enea TekSci	2%	9%	2%	9%	3%	10%
Konsultrörelsen	-10%	4%	-12%	2%	-13%	1%
Enea OSE Systems *	-44%	-119%	-78%	-122%	-83%	-127%
Enea-koncernen	-21%	-26%	-44%	-30%	-26%	-29%

* OSE Group including Polyhedra from 01.05.2001

Any summation differences are due to figures being rounded up.



Accounting Principles

This interim report has been prepared in accordance with the Annual Accounts Act and Recommendation 20 of the Swedish Financial Accounting Standards Council. As a result of the recommendations that came into force on 1 January 2001, the accounting principles applied have been changed since our latest Annual Report. The following Swedish Financial Accounting Standards Recommendations have now been applied:

RR 1:00 Consolidated financial statements
RR 15 Intangible assets
RR 16 Provisions, contingent liabilities and contingent assets
RR 17 Impairment of assets
RR 21 Borrowing costs
RR 23 Related party disclosures

The only material effects of the new recommendations apply to RR 17 Impairments of assets. There is no need to restate previous year according to RR 1:00, Consolidated financial statements. RR15 Intangible assets, has not caused any need for capitalization of development expenditure.

Future Information

Preliminary Report of 2002 Earnings: 2003-02-07

Ola Berglund
CEO

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This report has not been audited by the company auditors.

Income Statement (SEK million)

	Group				
	Jan-Sept 2002	Jan-Sept 2001	July-Sept 2002	July-Sept 2001	Jan-Dec 2001
Net sales	519.8	682.1	152.0	177.6	885.5
Changes in work on contract	-1.1	-21.3	0.8	6.8	-19.2
Other operating income	<u>23.7</u>	<u>-1.5</u>	<u>-7.4</u>	<u>-2.6</u>	<u>11.2</u>
Operating income	542.4	659.3	145.4	181.8	877.5
Raw materials and warehouse supplies	-34.4	-57.6	-10.1	-11.2	-73.5
Other external costs	-128.9	-179.1	-45.6	-61.2	-233.4
Personnel costs	-447.1	-559.3	-118.1	-169.7	-729.7
Depreciation and amortization excl goodwill	-14.7	-15.8	-4.8	-5.7	-20.8
Items affecting comparability	-0.3	-19.8	10.8	-11.1	-20.3
Other operating costs	<u>-28.6</u>	<u>-2.4</u>	<u>6.6</u>	<u>-0.3</u>	<u>-7.7</u>
Operating profit before amortization of goodwill	-111.6	-174.7	-15.8	-77.4	-207.9
Amortization of goodwill *)	<u>-118.7</u>	<u>-30.1</u>	<u>-52.2</u>	<u>-11.6</u>	<u>-41.6</u>
Operating profit	-230.3	-204.8	-68.0	-89.0	-249.5
<i>Profit/loss from financial income and expense</i>					
Profit from shares in associated companies	91.5	5.9	0.0	0.5	9.6
Profit from other securities and receivables	-0.2	-0.2	-0.1	-0.2	1.2
Other interest income and similar revenue	4.5	5.9	0.9	1.9	7.7
Interest expense and similar costs	<u>-0.4</u>	<u>-3.3</u>	<u>0.1</u>	<u>0.0</u>	<u>-0.2</u>
Pre-tax profit	-134.9	-196.5	-67.1	-86.8	-231.2
Tax on profit	-23.3	17.1	-13.7	5.1	19.4
Minority	<u>0.0</u>	<u>-0.2</u>	<u>0.0</u>	<u>0.0</u>	<u>-0.2</u>
Net profit	-158.2	-179.6	-80.8	-81.7	-212.0
Earnings per share (SEK)	-0.89	-1.02	-0.45	-0.46	-1:20
Earnings per share with full dilution (SEK)	-0.89	-1.02	-0.45	-0.46	-1:20

*) Goodwill write-down in the period Jan-Sept 2002 of SEK 88 million.

Balance Sheet (SEK million)

	Group		
	30 Sept 2002	30 Sept 2001	31 Dec 2001
ASSETS			
<u>Fixed assets</u>			
Intangible fixed assets	247.8	402.4	392.8
Tangible fixed assets	45.8	58.6	57.3
Financial assets	<u>18.9</u>	<u>44.4</u>	<u>38.4</u>
	312.5	505.4	488.5
<u>Current assets</u>			
Current receivables	184.0	242.2	212.2
Current investments	10.2	0.0	10.0
Cash and bank balances	<u>95.5</u>	<u>131.0</u>	<u>103.3</u>
	289.7	373.2	325.5
TOTAL ASSETS	602.2	878.6	814.0
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	388.1	597.2	561.7
Minority interests	0.0	0.5	0.7
Provisions	6.1	16.5	4.5
Long-term liabilities *)	51.6	57.5	59.3
Current liabilities **)	<u>156.4</u>	<u>206.9</u>	<u>187.8</u>
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	602.2	878.6	814.0

*) Not interest-bearing

**) Interest-bearing 0.0: (5.0): (5.0)

Change in Shareholders' Equity (SEK million)

	Group		
	Jan-Sept 2002	Jan-Sept 2001	Jan-Dec 2001
At the beginning of the period	561.7	728.0	728.0
New issue	0.1	0.2	0.1
Non-cash issue	5.0	42.2	42.2
New issue of shares	0.1	0.0	-0.5
Dividend	0.0	-8.7	-8.7
Translation difference for the period	-20.6	15.1	14.3
Other changes in equity	0.0	0.0	-1.7
Profit for the period	-158.2	-179.6	-212.0
At the end of the period	388.1	597.2	561.7

Cash Flow Analysis (SEK million)

	Group				
	Jan-Sept 2002	Jan-Sept 2001	July-Sept 2002	July-Sept 2001	Jan-Dec 2001
Cashflow from operating activities before change in working capital	-74.9	-158.8	-19.9	-48.2	-188.9
Cashflow from change in working capital	<u>-8.0</u>	<u>106.0</u>	<u>-13.0</u>	<u>19.5</u>	<u>118.5</u>
Cashflow from operating activities	-82.9	-52.8	-32.9	-28.7	-70.4
Cashflow from investing activities	79.3	-44.3	-0.4	-7.9	-8.0
Cashflow from financing activities	<u>5.1</u>	<u>-8.7</u>	<u>0.0</u>	<u>-0.1</u>	<u>-30.9</u>
Cashflow for the period	1.5	-105.8	-33.3	-36.7	-109.3
Liquid funds at the beginning of the period	113.3	236.1	144.6	171.7	236.1
Exchange rate difference on liquid funds	<u>-9.1</u>	<u>0.7</u>	<u>-5.6</u>	<u>-4.0</u>	<u>-13.5</u>
Liquid funds at the end of the period	105.7	131.0	105.7	131.0	113.3

Period in summary

	Jan-Sept 2002	Jan-Sept 2001	Jan-Dec 2001
Net sales (SEK million)	519.8	682.1	885.5
Sales (SEK million)	542.4	659.3	877.5
Operating profit before amortization of goodwill (SEK million)	-111.6	-174.7	-207.9
Operating profit after amortization of goodwill (SEK million)	-230.3	-204.8	-249.5
Profit after financial items (SEK million)	-134.9	-196.5	-231.2
Operating margin %	-44.3	-30.0	-28.2
Net margin %	-26.0	-28.8	-26.1
Shareholders' equity (SEK million)	388.1	597.2	561.7
Balance sheet total (SEK million)	602.2	878.6	814.0
Capital employed (SEK million)	388.1	602.8	566.7
Equity/assets ratio %	64	68	69
Earnings per share (SEK)	-0.89	-1.02	-1.20
Earnings per share with full dilution (SEK)	-0.89	-1.02	-1.20
Equity per share (SEK)	2.18	3.36	3.19
Number of outstanding shares as per balance day (thousands)	178 404	177 545	177 470
Number of outstanding shares with full dilution (thousands)	178 404	177 545	177 470
Average number of outstanding shares (thousands)	178 267	176 078	176 126
Average number of outstanding shares with full dilution (thousands)	178 267	176 078	176 126
Share price as per balance day (SEK)	0.84	3.20	5.45