



Interim report July - September 2014

Revenue growth and an operating margin of 22.8 percent

Enea's showed firm revenue growth, compared to the third quarter last year. Operating profit, operating margin and earnings per share continued to improve in the third quarter.

- Net sales in the third quarter amounted to SEK 105.0 (97.1) million, which is equivalent to an increase of 8 percent. Sales increased with 3 percent for the first nine months.
- The operating profit in the third quarter amounted to SEK 23.9 (21.0) million which is equivalent to an operating margin of 22.8 (21.6) percent. For the first nine months of the year, the operating profit increased to SEK 64.6 (57.0) million, which is equivalent to an operating margin of 20.8 (18.9) percent.
- Earnings per share increased to SEK 1.16 (0.92) for the third quarter and to SEK 3.13 (2.66) for the first nine months.
- Cash flow from operations amounted to SEK 17.9 (20.3) million for the quarter and to SEK 77.7 (63.0) million for the first nine months. Cash and cash equivalents and financial investments amounted to SEK 184.7 (156.4) million at the end of the quarter.

	Jul-Sep		Jan-Sep		Full year
	2014	2013	2014	2013	2013
Net sales, SEK million	105.0	97.1	310.0	302.1	408.5
Revenue growth, %	8	-10	3	-12	-13
Revenue growth currency adjusted, %	6	-8	2	-11	-11
Operating profit, SEK million	23.9	21.0	64.6	57.0	82.1
Operating margin, %	22.8	21.6	20.8	18.9	20.1
Net profit before tax, SEK million	24.3	19.9	65.8	58.5	83.8
Net profit after tax, SEK million	18.8	15.1	51.0	43.8	63.2
Earnings per share, SEK	1.16	0.92	3.13	2.66	3.83
Cash flow (from operations), SEK million	17.9	20.3	77.7	63.0	76.6
Cash and cash equivalents and financial investments, SEK million	184.7	156.4	184.7	156.4	163.6

"Our revenues in China in the third quarter grew by 80 percent, compared with the same quarter last year."

"...an important milestone has been reached with the finalization of the software platform ProLiant M800, which we recently announced together with HP".



Anders Lidbeck,
President and CEO

A word from the CEO

Our operating margin during the third quarter was 22.8 percent. Once again, we report a record profitability, this time for the third quarter. Never before has Enea seen better margins or a larger profit per share in a third quarter. This is the sixth consecutive quarter with an improved operating profit over the same period in the previous year.

Our total revenue grew with 8 percent in the third quarter, compared with the same period last year, and we achieved double-digit revenue growth in our Global Services business. This is the second consecutive quarter with good growth in this sector and we believe that we will finish the year with double-digit growth in our Global Services business. Over the last few quarters we have won several large contracts in the sector, both in USA and in Europe, which are now in full delivery mode. Our ambition is to continue to expand this business, and we believe that we are well positioned within our niche.

Revenues from our software business have been stable during the first nine months with a small growth in the third quarter compared with the same period last year. Revenues in this area are largely dependent on royalties from our major customers. Due to weaker than expected sales from some of our larger customers in the second quarter, the third quarter showed no increase in our royalties from these customers. Instead it is very positive that the third quarter shows double-digit revenue growth outside our largest customers. Our revenues in China in the third quarter grew by 80 percent, compared with the same quarter last year. We have gained four new customers in China since the start of the year and, and so far revenues have increased by 21 percent. Our global software business continues to develop with strong gross margins and contributes significantly to the company's total operating profits. Our market position has also continued to progress well, as have ongoing business discussions concerning new contracts, and we enter the fourth quarter cautiously optimistic.

We continue to strengthen our position as the independent software vendor in our niche. As in previous quarters we continue to reinvest around 20 percent of our total revenues in our product portfolio. Operating-system-solutions are a central part of our pro-

duct range, but we are also advancing our position for middleware and integrated solutions, in which several of our software components together represent a larger entity. This quarter has been no exception and an important milestone has been reached with the finalization of the software platform ProLiant M800, which we recently announced together with HP. In addition to Linux, real-time operating systems and middleware form the cornerstones of such a solution, and Enea is well equipped on all these fronts.

All of the new customers that we have gained in China so far this year have selected a real-time operating system (OSEck) from Enea, and in the same way, our middleware solution, Enea Element, has been the main component of the deal around Ethernet switches that was announced during the quarter. The underlying driving forces are the same for both operating systems or middleware: the increasing complexity of hardware places increased demands on the software. This is a positive trend that reinforces the demand for the products and services that Enea offers.

The changes in our sales and marketing organization that was implemented during the second quarter and early third quarter have worked out well. We will continue to gradually strengthen our sales and marketing organization with the objective of accelerating growth rates long term but without having a negative impact on the company's operating margins short term.

We will continue our efforts to improve growth and high profitability. Our ambition is to continue to consolidate our 20 percent operating margin and to achieve full year revenue growth.

We will be prepared for ongoing soft demand, but maintain our forecast for the year. Our estimate for the full year 2014 is that our earnings per share will improve with the previous year.

Anders Lidbeck, President and CEO

Sales and Profit & Loss

Sales

Enea's sales in the third quarter amounted to SEK 105.0 (97.1) million, which is equivalent to an increase of 8 percent. For the first nine months of the year, sales increased to SEK 310.0 (302.1) million, which is an increase of 3 (-12) percent. Currency-adjusted revenue was 6 percent higher in the third quarter and 2 percent higher in the first nine months.

Revenues from term-based development licenses including support and maintenance remained unchanged compared to the same quarter last year. Revenues from perpetual licenses fell slightly. Revenues from production licenses (royalties), which are largely dependent on customer sales volumes, increased during the quarter. Global Services sales grew by 28 percent in the third quarter, compared with the same quarter last year. Sales of product-related services also increased substantially.

Sales in the quarter were distributed over telecom infrastructure (63 percent), wireless devices (4 percent), defense (13 percent), medical technology (4 percent), and other segments (16 percent).

In the segment, Other, includes for example, customers in the automotive industry and system integration.

Profit & Loss

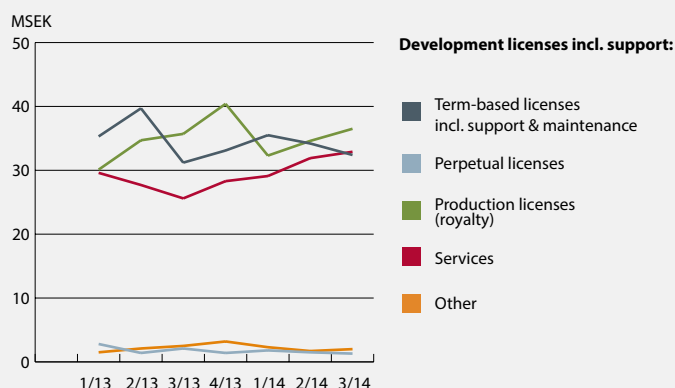
The Group's operating profit amounted to SEK 23.9 (21.0) million in the third quarter which is equivalent to an operating margin of 22.8 (21.6) percent. The operating profit for the first nine months of the year amounted to SEK 64.6 (57.0) million, which is equivalent to an operating margin of 20.8 (18.9) percent. Currency effects on the Group's revenue have a marginal effect on the outcome.

The gross margin for the third quarter amounted to 72.4 (74.2) percent and for the first nine months to 72.0 (72.3) percent. The decrease in the gross margin in the quarter was primarily due to a higher proportion of service sales.

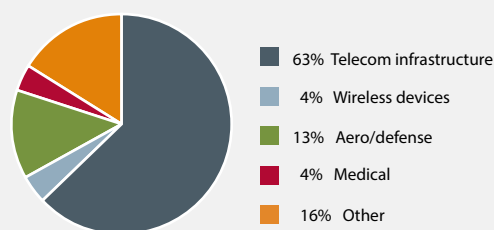
Financial net for the third quarter amounted to SEK 0.4 (-1.1) million and for the first nine months to SEK 1.2 (1.5) million. Profit after tax increased to SEK 18.8 (15.1) million for the third quarter and to SEK 51.0 (43.8) million for the first nine months.

Earnings per share increased to SEK 1.16 (0.92) for the third quarter and to SEK 3.13 (2.66) for the first nine months. Without adjustment for holdings of own shares, the earnings per share amounted to SEK 1.12 (0.89) for the quarter and to SEK 3.05 (2.57) for the first nine months.

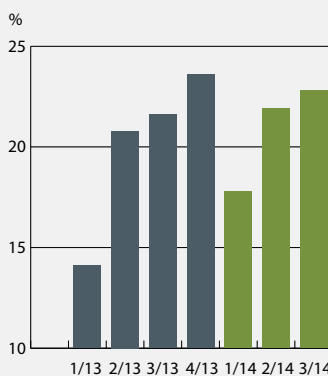
Revenue



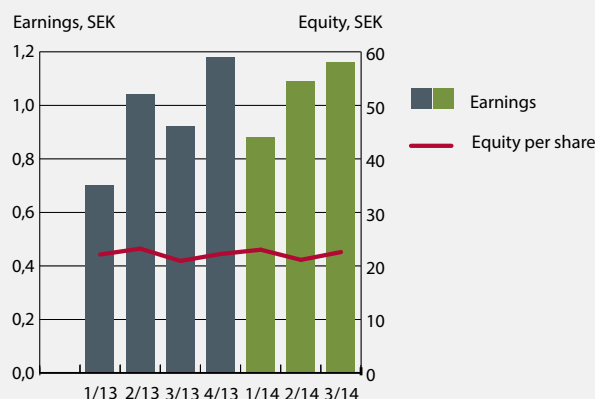
Revenue per customer segment (Jul-Sep)



Operating margin



Earnings and Equity per share



Sales per Region

Enea has a total of ten offices in Europe, North America and Asia.

Europe

The European operations includes customers such as Ericsson, NSN and Alcatel-Lucent. Sales take place via offices in Sweden, Germany and Romania.

During the quarter, sales from Europe increased compared with the same quarter in the previous year.

Americas

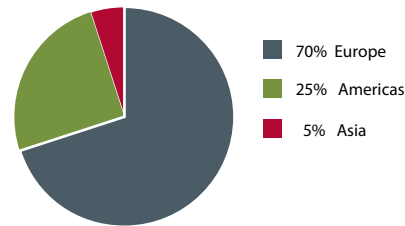
The American business includes major customers such as Motorola, Fujitsu, Boeing, Honeywell, and Hospira. Two offices handle sales and delivery of software and services.

Total sales in North America increased slightly over the quarter compared with the same quarter in the previous year.

Asia

The Asian operations are conducted from two offices, one in Shanghai, China and the other in Tokyo, Japan. In Asia, sales increased strongly during the quarter compared with the corresponding period the previous year.

Revenue per geography (Jul-Sep)



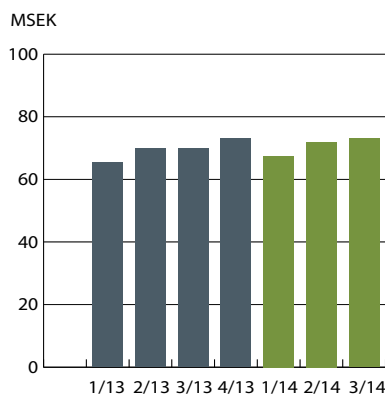
Significant Deals during the quarter

In Europe, a licensing contract was concluded with a major customer in the automotive industry. The contract has a one year duration and the client will run Enea Linux 4.0. This is an important deal for showing the capabilities of Enea Linux for business-critical systems with extremely high demands for reliability.

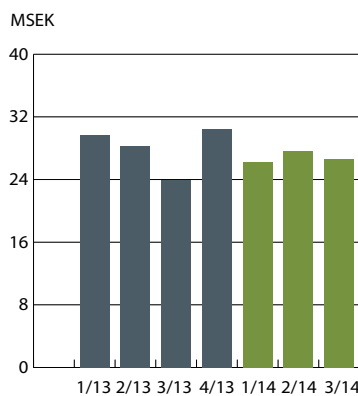
In Asia, a new contract was concluded for an existing customer who will use Enea OSE for more product lines. The new contract is for development licenses including support and maintenance, and is valued at SEK 2 million.

During the third quarter, we signed an important contract, this with a new customer who is a leader in the telecommunication field. The client has invested SEK 6 million in the middleware Enea Element for new Ethernet switches.

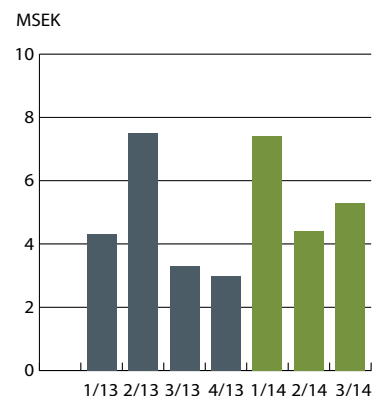
Revenue Europe



Revenue North America



Revenue Asia



Revenue per region

	Jul-Sep		Jan-Sep		Full year	
	2014	2013	2014	2014	2013	
Europe	73.1	69.8	212.6	205.0	278.0	
North America	26.6	24.0	80.4	82.0	112.4	
Asia	5.3	3.3	17.0	15.1	18.1	

Revenue per Product

Enea's products and services are divided into four major groups: **Operating systems incl. tools**, which includes OSE, Linux, OSEck and Optima. **Middleware**, including Element, Polyhedra and Linx. All sales of services are reported in the **Services** group.

Operating systems incl. tools

An operating system is software that provides a link between the hardware and the software applications running on the unit. Enea's operating systems are used in embedded systems which form components of telecom equipment, for example. Development tools are used to develop the software running on Enea's operating systems and are normally sold together with the operating system. Operating systems and tools are reported together.

Operating systems incl. tools accounts for the largest share of Enea's sales, with 58 percent of income during the quarter. Sales declined compared with the same quarter last year.

Middleware

Middleware is software that resides between the operating system and the applications. It runs in the background and makes sure – among other things – that the system is uninterrupted, predictable and scalable. Middleware represented 9 percent of Enea's total sales during the quarter, and grew compared with the same quarter last year.

Services

Total service sales increased during the quarter, and accounted for 31 percent of Enea's total sales.

Other

The Other group, which mainly consists of third-party products, as well as currency effects, decreased during the quarter and accounted for 2 percent of total sales.

Eneas' offering

Enea OSE, Enea Linux, Enea OSEck – operating systems

Enea Element – middleware software

Enea Optima – development tools for developing software running on Enea's operating systems

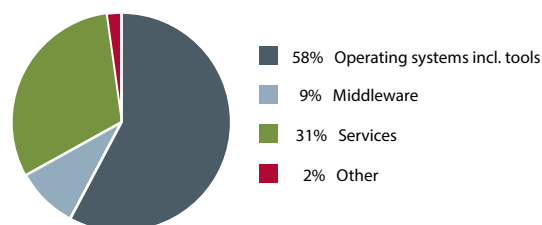
Enea Polyhedra – in-memory database

Enea LINX – software for managing communication between processor cores on the hardware chip

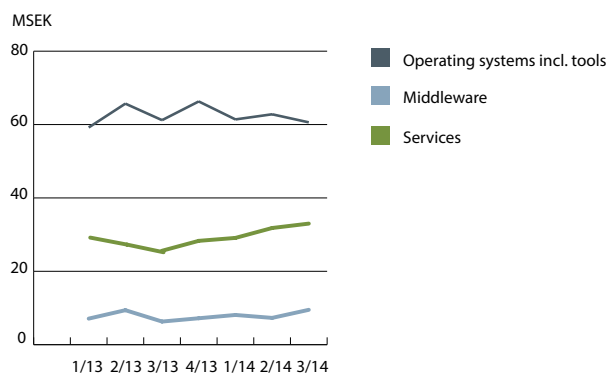
Enea Netbricks – communication protocol for telecom

Services – such as project undertakings, pilot studies, application development, test and training

Revenue per product (Jul-Sep)



Revenue per product



Revenue per product

	Jul-Sep		Jan-Sep		Full year
	2014	2013	2014	2013	2013
Operating systems incl. tools	60.6	61.2	184.8	186.1	252.4
Middleware	9.5	6.3	24.9	22.8	30.0
Services	33.0	25.6	93.9	83.0	111.3
Other	1.9	3.9	6.4	10.3	14.8



Cash flow from operations amounted to SEK 17.9 (20.3) million for the third quarter and to SEK 77.7 (63.0) million for the first nine months. Total cash flow after financial investments of SEK 53.4 million amounted to SEK 11.8 (-35.6) million for the third quarter and to SEK -45.4 (-7.3) million for the first nine months.

Cash and cash equivalents and financial investments amounted to SEK 184.7 (156.4) million at the end of the quarter, of which financial fixed assets with terms in excess of one year amounted to SEK 33.7 (-) million. In addition the Group has an unused credit of SEK 15 million. Enea has an equity ratio of 81,0 (81.8) percent.

Investments

The Group's investments for the third quarter amounted to SEK 4.1 (2.8) million. Depreciation amounted to SEK 4.4 (4.6) million for the third quarter and SEK 13.0 (13.6) million for the first nine months of the year. During the third quarter, product development costs were capitalized to a value of SEK 2.4 (2.7) million and SEK 8.4 (8.6) million for the first nine months of the year. Depreciation for capitalized product development costs amounted to SEK 3.5 (3.4) million for the third quarter and SEK 10.0 (9.3) million for the first nine months of the year.

Employees

At the end of the quarter, the number of employees in the Group was 397 (376) people, which is an increase of 21 people compared with the same quarter of the previous year and an increase of 5 people from the previous quarter.

Repurchasing of own Shares

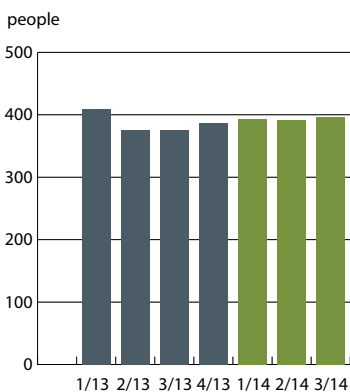
61,106 shares at a value of SEK 3.4 million were repurchased during the third quarter. 184,980 shares at a value of SEK 10.9 million were repurchased during the first nine months of the year. Enea held a total of 538,657 of its own shares at the end of the quarter, equivalent to 3.2 percent of the total number of shares.

Cash Flow and Investments

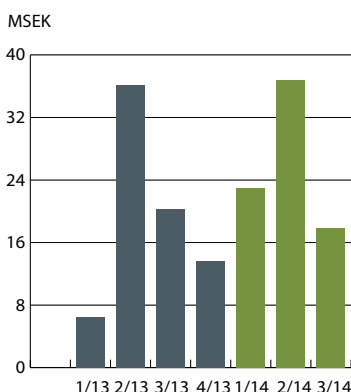
Cash Flow and Financial Position

An updated financial policy was adopted at the company's statutory Board meeting on 24 April 2014. This means that a certain amount of the Group's liquid assets must be placed in interest-bearing assets with a term in excess of 12 months. These investments are reported as financial fixed assets.

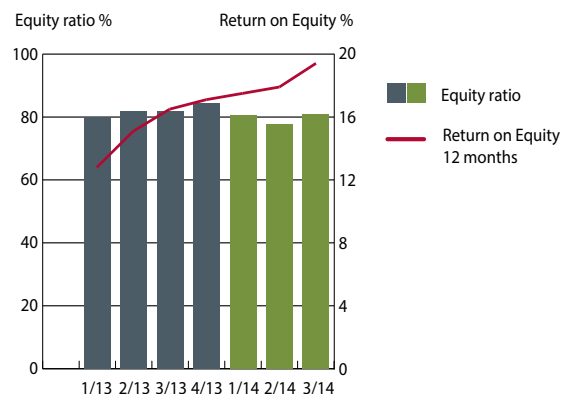
Employees



Cash flow from operations



Equity ratio and Return on Equity



Parent Company

The parent company's net sales for the first nine months of the year amounted to SEK 37.1 (38.3) million and the profit before tax was SEK 1.6 (2.5) million. Financial net in the parent company amounted to SEK 1.5 (2.5) million and cash and cash equivalents at the end of the quarter amounted to SEK 157.6 (118.2) million. The parent company's investments in the quarter amounted to 0.4 (-) million. The number of employees at the parent company amounted to 13 (13) people at the end of the quarter. The parent company does not operate any business and its risks are primarily attributable to the activities of the subsidiaries.

Annual General Meeting

The Annual General Meeting of Enea for 2015 will take place on Thursday, 7 May at Enea's office at Jan Stenbecks Torg 17, Kista, Sweden.

Nomination committee

The Chairman of the Board of Enea has in consultation with the largest shareholders established a nomination committee. The nomination committee for the annual general meeting 2015 includes Per Lindberg, Sverre Bergland (DnB Nor) and Anders Skarin (Chairman of the Board, Enea AB). The nomination committee has selected Per Lindberg as its Chairman.

The task of the nomination committee is to propose the Chairman at the annual general meeting, Chairman and other members of the board as well as suggesting remuneration and other compensation for each of the board members. The nomination committee shall also propose auditors and remuneration of the auditors as well as a process for selecting the nomination committee for the annual general meeting 2016.

Other

Accounting Policies

This interim report has been compiled in accordance with IAS 34, Interim Financial Reporting, which is compliant with Swedish law through application of the Swedish Financial Reporting Board's RFR 1. Supplementary accounting rules for groups and RFR 2. Accounting for Legal Entities, relating to the parent company. The same accounting principles, definitions and calculation methods have been applied as in the latest annual report for both the Group and the parent company, unless stated otherwise below. IASB has published a number of minor amendments and improvements to standards that apply for the financial year beginning 1 January 2014. The amendments made have had no impact on the financial position and results of the Group.

Financial Assets and Liabilities

The Group applies IFRS 13. This standard requires submission of information on uncertainty in the valuations on the basis of the three levels used for financial instruments. Level 1: Fair value of financial instruments traded on an active market – is based on listed market prices on the balance sheet date. A market is regarded as active if listed prices from a stock exchange, broker, industry group, pricing service or regulatory agency are readily and regularly available and if these prices represent actual and regularly occurring arm's length market transactions. The listed market price used for the Group's financial assets is the current purchase price for corporate bonds and the true value for corporate bond funds. These are level 1 instruments. The investments included in level 1 are made up of corporate bonds (SEK 33.2 million) and corporate bond funds (SEK 20.3 million). The level 1 total amounts to SEK 53.6 million. Fair value of corporate bonds held on the due date is SEK 33.2 million. Level 2: Fair value of financial instruments not traded on an active market (e.g. OTC derivatives are established with the aid of valuation techniques). The Group has currency derivatives which are used for hedging purposes. Currency hedges are valued at market value in that early allocation of currency hedging is taking place in order to find out what the forward price would be if the maturity were to take place at the balance sheet date.

The Group has currency hedging of EUR to SEK, so the difference in interest rate between Sweden and Europe for the remaining original term provides the number of points to be deducted from the original forward price. The difference between the new forward price and the original forward price gives the market value of the currency hedge. Market information is used here as far as possible as this is available, while company-specific information is used as little as possible. The Group has a liability in respect of currency hedges which is recognized at a value of SEK 1.4 million as at 30 June 2014. This also constitutes the total for level 2. Level 3: The Group has no financial fixed assets and liabilities measured at fair value in category 3.

Allocation by level in valuation at fair value, 2014-09-30	Level 1	Level 2	Level 3	Total
Investments held to maturity				
Corporate bonds	33.2	-	-	33.2
Derivatives used for hedging purposes				
Currency derivatives	-	1.4	-	1.4
Financial assets measured at fair value through profit and loss				
Bond stock investment	20.3	-	-	20.3
Total	53.6	1.4	-	55.0

No transfers between the categories have taken place during the period. The recognized value matches the fair value for other financial assets and liabilities.

Essential Risks and Uncertainty Factors

There is still much dependency on Ericsson and NSN. These customers accounted for more than half of the Group's income in the past year. There have been no significant changes during the quarter regarding major risks and uncertainties. Please refer to the report on pages 20-21 in the latest Annual Report for a description of major risks and uncertainties.

Target Compliance and Outlook

Long-term Ambition

Our ambition over a period of five years, commencing in 2012, is to create a global software company with considerably higher net sales, high profitability, good cash flows, and a large proportion of recurring revenue.

The company will be focusing on organic growth, but both strategic and supplementary acquisitions will be evaluated regularly. This growth will vary over the years and between the quarters, depending on how individual deals take place and the development of royalty flows, which depend on customers' sales volumes. The operating margin will vary in line with growth over the various quarters of the period. Enea's objective over this period is to achieve an operating margin of 20 percent.

Outlook for 2014

We will be prepared for ongoing soft demand, but maintain our forecast for the year. Our estimate for the full year 2014 is that our earnings per share will improve with the previous year.

Kista, October 23, 2014
Board of directors

Report of Review of Interim Financial Information

Introduction

We have reviewed this report for the period 1 January 2014 to 30 September 2014 for Enea AB (publ). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm 23 October 2014

Öhrlings PricewaterhouseCoopers AB

Niklas Renström
Authorised Public Accountant

Consolidated statement of comprehensive income

SEK million	Jul-Sep		Jan-Sep		12 months	Full year
	2014	2013	2014	2013	Oct-Sep	2013
Net sales	105.0	97.1	310.0	302.1	416.4	408.5
Cost of sold products and services	-29.0	-25.1	-86.8	-83.6	-114.8	-111.6
Gross profit	76.0	72.0	223.2	218.6	301.6	296.9
Sales and marketing costs	-19.7	-18.3	-57.6	-56.3	-77.4	-76.1
R&D costs	-20.1	-20.4	-66.1	-67.0	-89.4	-90.4
General and administration costs	-12.3	-12.3	-34.9	-38.3	-45.0	-48.4
Operating profit ^{1,2}	23.9	21.0	64.6	57.0	89.8	82.1
Net financial income/expense	0.4	-1.1	1.2	1.5	1.4	1.7
Profit before tax	24.3	19.9	65.8	58.5	91.1	83.8
Tax	-5.5	-4.8	-14.9	-14.7	-20.8	-20.6
Net profit	18.8	15.1	51.0	43.8	70.3	63.2
Other comprehensive income						
<i>Items that may be reclassified to profit or loss</i>						
Fair value changes in financial assets available for sale	-0.1	-	-	-	-	-
Change in hedging reserve, after tax	0.6	-	-0.8	-0.6	-0.8	-0.6
Currency translation differences	4.0	-2.3	8.5	-0.6	10.1	1.0
Total comprehensive income for the period, net of tax	23.2	12.8	58.6	42.6	79.6	63.6
Profit for the period attributable to the shareholders of the Parent Company	18.8	15.1	51.0	43.8	70.3	63.2
Comprehensive income for the period attributable to the shareholders of the Parent Company	23.2	12.8	58.6	42.6	79.6	63.6
1) incl. amortisation of tangible assets	0.9	1.1	2.9	3.9	4.2	5.2
2) incl. amortisation of intangible assets	3.5	3.5	10.0	9.7	13.4	13.0

Key figures related to the income statement

	Jul-Sep		Jan-Sep		12 months	Full year
	2014	2013	2014	2013	Oct-Sep	2013
Earnings per share (SEK) ¹	1.16	0.92	3.13	2.66	4.31	3.83
Earnings per share after full dilution (SEK)	1.16	0.92	3.13	2.66	4.31	3.83
Number of shares before dilution (million)	16.2	16.5	16.3	16.5	16.3	16.5
Number of shares after dilution (million)	16.2	16.5	16.3	16.5	16.3	16.5
Revenue growth (%)	8	-10	3	-12	-2	-13
Gross margin (%)	72.4	74.2	72.0	72.3	72.4	72.7
Operating costs in % of revenue						
- Sales and marketing costs	18.8	18.9	18.6	18.6	18.6	18.6
- R&D costs	19.1	21.0	21.3	22.2	21.5	22.1
- General and administration costs	11.7	12.7	11.2	12.7	10.8	11.9
Operating margin (%)	22.8	21.6	20.8	18.9	21.6	20.1

1) Excluding Enea's holding of own shares

Consolidated statement of financial position

<i>SEK million</i>	30 Sep	30 Sep	31 Dec
	2014	2013	2013
ASSETS			
Intangible assets	124.6	120.2	121.7
- of which goodwill	87.0	81.5	82.6
- of which capitalized development costs	36.6	38.5	39.1
- of which other intangible assets	1.1	0.1	0.1
Tangible assets	8.1	10.7	9.9
Deferred tax assets	1.8	3.0	2.3
Other assets	-	0.9	1.0
Other financial fixed assets	33.7	-	-
Current receivables	142.1	139.2	140.8
Current financial investments	20.4	-	-
Cash and cash equivalents	130.7	156.4	163.6
Total assets	461.4	430.4	439.3
EQUITY AND LIABILITIES			
Equity	373.6	352.2	371.2
Deferred tax liability	10.2	6.3	10.3
Other provisions	1.2	1.4	1.2
Short-term liabilities, non-interest bearing	76.5	70.5	56.5
Total equity and liabilities	461.4	430.4	439.3

Consolidated statement of changes in equity

<i>SEK million</i>	30 Sep	30 Sep	Full year
	2014	2013	2013
At beginning of period	371.2	367.2	367.2
Total comprehensive income for the period	58.6	42.6	63.6
Dividend / Redemption program	-49.1	-49.5	-49.5
Share saving and share option programs	3.7	2.7	3.4
Repurchasing of own shares	-10.9	-10.8	-13.6
At end of period	373.6	352.2	371.2

Consolidated statement of cash flows

SEK million	Jul-Sep		Jan-Sep		Full year 2013
	2014	2013	2014	2013	
Cash flow from operating activities before change in working capital	25.9	20.8	65.3	57.7	88.0
Cash flow from change in working capital	-8.0	-0.5	12.4	5.3	-11.4
Cash flow from operating activities	17.9	20.3	77.7	63.0	76.6
Cash flow from investing activities ¹⁾	-2.9	-2.8	-63.2	-10.0	-14.3
Cash flow from financing activities ²⁾	-3.2	-53.0	-59.9	-60.3	-63.1
Cash flow from the period, before cash flow from divestment of business	11.8	-35.6	-45.4	-7.3	-0.7
Cash flow from investing activities - from divestment of business	-	18.0	10.4	18.0	18.0
Cash flow for the period	11.8	-17.6	-35.0	10.7	17.3
Cash and cash equivalents at the beginning of period	118.1	175.1	163.6	146.7	146.7
Exchange rate differences in cash and cash equivalents	0.8	-1.1	2.1	-1.0	-0.4
Cash and cash equivalents at end of period	130.7	156.4	130.7	156.4	163.6

1) Investments in financial fixed assets 33.6 MSEK and current financial investments 20.0 MSEK

2) Redemption program 49.1 MSEK

Key Figures related to the balance sheet and cash flow

	Jan-Sep		12 months	Full year 2013
	2014	2013	Oct-Sep	
Cash and cash equivalents and financial investments (SEK million)	184.7	156.4	184.7	163.6
Equity ratio (%)	81.0	81.8	81.0	84.5
Equity per share (SEK)	23.06	21.43	23.06	22.65
Cash flow from operating activities per share (SEK)	4.79	3.82	4.55	4.65
Number of employees at end of period	397	376	397	387
Return on equity (%)	-	-	19.4	17.1
Return on capital employed (%)	-	-	25.9	24.1
Return on assets (%)	-	-	21.1	19.8

Parent Company Income Statement

SEK million	Jan-Sep		Full year 2013
	2014	2013	
Net sales	37.1	38.3	48.8
Operating costs	-37.0	-38.3	-48.7
Operating profit	0.1	-	0.1
Net financial income	1.5	2.5	2.7
Profit after financial net	1.6	2.5	2.8
Appropriations	-	-	-0.3
Profit before tax	1.6	2.5	2.5
Tax	-0.3	-0.5	-0.6
Net profit	1.3	1.9	1.9

Parent Company Balance Sheet

SEK million	30 Sep		31 Dec 2013
	2014	2013	
ASSETS			
Fixed assets	209.4	176.5	176.0
Current assets	144.4	139.2	151.1
Total assets	353.8	315.7	327.1
EQUITY AND LIABILITY			
Equity	222.7	279.7	277.6
Untaxed reserves	6.1	5.8	6.1
Current liabilities	125.0	30.3	43.4
Total equity and liabilities	353.8	315.7	327.1

Quarterly data

SEK million	2014			2013			2012			
	q 3	q 2	q 1	q 4	q 3	q 2	q 1	q 4	q 3	q 2
INCOME STATEMENT										
Net sales	105.0	104.0	101.0	106.4	97.1	105.7	99.3	122.5	107.3	120.6
Costs of sold prod. and services	-29.0	-29.0	-28.8	-28.0	-25.1	-27.9	-30.6	-31.0	-30.3	-39.6
Gross profit	76.0	75.0	72.2	78.4	72.0	77.8	68.8	91.5	77.0	81.0
Sales and marketing costs	-19.7	-17.6	-20.3	-19.8	-18.3	-20.6	-17.4	-24.1	-26.2	-26.7
R&D costs	-20.1	-23.5	-22.5	-23.3	-20.4	-22.1	-24.6	-27.1	-16.2	-20.0
General and administration costs	-12.3	-11.1	-11.5	-10.1	-12.3	-13.2	-12.8	-19.9	-16.6	-15.9
Operating profit	23.9	22.7	18.0	25.1	21.0	22.0	14.0	20.4	18.0	18.4
Net financial income/expense	0.4	0.1	0.7	0.2	-1.1	1.4	1.3	0.0	1.5	2.1
Profit before tax	24.3	22.8	18.7	25.3	19.9	23.4	15.3	20.4	19.5	20.5
Tax	-5.5	-5.1	-4.3	-5.9	-4.8	-6.2	-3.7	-5.8	-6.6	-5.6
Profit after tax, continuing operations	18.8	17.8	14.4	19.4	15.1	17.1	11.6	14.6	12.9	14.9
Profit/loss from discontinued operations ¹	-	-	-	-	-	-	-	-	-	-0.1
Net profit	18.8	17.8	14.4	19.4	15.1	17.1	11.6	14.6	12.9	14.8
Other comprehensive income	4.4	4.0	-0.7	1.6	-2.3	3.9	-2.8	1.4	-7.4	2.2
Total comprehensive income	23.2	21.7	13.7	21.0	12.8	21.0	8.8	16.0	5.5	17.0
BALANCE SHEET										
Intangible assets	124.6	123.3	120.9	121.7	120.2	122.3	121.0	121.5	123.4	125.7
Other assets	10.0	10.4	11.7	13.2	14.6	15.8	17.1	20.3	22.1	25.4
Other financial fixed assets	33.7	34.0	-	-	-	-	-	28.0	28.0	28.0
Current receivables	142.1	146.9	152.8	140.8	139.2	165.7	184.4	143.2	133.2	151.4
Current financial investments	20.4	20.1	-	-	-	-	-	-	-	-
Cash and cash equivalents	130.7	118.1	191.9	163.6	156.4	175.1	143.3	146.7	134.6	117.3
Total assets	461.4	452.7	477.3	439.3	430.4	478.9	465.7	459.7	441.3	447.8
Shareholders' equity	373.6	351.7	383.7	371.2	352.2	391.7	372.1	367.2	358.0	353.5
Long-term liab., non-interest bearing	11.4	11.2	11.3	11.6	7.7	7.7	7.8	6.8	3.6	3.6
Short-term liab., interest bearing	-	-	-	-	-	-	-	-	-	0.1
Short-term liab., non-interest bearing	76.5	89.8	82.2	56.5	70.5	79.5	85.8	85.8	79.7	90.6
Total equity and liabilities	461.4	452.7	477.3	439.3	430.4	478.9	465.7	459.7	441.3	447.8
CASH FLOW										
Cash flow from operating activities	17.9	36.8	23.0	13.6	20.3	36.2	6.5	20.1	26.6	27.3
Cash flow from investing activities	-2.9	-57.0	-3.3	-4.3	-2.8	-3.5	-3.6	-0.8	-4.5	-6.8
Cash flow from financial activities	-3.2	-54.8	-1.9	-2.8	-53.0	-2.5	-4.8	-7.7	-2.1	-138.1
Cash flow for the period	11.8	-75.0	17.8	6.5	-35.6	30.2	-1.9	11.6	20.0	-117.6
Cash flow, discontinued operations incl. cap.gain:										
Cash flow, discontinued operations	-	-	10.4	-	18.0	-	-	-	-	-2.3
Total cash flow for the period	11.8	-75.0	28.2	6.5	-17.6	30.2	-1.9	11.6	20.0	-119.9

1) The comparative numbers for 2012 related to the divestment of the Nordic consulting business has been reclassified according to IFRS 5 and comments from NASDAQ OMX.

5 Years in Summary

SEK million	2013	2012	2011	2010	2009
INCOME STATEMENT					
Net sales	408.5	467.8	721.5	726.1	777.7
Operating expenses	-326.4	-395.3	-719.0	-658.7	-781.8
Operating profit	82.1	72.5	2.5	67.4	-4.1
Net financial items	1.7	4.2	3.8	0.7	3.3
Earnings before tax	83.8	76.7	6.3	68.1	-0.8
Profit for the period	63.2	53.6	-6.4	46.0	4.2
Profit, discontinued operations ¹	-	61.7	-	-	-
Net profit	63.2	115.3	-6.4	46.0	4.2
BALANCE SHEET					
Intangible assets	121.7	121.5	127.1	216.7	237.2
Other assets	13.2	48.3	26.4	30.9	46.8
Trade and other current assets	140.8	143.2	147.0	236.6	258.7
Cash and cash equivalents	163.6	146.7	127.3	176.5	153.9
Assets held for sale	-	-	137.3	-	-
Total assets	439.3	459.7	565.1	660.7	696.6
Shareholders' equity	371.2	367.2	415.9	512.6	516.0
Provisions, non-current liabilities and minority	11.6	6.8	3.6	12.7	31.9
Current liabilities	56.5	85.8	90.0	135.4	148.7
Liabilities held for sale	-	-	55.6	-	-
Total equity and liabilities	439.3	459.7	565.1	660.7	696.6
CASH FLOW					
Cash flow from operating activities	76.6	80.1	77.2	76.1	70.3
Cash flow from investing activities	3.7	99.7	-33.0	-19.0	-13.2
Cash flow from financing activities	-63.1	-157.3	-93.4	-31.7	-21.8
Cash flow for the period	17.3	22.5	-49.2	25.4	35.3
KEY FIGURES					
Revenue growth, %	-13	-35	-1	-7	-15
Operating margin, %	20.1	15.5	0.3	9.3	-0.5
Profit margin, %	20.5	16.4	0.9	9.4	-0.1
Return on capital employed, %	24.1	19.2	4.5	13.9	1.7
Return on equity, %	17.1	13.7	2.5	8.9	0.8
Return on total capital, %	19.8	15.7	3.6	10.6	1.3
Interest coverage ratio, times	16.7	20.7	7.3	19.5	0.9
Equity ratio, %	84.5	79.9	73.6	77.6	74.1
Liquidity, %	538.9	338.1	304.8	305.1	277.5
Average number of employees	384	417	613	621	666
Net sales per employee, MSEK	1.06	1.12	1.18	1.17	1.17
Net asset value per share, SEK	22.65	22.14	24.31	29.55	29.53
Earnings per share, SEK	3.83	6.85	-0.37	2.65	0.24
Dividend per share, SEK	3.00	3.00	8.00	5.00	1.50

1) The comparative numbers related to the divestment of Nordic consulting business has been reclassified according to IFRS 5 and comments from NASDAQ OMX.

Technology Insight

Network Functions Virtualization (NFV)

Network Functions Virtualization (NFV) is a network architecture concept that proposes the use of standard server hardware and virtualization techniques to implement network functions as building blocks for communication services. Transformation of the telecommunication networks, from today's often vertically integrated solutions following rigorous standards and quality requirements, to scalable and elastic, cloud based networks, is necessary to accelerate the pace of development and meet future communication requirements.

Enea Telco Development Platform

Together with HP, Enea is taking the first step towards NFV by providing Enea Telco Development Platform on HP Moonshot ProLiant server. The HP ProLiant m800 cartridge is HP's first ARM based cartridge specifically designed with telecommunication customers in mind. The focus on HP Moonshot reinforces Enea's commitment and leadership in providing software solutions for the ARM architecture and shows applicability of Enea's products for future communication designs. Currently Enea is also working on the HP ProLiant m400 cartridge, which will be the first 64bit ARM based cartridge in HP Moonshot context.

Enea's expertise and software solutions help customers to deploy their network functions on standard hardware today. The software offers an accelerated start, both when migrating existing applications and when developing new ones. At the same time custo-



mers secure the transition of their applications to cloud based environments and Software Defined Networks (SDN).

Another confirmation of the applicability of Enea's software for NFV is the recently announced contract to deliver Enea Element for a next generation data switches and routers. The possibility to move network functions into a cloud environment was important for the customer when selecting the software solution from Enea.

Collaboration between HP and Enea around standard ARM based server hardware and Enea's leading position as an Independent Software Vendor for telecommunication industry provides a solid foundation for next generation of networks. Enea's Telco Development Platform is a milestone for Enea to provide communication and connectivity solutions not only to telecommunication companies, but to any industry where communication is decisive for success of new products.

The Quarter in Pictures

Enea publishes photos from various events around the globe. Follow 'eneaab' on Instagram! Here is a selection of the photos we shared this quarter.



Enea demo at LinuxCon US 2014



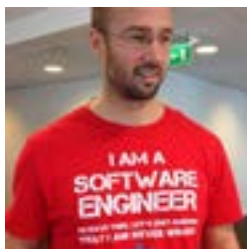
Enea demo at LinuxCon US 2014



Enea presentation during LinuxCon US 2014



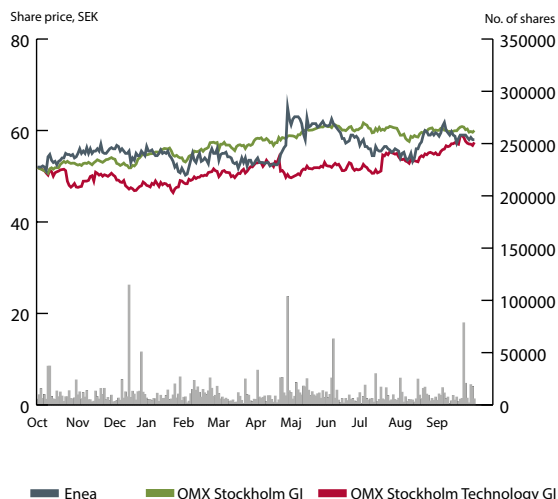
All hands meeting, celebrating our Telco Development Platform on the HP ProLiant m800 server cartridge



"Software engineers are never wrong"



Field Application Engineers at the HQ in Kista, Sweden



The Share

July - September 2014

Share price development:	+2.20%
No. of traded shares:	619,331
Highest closing price:	65.00 SEK
Lowest closing price:	50.25 SEK
Dividend in 2014*:	3.00 SEK
Market cap. (30 Sep):	990 MSEK
Total No. of shares (30 Sep):	16,739,724

* through a redemption program

For queries, please contact

Anders Lidbeck, President and CEO
Håkan Rippe, CFO
Sofie Sarhed, Investor Relations

Phone: +46 (0)8-507 140 00

Enea AB (556209-7146)
Jan Stenbecks torg 17
P.O. Box 1033
SE-164 21 Kista, Sweden

Financial information

Annual Statement	12 February, 2015
Interim report Jan-Mar	28 April, 2015
Annual general meeting	7 May, 2015
Interim report Apr-Jun	21 July, 2015
Interim report Jul-Sep	21 October, 2015
Annual statement	11 February, 2016

All financial information is published at Enea's website www.enea.com

Financial reports can also be ordered from
Enea AB, P.O. Box 1033, SE-164 21 Kista, Sweden
or by e-mail: ir@enea.com

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