

Interim report for the period January 1–September 30, 2000

At the request of the Board of Directors, the President and Chief Executive Officer of ENEA DATA AB presents the interim report for the period January 1–September 30, 2000.

- **Sales for the Enea Group were SEK 585 million (+88%).**
- **Profit for the Enea Group totaled SEK 33.6 million (SEK 0.7 million), excluding goodwill amortization. Surplus funds at SPP of SEK 29.1 million included.**
- **The profit for the Enea Group including goodwill amortization and SPP funds was SEK 14.5 million (0.5).**
- **Enea OSE Systems reported sales of SEK 156 million (+94%) and earnings of SEK -55.6 million (-32.0), including SPP funds of SEK 0.5 million.**
- **The consulting business reported sales of SEK 473 million (+82%) and earnings of SEK 51.2 million (27.2), excluding goodwill amortization and excluding SPP funds.**
- **OSE advanced strongly in the United States.**
- **Important design win for OSE at Motorola.**
- **Bluetooth order from Lucent Microelectronics among others.**
- **Very strong demand for Enea Realtime services.**
- **Fixed price project loss in Enea Business Software.**

In the third quarter, the consulting business enjoyed ongoing strong demand, especially in Enea Realtime AB, the upshot being healthy profitability and growth. Enea Business Software AB's earnings were hit by a large provision for possible losses. TekSci Inc. progressed as planned, as investment to build expertise in OSE continued. Enea OSE Systems continued to enjoy international success with sharply increased sales, chiefly in the United States, and many key design wins in the third quarter.

The Enea Group

The number of employees grew apace. At the end of the period, the number of employees was 828 (517), up 60%. Of this rise, 168 people were attributable to acquisitions, and 143 represented organic growth. Organic growth in staff numbers from the same time the preceding year was 28%, so Enea remained successful at attracting skilled recruits in the market.



Employee turnover was low during the period, at about 9% on a full-year basis.

SPP's surplus funds are reported among items affecting comparability. The funds have been discounted to net present value.

Investments

The Group's investments during the period equaled SEK 347.5 million (30.5). Of total funds invested in acquisitions, SEK 303.1 million (19.1) was goodwill.

Cash and Bank Balances and Financial Position

Liquidity was excellent, at SEK 287.8 million (26.4) at the end of the period. The Group's equity totaled SEK 733.6 million (100.6).

Earnings per share

Earnings per share for the period were SEK 0.01 (-0.03), after the split and deductions for estimated tax.

The Parent Company, Enea Data AB

Sales for the period reached SEK 109.2 million (243.8), and profit after financial income and expense was SEK 62.0 million (31.0) including SPP funds.

Any comparisons with the preceding year would be misleading, because the Parent Company has not conducted any consulting business since 2000-04-01.

Net financial income was SEK 7.7 million, which included a dividend of SEK 4.2 million from the associated company Combitech Systems AB. Cash and bank balances totaled SEK 259.1 million (21.7). Parent Company investments equaled SEK 321.0 million (28.1), of which SEK 312.7 million (21.0) was for the acquisition of subsidiaries.

The number of employees at September 30, 2000, was 33.

The Subsidiary Group Enea Realtime

Enea Realtime was formed at 2000-04-01 from what was previously Industrial Systems Stockholm, Industrial Systems Gothenburg, Industrial Systems Malmö and Enea Epact AB in Linköping.

Consequently, operations have been conducted in Enea Realtime AB since the beginning of the second quarter. The subsidiary group reported sales for the first three quarters of SEK 176 million and operating profit before goodwill of SEK 24.5 million (giving an operating margin of 14.2%). Pro forma sales for the first three quarters were SEK 248 million, pro forma profit SEK 37.9 million. Because of the new organization, no figures for comparison are available from the preceding year.

We are experiencing sustained vigorous demand in our market, a demand that we have not been able to satisfy fully with existing resources. Growth has been excellent. Enea Epact AB, which we acquired in Linköping, has progressed superbly since the acquisition.

The number of employees at September 30, 2000, was 349.

The Subsidiary Group Enea Business Software

Enea Business Software was formed at 2000-04-01 from what was previously Business Systems, Dynamic Document Solutions, Software Components in Malmö, and Enea Redina AB in Uppsala.



Thus, since the beginning of the second quarter operations have been conducted in Enea Business Software AB. The subsidiary group reported sales for the first three quarters of SEK 84.8 million and operating profit before goodwill of SEK -8.7 million (giving an operating margin of -9.9%). Pro forma sales for the first three quarters were SEK 118 million, pro forma profit SEK -5.9 million. Because of the new organization, no figures for comparison are available from the preceding year.

During the third quarter, a dispute concerning a contract was decided against Enea, so that Enea Business Software's earnings after three quarters were charged with provisions of roughly SEK 14 million for possible losses.

The acquisition Enea Redina AB continued to perform well.

Hans Wirfelt, member of the Board of Enea Data AB, has been appointed acting president of Enea Business Software effective October 27, 2000. Former president Lars Magnusson has chosen to leave the company.

The number of employees at September 30, 2000, was 168.

The Subsidiary TekSci Inc.

TekSci was acquired at February 1, 2000, and was consolidated in the accounts from that date.

Sales for the first eight months totaled SEK 96 million, operating profit was SEK 9.7 million, and the operating margin 10.1%. Any comparisons with the preceding year would be misleading because of changes in accounting principles and policies since the time of acquisition.

TekSci's progress has been extremely favorable, and the benefits of synergies between TekSci and Enea OSE Inc. are growing. We continue to invest in building up and staffing the OSE Design Center in Phoenix and training TekSci personnel on OSE products. During the third quarter, TekSci has developed and launched a "pSOS to OSE transition kit" intended to ease the migration to OSE for current pSOS users.

The number of employees at September 30, 2000, was 114.

The Group's Consulting Business in Total

During the period, the Group reported sales of SEK 473 million (+82%) for its entire consulting business. Operating profit was SEK 51.2 million (27.2), excluding goodwill amortization and excluding surplus funds of SEK 28.6 million credited by SPP.

The Subsidiary Group Enea OSE Systems

OSE products furthered their international success, and during the period more than 80% of all invoicing was outside Sweden.

At the start of the year, Enea OSE Systems launched an aggressive program to accelerate the pace of growth, which is expected to have full effect starting in 2001. Consequently, fixed costs have risen sharply this year, while the first advances are being made in the market.

During the period, invoicing totaled SEK 156 million, up 95%, while the loss was SEK -55.6 million (-32.0). In the third quarter alone, invoicing equaled SEK 74 million, up 184% from the third quarter of 1999. Orders taken during the period totaled SEK 164.7 million. On a rolling 12-month basis (99Q4-00Q3), orders received equaled SEK 253 million, up 97% from the preceding period (98Q4-99Q3).



Enea OSE Systems now also starts product management in US, headed by Robert Monkman, who joins Enea from Wind River Systems. Main focus for this will be High Availability.

Since the preceding report, numerous design wins have been made in the crucial and extremely specialized communications segment (telecommunications5data communications).

- Motorola – first telecom order from Motorola
- Lucent Technologies
- Motorola Computer Group
- Lucent Microelectronics – Bluetooth production licenses
- Alcatel
- Rapid5 Networks
- Accelight
- Hatteras Networks
- LSI Logic
- Ericsson
- Nokia Networks

The number of employees at September 30, 2000, was 164; 66 of those were outside Sweden.

The Associated Company Combitech Systems

Enea owns 35% of Combitech Systems. During the period, the company reported sales of SEK 137 million (110). The Enea Group's share of earnings is reported among financial revenues and totaled SEK 4.1 million (6.1). The participation in earnings is reported as gross profit.

Reorganization and Financial Reporting

The Enea Group was reorganized at 2000-04-01, as the business activities in the Parent Company Enea Data AB were moved to two new subsidiaries, Enea Business Software AB and Enea Realtime AB. The subsidiary Enea Redina AB is now a subsidiary of Enea Business Software AB, and the subsidiary's subsidiary Enea Epact AB is now a subsidiary of Enea Realtime AB.

During the first quarter, consulting business was conducted in the Parent Company Enea Data AB and the subsidiary group TekSci Inc., the subsidiary group Epact Technology Holding and the subsidiary Enea Redina AB.

During the second and third quarters, consulting business was conducted in the subsidiary groups Enea Realtime and Enea Business Software and in the subsidiary TekSci Inc. The present earnings report includes income statements for each subsidiary group. The figures for the first quarter are pro forma for the subsidiary groups Enea Realtime and Enea Business Software. Please refer to the diagram showing the corporate structure (later in this document).

Overall Forecast for 2000

The market for Enea's services, products and training is expected to remain steady. Likewise, Enea's ability to recruit talent is expected to remain strong. Acquisitions could be made this year, in services or products, in Sweden or elsewhere.

The forecast for the entire Enea Group (including Enea OSE Systems) remains unchanged, that is, profit is expected to end in the interval SEK 45–70 million (46,0) before goodwill amortization and excluding surplus funds totaling SEK 29.1 million credited by SPP. Goodwill amortization is expected to total SEK 27.2 million for the full year.



The forecast for the subsidiary group Enea OSE Systems has been raised slightly, as the loss is expected to end in the interval SEK -20– -40 million (-7.7). Sales are expected to increase approximately 60%, to roughly SEK 280 million. Uncertainty in these estimates is primarily a result of how the final sales in december end up.

Future information

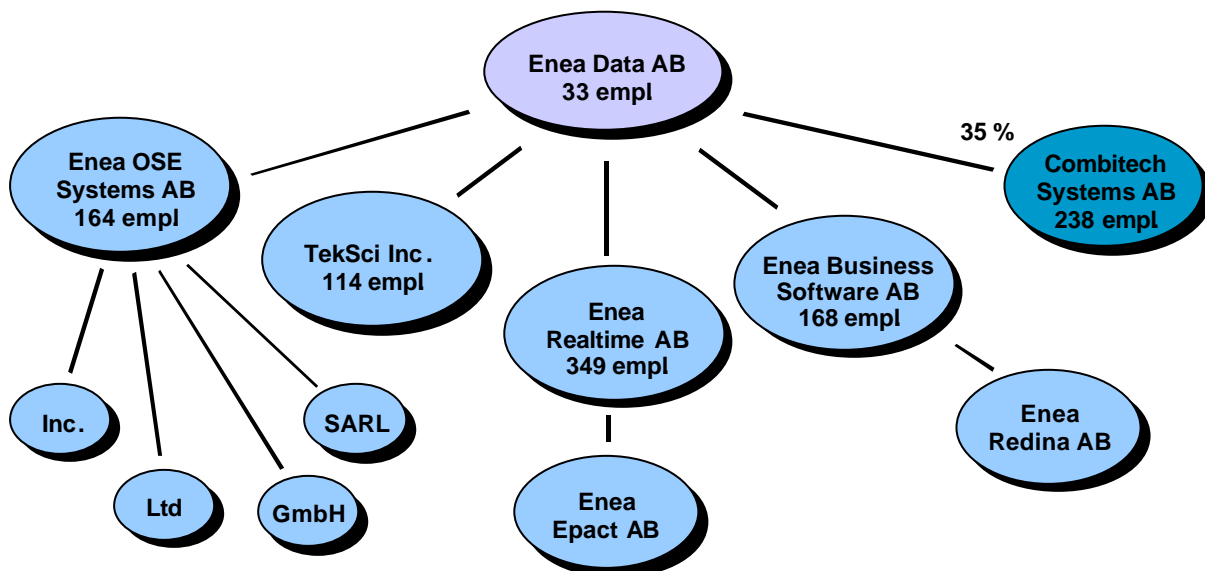
Preliminary Report of 2000 Earnings: February 2, 2001

Ola Berglund
President

This report has not been reviewed by the Company's auditors.

Please direct questions to Ola Berglund, +46 709 71 44 17

Group structure:



Income statements (SEK million)

	Group		
	January- September 2000	January- September 1999	January- December 1999
Net sales	568.9	298.0	505.5
Changes in work on contract	3.5	11.7	1.2
Other operating income	<u>12.1</u>	<u>1.3</u>	<u>6.4</u>
	584.5	311.0	513.1
Raw materials and warehouse supplies	-53.3	-10.3	-33.6
Other external costs	-104.4	-64.0	-92.1
Personnel costs	-410.3	-231.1	-335.2
Depreciation and amortization excl goodwill	-13.3	-9.6	-13.3
Items affecting comparability	29.1	0.0	0.0
Other operating costs	<u>-1.0</u>	<u>-2.1</u>	<u>-2.9</u>
Operating profit before amortization of goodwill	31.3	-6.1	36.0
Amortization of goodwill	<u>-19.1</u>	<u>-0.2</u>	<u>-0.6</u>
Operating profit	12.2	-6.3	35.4
<i>Profit/loss from financial income and expense</i>			
Profit from shares in associated companies	4.1	6.1	9.1
Profit from other securities and receivables	0.2	0.2	0.3
Other interest income and similar revenue	4.6	1.1	1.4
Interest expense and similar costs	<u>-6.6</u>	<u>-0.6</u>	<u>-0.8</u>
Pre-tax profit	14.5	0.5	45.4
Tax on profit	-11.8	-4.6	-13.8
Minority	<u>-0.8</u>	<u>0.0</u>	<u>0.0</u>
Net profit	1.9	-4.1	31.6

Balance Sheet (SEK million)

Group

ASSETS	September 30. 2000	September 30. 1999	December 31. 1999
<u>Fixed assets</u>			
Intangible fixed assets	302.7	19.6	19.0
Tangible fixed assets	47.1	40.9	44.1
Financial assets	<u>43.5</u>	<u>24.0</u>	<u>26.1</u>
	393.3	84.5	89.2
<u>Current assets</u>			
Work on contract	18.8	22.2	5.9
Current receivables	256.3	105.0	183.2
Cash and bank balances	<u>287.8</u>	<u>26.4</u>	<u>32.6</u>
	562.9	153.6	221.7
TOTAL ASSETS	956.2	238.1	310.9

SHAREHOLDERS' EQUITY AND LIABILITIES

Shareholders' equity	733.6	100.6	155.5
Minority interests	1.8	0.2	0.2
Provisions	19.5	13.3	15.3
Long-term liabilities	25.6	10.0	12.2
Current liabilities	<u>175.7</u>	<u>114.0</u>	<u>127.7</u>
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	956.2	238.1	310.9

Cashflow Analysis (SEK million)

	Group		
	January- September 2000	January- September 1999	January- December 1999
Cashflow from operating activities before change in working capital	7.6	-4.1	37.6
Cashflow from change in working capital	<u>-18.5</u>	<u>10.0</u>	<u>-20.0</u>
Cashflow from operating activities	-10.9	5.9	17.6
Cashflow from investing activities	-239.1	-9.6	-18.7
Cashflow from financing activities	<u>505.2</u>	<u>-8.2</u>	<u>-4.6</u>
Cashflow for the period	255.2	-11.9	-5.7
Liquid funds at the beginning of the period	<u>32.6</u>	<u>38.3</u>	<u>38.3</u>
Liquid funds at end of the period	287.8	26.4	32.6

Income statement OSE (SEK million)

	Group		
	January- September 2000	January- September 1999	January- December 1999
Net sales	148.8	78.1	167.0
Changes in work on contract	-0.7	1.9	2.1
Other operating income	<u>8.2</u>	<u>0.5</u>	<u>5.9</u>
	156.3	80.5	175.0
Raw materials and warehouse supplies	-53.7	-21.3	-46.4
Other external costs	-56.5	-34.4	-49.8
Personnel costs	-94.2	-54.1	-82.6
Depreciation and amortization	-2.9	-1.9	-2.6
Items affecting comparability	0.5	0.0	0.0
Other operating costs	<u>-0.6</u>	<u>-0.7</u>	<u>-1.2</u>
Operating profit	-51.1	-31.9	-7.6
Profit/loss from financial income and expenses	<u>-4.5</u>	<u>-0.1</u>	<u>-0.1</u>
Pre-tax loss	-55.6	-32.0	-7.7

Period in summary. Group

	January- September 2000	January- September 1999	January- December 1999
Net sales (SEK m.)	568.9	298.0	505.5
Sales (SEK m.)	584.5	311.0	513.1
Operating profit before amortization of goodwill (SEK m.)	31.3	-6.1	36.0
Operating profit after amortization of goodwill (SEK m.)	12.2	-6.3	35.4
Profit after financial income and expense (SEK m.)	14.5	0.5	45.4
Operating margin %	2.1	-2.1	7.0
Net margin %	2.5	0.2	9.0
Shareholders' equity (SEK m.)	733.6	100.6	155.5
Balance sheet total (SEK m.)	956.2	238.1	310.9
Equity/assets ratio %	77	42	50
Profit per share (SEK)	0.01	-0.03	0.20
Profit per share with full dilution (SEK)	0.01	-0.02	0.19
Equity per share (SEK)	4.22	0.64	0.99
Share price as per balance date (SEK)	56.00	6.40	26.20