



Annual Statement 2014

Record profit for the full year and for each quarter of 2014

Enea has achieved its best operating profit and its highest operating margins in the company's history in the fourth quarter of 2014, while at the same time sales increased. In the full year of 2014, Enea's operating margin, operating profit and cash flow from operating activities were the highest ever. For the second consecutive year, the company reached its profitability target of a 20 percent operating margin.

- Net sales in the fourth quarter amounted to SEK 119.3 (106.4) million, which is equivalent to an increase of 12 percent. For the full year, net sales grew by 5 percent.
- The operating profit in the fourth quarter increased to SEK 29.2 (25.1) million which is equivalent to an operating margin of 24.5 (23.6) percent. For the full year, the operating profit increased to SEK 93.8 (82.1) million, which is equivalent to an operating margin of 21.9 (20.1) percent.
- Earnings per share increased to SEK 1.46 (1.18) for the fourth quarter and to SEK 4.58 (3.83) for the full year.
- Cash flow from operating activities amounted to SEK 38.5 (13.6) million for the quarter and to SEK 116.2 (76.6) million for the full year. Cash, cash equivalents and financial investments amounted to SEK 215.3 (163.6) million at the end of the quarter.

	Oct-Dec		Full year	
	2014	2013	2014	2013
Net sales, SEK million	119.3	106.4	429.3	408.5
Revenue growth, %	12	-13	5	-13
Revenue growth currency adjusted, %	8	-12	3	-11
Operating profit, SEK million	29.2	25.1	93.8	82.1
Operating margin, %	24.5	23.6	21.9	20.1
Net profit before tax, SEK million	29.4	25.3	95.3	83.8
Net profit after tax, SEK million	23.5	19.4	74.5	63.2
Earnings per share, SEK	1.46	1.18	4.58	3.83
Cash flow (from operations), SEK million	38.5	13.6	116.2	76.6
Cash, cash equivalents and financial investments, SEK million	215.3	163.6	215.3	163.6

"The fourth quarter is the seventh consecutive quarter in which there was improved profitability.."

"During the past quarter, we chose to become a silver member of the OPNFV (Open Platform for NFV) initiative, which is run by the Linux Foundation."



Anders Lidbeck,
President and CEO

A word from the CEO

The fourth quarter is the seventh consecutive quarter in which we showed improved profitability compared with the same period last year. In the fourth quarter, as well as for the full year of 2014, we could also report record operating profit during this period, not only compared with the same period the previous year, but throughout the history of Enea.

The revenues grew in a satisfactory way during the fourth quarter. Even adjusted for positive currency effects, it is a good growth. Total revenues grew by 12 percent in the quarter and 5 percent over the full year. We achieved double-digit growth for the fourth quarter for our global services activity, as well as sequential growth over the previous quarter. This is the third consecutive quarter that has shown double-digit improvement compared with the same quarter previous year. Over the last year 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.

Our software business grew by 6 percent in the fourth quarter, compared with the same quarter last year. Revenues in this area are largely dependent on royalty revenues from our major customers. We could see an increase in these royalty revenues during the fourth quarter. But alongside this, operations apart from our largest customers continue to grow even faster and we were able to note double-digit revenue growth, which is very satisfying. It is worth noting that our revenues in China in the fourth quarter quadrupled compared with the same quarter last year. From the beginning of the year, revenue has grown by 50 percent and we have won four new customers in China during the year. Most of the new customers we have won have chosen to use a combination of our products. Often, our real-time operating system (OSEck) from Enea and products from our middleware portfolio, Enea Element and Enea Polyhedra, have been components of these deals. During the fourth quarter, Enea signed a contract with yet another new customer in China. The customer is active in the communications industry and will use Enea OSE and OSEck in an IoV (Internet of Vehicles) project. 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. Our software business also continues to develop with good gross margins and contributes greatly to the company's total operating profits.

Our position in the market has developed well over the past year, and we are continuing our steady progress as an independent software vendor. As in previous quarters, we have chosen to invest for the future and reinvest more than 20 percent of our revenues in our own product portfolio. One of several goals for this investment is to improve integration and coordination between our various product lines, and we are seeing an increasing number of deals where the customer chooses to buy multiple products from Enea - often combined with service deals in which Enea assumes the role of system integrator or platform provider. Our commitment and our presence in the open source society continue to increase. This is not only important as a part of the marketing of our own Linux offering, but it is also a driving force for services and training linked to open source software. Our collaboration with the Linux Foundation around Linux training continues to thrive and we can see a growing interest in Enea's courses concerning Linux for embedded systems. During the past quarter, we chose to become a silver member of the OPNFV (Open Platform for NFV) initiative, which is run by the Linux Foundation. This is a natural step for Enea, because NFV (Network Function Virtualization) is a central concept in many discussions regarding future architecture of network nodes and functions. This will also be one more piece of the puzzle in our quest to continue to build up a stronger brand in open source in general, and in Linux in particular. Now that our market position has strengthened, we see next year with confidence.

We continue our efforts aimed at improved growth and high profitability. The changes in our sales and marketing organization that we introduced in 2014 have worked out well and we will continue to gradually strengthen our sales and marketing organization with the aim of higher growth in the long term, but it will not have a negative impact on the company's profit margins in the short term. In 2014, we achieved our objective of consolidating our 20 percent operating margin and delivered full year revenue growth, with a 22 percent operating margin and a 5 percent growth in sales revenue.

Our objective full year 2015 is to achieve revenue growth and our assessment is that earnings per share will improve compared with 2014.

Anders Lidbeck, CEO and President

Sales and Profit & Loss

Sales

Enea's sales in the fourth quarter amounted to SEK 119.3 (106.4) million, which is equivalent to an increase of 12 percent compared with the fourth quarter 2013. Sales for the whole year 2014 increased to SEK 429.3 (408.5) million, which is an increase of 5 (-13) percent. Currency-adjusted revenues were 8 percent higher in the fourth quarter, compared with the corresponding period of the previous year, and 3 percent higher for the whole year.

Revenues from term-based development licenses including support and maintenance were higher compared to the same quarter last year. Revenues from perpetual development licenses fell slightly. Revenues from production licenses (royalties), which are largely dependent on customer sales volumes, increased during the quarter. Global service sales grew by 31 percent in the fourth quarter, compared with the same quarter last year. Sales of product-related services also increased substantially.

Sales during the quarter were distributed into telecom infrastructure with 57 percent, wireless devices 5 percent, aero/defense 12 percent, medical 3 percent and other segments 23 percent.

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

Profit & Loss

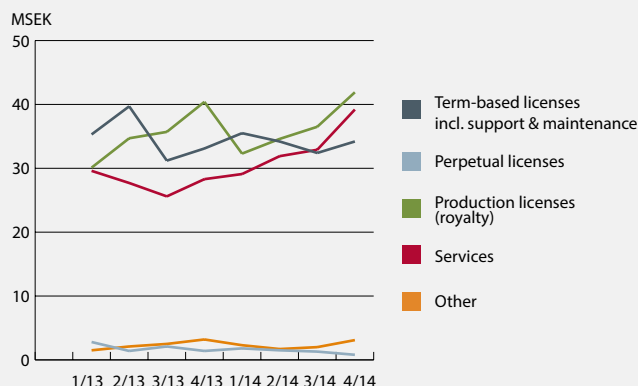
The Group's operating profit amounted to SEK 29.2 (25.1) million in the fourth quarter, which is equivalent to an operating margin of 24.5 (23.6) percent. The operating profit in the full year amounted to SEK 93.8 (82.1) million, which is equivalent to an operating margin of 21.9 (20.1) percent. Currency effects have had a marginal effect on the profit.

The gross margin for the fourth quarter amounted to 71.5 (73.7) percent and for the full year to 71.8 (72.7) percent. The change in the gross margin in the quarter, and for the full year, was primarily due to a higher proportion of service sales.

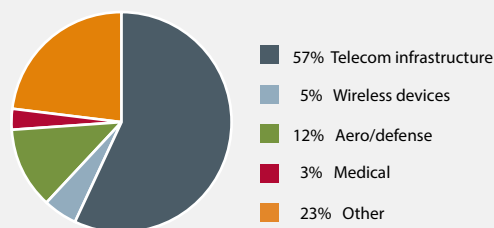
Financial net for the fourth quarter amounted to SEK 0.3 (0.2) million and for the full year to SEK 1.5 (1.7) million. Profit after tax increased to SEK 23.5 (19.4) million for the fourth quarter and to SEK 74.5 (63.2) million for the full year.

Earnings per share increased to SEK 1.46 (1.18) for the fourth quarter and to SEK 4.58 (3.83) for the full year. Without adjustment for holdings of own shares, the earnings per share amounted to SEK 1.41 (1.14) for the quarter and to SEK 4.45 (3.70) for the full year.

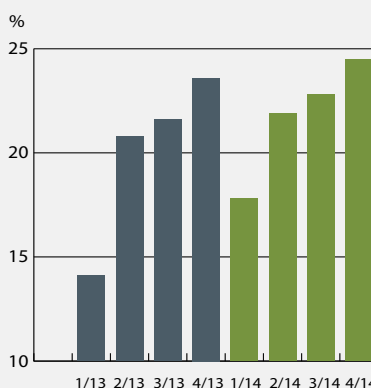
Revenue



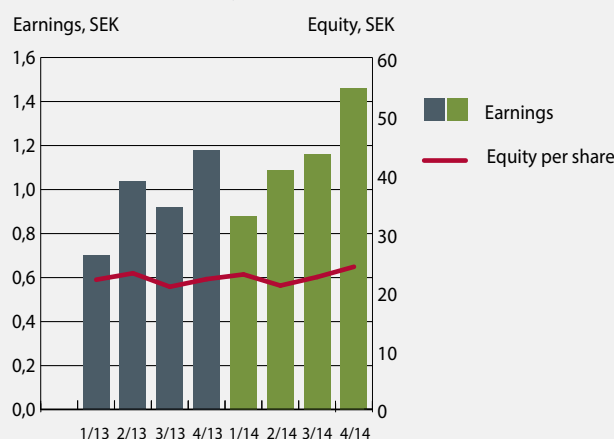
Revenue per customer segment (Oct-Dec)



Operating margin



Earnings and Equity per share



Sales per Region

Enea has a total of seven sales offices in Europe, America and Asia.

Europe

The European operations includes customers such as Ericsson, Nokia 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. Revenues also increased for the full year in Europe

Americas

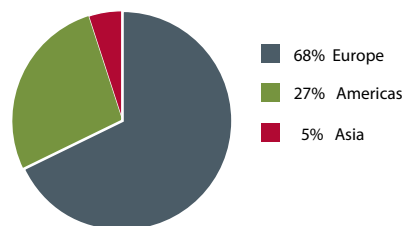
The American business includes customers such as Motorola, Fujitsu, Boeing, Honeywell, and Hospira. Two offices handle sales and delivery of software and services.

During the quarter, total sales in America increased, compared with the previous year. Total sales in America increased slightly for the full 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 same period the previous year. Also for the full year sales rose sharply.

Revenue per geography (Oct-Dec)



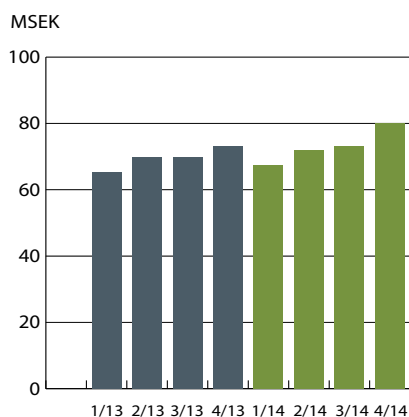
Significant Deals during the quarter

In the fourth quarter, a contract worth SEK 2 million was signed with a Telecom customer in Europe. The customer will use Enea OSEck with adapted security protocols.

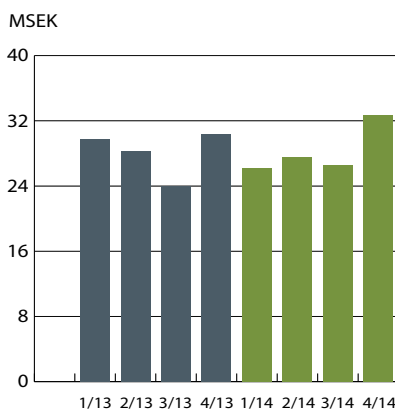
A contract was concluded in China in the fourth quarter with a new customer. The customer is active in the communications industry and will use Enea OSE and OSEck in an IoV (Internet of Vehicles) project.

A majority of the American services deals were extended during the quarter.

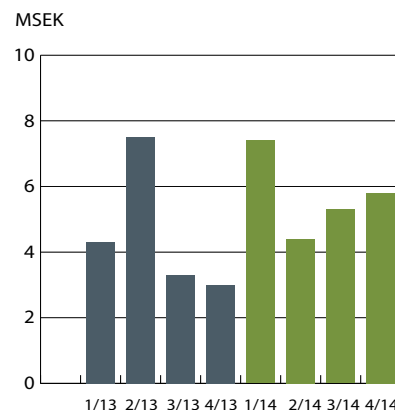
Revenue Europe



Revenue Americas



Revenue Asia



Revenue per region

	Oct-Dec		Full year	
	2014	2013	2014	2013
Europe	80.8	73.0	293.3	278.0
Americas	32.7	30.4	113.1	112.4
Asia	5.8	3.0	22.9	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, Linx and Netbricks. 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 57 percent of income during the quarter. During the quarter, sales increased, compared with the same quarter last year. Sales for the full year were unchanged.

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 7 percent of Enea's total sales during the quarter, and grew compared with the same quarter last year. Sales of middleware increased for the full year.

Services

Total services sales increased strongly during the quarter and accounted for 33 percent of Enea's total sales. Service revenues also increased strongly for the full year.

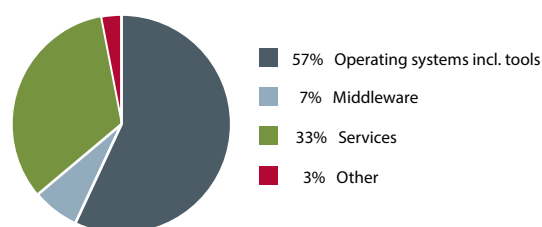
Other

The Other group, which mainly consists of third-party products, as well as currency effects, decreased during the quarter and accounted for 3 percent of total sales.

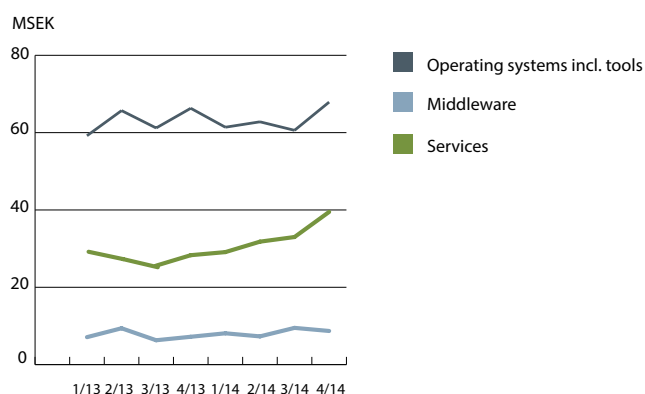
Enea's offering

Enea OSE, Enea Linux, Enea OSEck – operating systems
Enea Optima – development tools for developing software running on Enea's operating systems
Enea Element – middleware software
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 (Oct-Dec)



Revenue per product



Revenue per product

	Oct-Dec		Full year	
	2014	2013	2014	2013
Operating systems incl. tools	67.9	66.3	252.7	252.4
Middleware	8.7	7.2	33.6	30.0
Services	39.5	28.3	133.4	111.3
Other	3.2	4.5	9.6	14.8



Cash flow from operations amounted to SEK 38.5 (13.6) million for the fourth quarter and to SEK 116.2 (76.6) million for the full year. Total cash flow after financial investments of SEK 34.4 million amounted to SEK 48.1 (6.5) million for the fourth quarter and to SEK 13.1 (17.3) million for the full year.

Cash and cash equivalents and financial investments amounted to SEK 215.3 (163.6) million at the end of the quarter, of which financial fixed assets with terms in excess of one year amounted to SEK 14.3 (33.7) million. In addition the Group has an unused credit of SEK 15 million. Enea has an equity ratio of 79,4 (84.5) percent.

Investments

The Group's investments for the fourth quarter amounted to 4.5 (4.3) million and to SEK 15.0 (14.3) million for the full year. Depreciation amounted to MSEK 4.7 (4.6) for the fourth quarter and to MSEK 18.6 (18.2) for the full year. During the fourth quarter, product development costs were capitalized to a value of SEK 3.9 (3.9) million and for the full year to SEK 12.3 (12.6) million. Depreciation for capitalized product development costs during the fourth quarter amounted to SEK 3.6 (3.3) million and for the full year to SEK 14.5 (12.6) million.

Employees

At the end of the quarter, the number of employees in the Group was 399 (387) people, which is an increase of 12 people compared with the same quarter of the previous year and an increase of 2 people from the previous quarter.

Repurchasing of own Shares

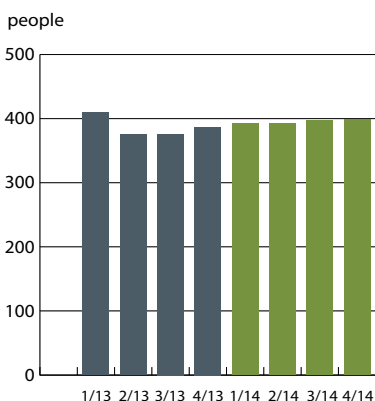
68,047 shares to a value of SEK 4.8 million were repurchased during the fourth quarter. During the full year, 253,027 shares were repurchased for a value of SEK 15.2 million. Enea held a total of 606,704 of its own shares at the end of the quarter, equivalent to 3.6 percent of the total number of shares.

Cash Flow and Investments

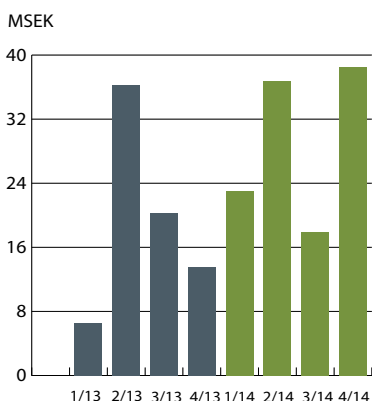
Cash Flow and Financial Position

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.

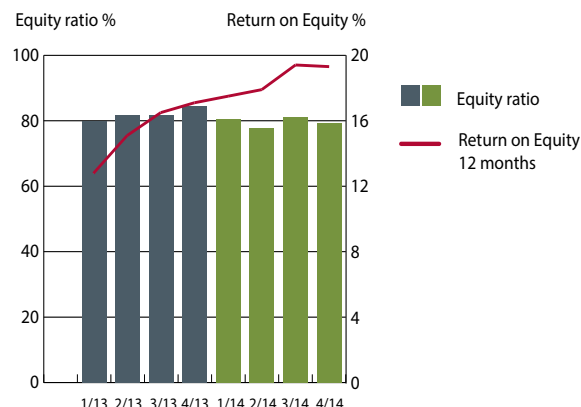
Employees



Cash flow from operations



Equity ratio and Return on Equity



Parent Company

The parent company's net sales for the full year amounted to SEK 51.6 (48.8) million and the profit before tax was SEK 2.2 (2.8) million. Financial net in the parent company amounted to SEK 2.2 (2.7) million and cash and cash equivalents at the end of the quarter amounted to SEK 184.1 (131.4) million. The parent company's investments in the quarter amounted to 0.3 (-) 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 Kista Science Tower, Färögatan 33, 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 14.3 million and corporate bond funds SEK 20.6 million. The level 1 total amounts to SEK 34.9 million. Fair value of corporate bonds held on the due date is SEK 14.3 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 2.1 million as at 31 December 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, 2014-12-31	Level 1	Level 2	Level 3	Total
Investments held to maturity				
Corporate bonds	14.3	-	-	14.3
Derivatives used for hedging purposes				
Currency derivatives	-	2.1	-	2.1
Financial assets measured at fair value through profit and loss				
Bond stock investment	20.6	-	-	20.6
Total	34.9	2.1	-	37.0

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 Nokia. 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.

Dividend

According to the company's dividend policy, at least 30 percent of profit after tax must be transferred to shareholders. Given Enea's strong financial position, the Board proposes that the Annual General Meeting should elect to transfer to shareholders an amount equivalent to SEK 3.60 (3.00) per share. This is equivalent to a transfer amounting to SEK 60.3 (49.2) million. The Board proposes that the dividend be executed via a redemption program.

Target Compliance and Outlook

Long-term Ambition

The 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 complementary acquisitions will be evaluated regularly. 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.

Target Compliance 2014

Enea increased its revenues during 2014 and achieved an operating margin of 21.9 percent for the full year. During 2014, Enea has also achieved its objective of improving its earnings per share.

Outlook for 2015

Our objective full year 2015 is to achieve revenue growth and our assessment is that earnings per share will improve compared with 2014.

Kista, February 12, 2015
Board of directors

*This interim report was not examined by
the Company's auditors*

Consolidated statement of comprehensive income

SEK million	Oct-Dec		Full year	
	2014	2013	2014	2013
Net sales	119.3	106.4	429.3	408.5
Cost of sold products and services	-34.1	-28.0	-120.9	-111.6
Gross profit	85.2	78.4	308.4	296.9
Sales and marketing costs	-22.7	-19.8	-80.3	-76.1
R&D costs	-21.8	-23.3	-87.9	-90.4
General and administration costs	-11.5	-10.1	-46.4	-48.4
Operating profit ^{1,2}	29.2	25.1	93.8	82.1
Net financial income	0.3	0.2	1.5	1.7
Profit before tax	29.4	25.3	95.3	83.8
Tax	-5.9	-5.9	-20.8	-20.6
Net profit for the period	23.5	19.4	74.5	63.2
OTHER COMPREHENSIVE INCOME				
<i>Items that may be reclassified to profit or loss</i>				
Change in hedging reserve, after tax	-0.0	-	-0.9	-0.6
Currency translation differences	5.8	1.6	14.3	1.0
Total comprehensive income for the period, net of tax	29.3	21.0	88.0	63.6
Profit for the period attributable to the shareholders of the Parent Company	23.5	19.4	74.5	63.2
Comprehensive income for the period attributable to the shareholders of the Parent Company	29.3	21.0	88.0	63.6
1) incl. amortization of tangible assets	1.0	1.3	3.9	5.2
2) incl. amortization of intangible assets	3.7	3.4	14.7	13.0

Key figures related to the income statement

	Oct-Dec		Full year	
	2014	2013	2014	2013
Earnings per share (SEK) ¹	1.46	1.18	4.58	3.83
Earnings per share after full dilution (SEK)	1.46	1.18	4.58	3.83
Number of shares before dilution (million)	16.2	16.4	16.3	16.5
Number of shares after dilution (million)	16.2	16.4	16.3	16.5
Revenue growth (%)	12	-13	5	-13
Gross margin (%)	71.5	73.7	71.8	72.7
Operating costs in % of revenue				
- Sales and marketing costs	19.0	18.6	18.7	18.6
- R&D costs	18.3	21.9	20.5	22.1
- General and administration costs	9.7	9.5	10.8	11.9
Operating margin (%)	24.5	23.6	21.9	20.1

1) Excluding Enea's holding of own shares

Consolidated statement of financial position

<i>SEK million</i>	31 Dec	31 Dec
	2014	2013
ASSETS		
Intangible assets	128.1	121.7
- of which goodwill	90.1	82.6
- of which capitalized development costs	36.9	39.1
- of which other intangible assets	1.0	0.1
Tangible assets	7.7	9.9
Deferred tax assets	1.8	2.3
Other assets	0.5	1.0
Other financial fixed assets	14.3	-
Current receivables	150.6	140.8
Current financial investments	20.6	-
Cash and cash equivalents	180.4	163.6
Total assets	504.0	439.3
EQUITY AND LIABILITIES		
Equity	400.3	371.2
Deferred tax liability	14.8	10.3
Other provisions	1.3	1.2
Short-term liabilities, non-interest bearing	87.5	56.5
Total equity and liabilities	504.0	439.3

Consolidated statement of changes in equity

<i>SEK million</i>	Full year	Full year
	2014	2013
At beginning of period	371.2	367.2
Total comprehensive income for the period	88.0	63.6
Dividend / Redemption program	-49.3	-49.5
Share saving and share option programs	5.7	3.4
Repurchasing of own shares	-15.2	-13.6
At end of period	400.3	371.2

Consolidated statement of cash flows

SEK million	Oct-Dec		Full year	
	2014	2013	2014	2013
Cash flow from operating activities before change in working capital	35.0	30.3	100.3	88.0
Cash flow from change in working capital	3.5	-16.7	15.9	-11.4
Cash flow from operating activities	38.5	13.6	116.2	76.6
Cash flow from investing activities ¹⁾	14.3	-4.3	-48.9	-14.3
Cash flow from financing activities ²⁾	-4.7	-2.8	-64.6	-63.1
Cash flow from the period, before cash flow from divestment of business	48.1	6.5	2.7	-0.7
Cash flow from investing activities - from divestment of business	-	-	10.4	18.0
Cash flow for the period	48.1	6.5	13.1	17.3
Cash and cash equivalents at the beginning of period	130.7	156.4	163.6	146.7
Exchange rate differences in cash and cash equivalents	1.6	0.6	3.7	-0.4
Cash and cash equivalents at end of period	180.4	163.6	180.4	163.6

1) Investments in financial fixed assets 2 MSEK for the quarter, 14.6 MSEK for the full year and current financial investments 20.0 MSEK for the full year
2) Redemption program 49.1 MSEK for the full year

Key Figures related to the balance sheet and cash flow

	Full year	
	2014	2013
Cash and cash equivalents and financial investments (SEK million)	215.3	163.6
Equity ratio (%)	79.4	84.5
Equity per share (SEK)	24.81	22.65
Cash flow from operating activities per share (SEK)	7.19	4.65
Number of employees at end of period	399	387
Return on equity (%)	19.3	17.1
Return on capital employed (%)	25.7	24.1
Return on assets (%)	21.1	19.8

Parent Company Income Statement

SEK million	Full year	
	2014	2013
Net sales	51.6	48.8
Operating costs	-51.6	-48.7
Operating profit	-	0.1
Net financial income	2.2	2.7
Profit after financial net	2.2	2.8
Appropriations	-0.6	-0.3
Profit before tax	1.6	2.5
Tax	-0.4	-0.6
Net profit for the period	1.3	1.9

Parent Company Balance Sheet

SEK million	31 Dec	31 Dec
	2014	2013
ASSETS		
Fixed assets	190.0	176.0
Current assets	189.3	151.1
Total assets	379.3	327.1
EQUITY AND LIABILITIES		
Equity	220.0	277.6
Untaxed reserves	6.6	6.1
Current liabilities	152.6	43.4
Total equity and liabilities	379.3	327.1

Quarterly data

SEK million	2014				2013				2012	
	q 4	q 3	q 2	q 1	q 4	q 3	q 2	q 1	q 4	q 3
INCOME STATEMENT										
Net sales	119.3	105.0	104.0	101.0	106.4	97.1	105.7	99.3	122.5	107.3
Costs of sold prod. and services	-34.1	-29.0	-29.0	-28.8	-28.0	-25.1	-27.9	-30.6	-31.0	-30.3
Gross profit	85.2	76.0	75.0	72.2	78.4	72.0	77.8	68.8	91.5	77.0
Sales and marketing costs	-22.7	-19.7	-17.6	-20.3	-19.8	-18.3	-20.6	-17.4	-24.1	-26.2
R&D costs	-21.8	-20.1	-23.5	-22.5	-23.3	-20.4	-22.1	-24.6	-27.1	-16.2
General and administration costs	-11.5	-12.3	-11.1	-11.5	-10.1	-12.3	-13.2	-12.8	-19.9	-16.6
Operating profit	29.2	23.9	22.7	18.0	25.1	21.0	22.0	14.0	20.4	18.0
Net financial income/expense	0.3	0.4	0.1	0.7	0.2	-1.1	1.4	1.3	0.0	1.5
Profit before tax	29.4	24.3	22.8	18.7	25.3	19.9	23.4	15.3	20.4	19.5
Tax	-5.9	-5.5	-5.1	-4.3	-5.9	-4.8	-6.2	-3.7	-5.8	-6.6
Net profit for the period	23.5	18.8	17.8	14.4	19.4	15.1	17.1	11.6	14.6	12.9
Other comprehensive income	5.8	4.4	4.0	-0.7	1.6	-2.3	3.9	-2.8	1.4	-7.4
Total comprehensive income	29.3	23.2	21.7	13.7	21.0	12.8	21.0	8.8	16.0	5.5
BALANCE SHEET										
Intangible assets	128.1	124.6	123.3	120.9	121.7	120.2	122.3	121.0	121.5	123.4
Other assets	9.9	10.0	10.4	11.7	13.2	14.6	15.8	17.1	20.3	22.1
Other financial fixed assets	14.3	33.7	34.0	-	-	-	-	-	28.0	28.0
Current receivables	150.6	142.1	146.9	152.8	140.8	139.2	165.7	184.4	143.2	133.2
Current financial investments	20.6	20.4	20.1	-	-	-	-	-	-	-
Cash and cash equivalents	180.4	130.7	118.1	191.9	163.6	156.4	175.1	143.3	146.7	134.6
Total assets	504.0	461.4	452.7	477.3	439.3	430.4	478.9	465.7	459.7	441.3
Shareholders' equity	400.3	373.6	351.7	383.7	371.2	352.2	391.7	372.1	367.2	358.0
Long-term liab., non-interest bearing	16.2	11.4	11.2	11.3	11.6	7.7	7.7	7.8	6.8	3.6
Short-term liab., non-interest bearing	87.5	76.5	89.8	82.2	56.5	70.5	79.5	85.8	85.8	79.7
Total equity and liabilities	504.0	461.4	452.7	477.3	439.3	430.4	478.9	465.7	459.7	441.3
CASH FLOW										
Cash flow from operating activities	38.5	17.9	36.8	23.0	13.6	20.3	36.2	6.5	20.1	26.6
Cash flow from investing activities	14.3	-2.9	-57.0	-3.3	-4.3	-2.8	-3.5	-3.6	-0.8	-4.5
Cash flow from financial activities	-4.7	-3.2	-54.8	-1.9	-2.8	-53.0	-2.5	-4.8	-7.7	-2.1
Cash flow for the period	48.1	11.8	-75.0	17.8	6.5	-35.6	30.2	-1.9	11.6	20.0
Cash flow, discontinued operations incl. cap.gain:										
Cash flow, discontinued operations	-	-	-	10.4	-	18.0	-	-	-	-
Total cash flow for the period	48.1	11.8	-75.0	28.2	6.5	-17.6	30.2	-1.9	11.6	20.0

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	2014	2013	2012	2011	2010
INCOME STATEMENT					
Net sales	429.3	408.5	467.8	721.5	726.1
Operating expenses	-335.5	-326.4	-395.3	-719.0	-658.7
Operating profit	93.8	82.1	72.5	2.5	67.4
Net financial items	1.5	1.7	4.2	3.8	0.7
Earnings before tax	95.3	83.8	76.7	6.3	68.1
Profit for the period	74.5	63.2	53.6	-6.4	46.0
Profit, discontinued operations ¹	-	-	61.7	-	-
Net profit	74.5	63.2	115.3	-6.4	46.0
BALANCE SHEET					
Intangible assets	128.1	121.7	121.5	127.1	216.7
Other assets	24.2	13.2	48.3	26.4	30.9
Trade and other current assets	150.6	140.8	143.2	147.0	236.6
Current financial investments	20.6	-	-	-	-
Cash and cash equivalents	180.4	163.6	146.7	127.3	176.5
Assets held for sale	-	-	-	137.3	-
Total assets	504.0	439.3	459.7	565.1	660.7
Shareholders' equity	400.3	371.2	367.2	415.9	512.6
Provisions and non-current liabilities	16.2	11.6	6.8	3.6	12.7
Current liabilities	87.5	56.5	85.8	90.0	135.4
Liabilities held for sale	-	-	-	55.6	-
Total equity and liabilities	504.0	439.3	459.7	565.1	660.7
CASH FLOW					
Cash flow from operating activities	116.2	76.6	80.1	77.2	76.1
Cash flow from investing activities	-38.5	3.7	-15.7	-33.0	-19.0
Cash flow from investing activities - divested business	10.4	18.0	115.4	-	-
Cash flow from financing activities	-64.6	-63.1	-157.3	-93.4	-31.7
Cash flow for the period	13.1	17.3	22.5	-49.2	25.4
KEY FIGURES					
Revenue growth, %	5	-13	-35	-1	-7
Operating margin, %	21.9	20.1	15.5	0.3	9.3
Profit margin, %	22.2	20.5	16.4	0.9	9.4
Return on capital employed, %	25.7	24.1	19.2	4.5	13.9
Return on equity, %	19.3	17.1	13.7	2.5	8.9
Return on total capital, %	21.1	19.8	15.7	3.6	10.6
Interest coverage ratio, times	24.5	16.7	20.7	7.3	19.5
Equity ratio, %	79.4	84.5	79.9	73.6	77.6
Liquidity, %	401.8	538.9	338.1	304.8	305.1
Average number of employees	392	384	417	613	621
Net sales per employee, MSEK	1.12	1.06	1.12	1.18	1.17
Net asset value per share, SEK	24.81	22.65	22.14	24.31	29.55
Earnings per share, SEK	4.58	3.83	6.85	-0.37	2.65
Dividend per share, SEK	3.60	3.00	3.00	8.00	5.00

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

OPNFV

Enea joined the OPNFV (Open Platform for NFV) project in the middle of December 2014. OPNFV is a Linux Foundation project with the aim of accelerating the development of virtual networking capabilities, i.e. effectively decoupling the infrastructure that makes up our network from features that we choose to execute in the networks.

The OPNFV project is expected to deliver an open source platform that is designed to help increase performance, reduce power consumption, improve accessibility, ease of maintenance and management of our networks. OPNFV is working in close cooperation with relevant standards organizations, and several of the leading operators and manufacturers of communications equipment are contributing to the project.

Membership in OPNFV is strategically important for Enea. Our expertise in operating systems, as well as our experience of existing communication solutions, gives us the opportunity, together with the other market leaders in the communications industry, to define what future networks will look like.



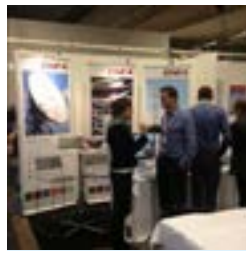
All of the software in the OPNFV project is open source. This creates an opportunity for Enea to commercialize a software platform that consists of Enea Linux, software components from the OPNFV project, as well as a range of Enea's other programs. Such a platform, an operating system for future networks, will be a necessary component for anyone building a communication system. It will create business opportunities for companies capable of packaging, maintaining and supporting such a software solution. Enea, a company composed of experts on software for the communications industry, is well positioned to become an important player in this context.

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's booth at ECS in Kista, Stockholm



Enea at ECS Kista, Stockholm



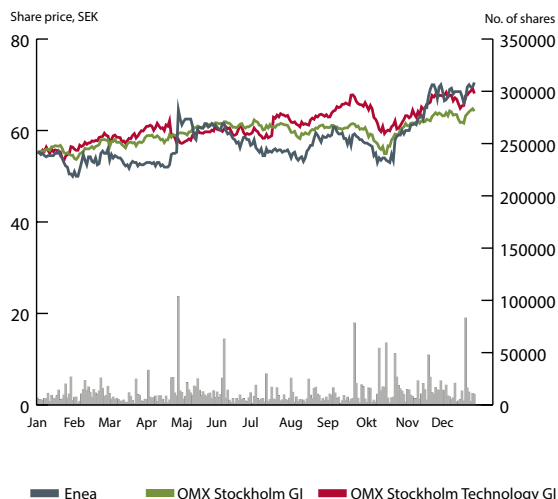
Enea's workshop on "Hands on Open Enea Linux" at BeagleBone Black, ECS



LinuxCon in Germany



Enea was Bronze Sponsor at Embedded Conference Scandinavia (ECS) in Kista, Stockholm, in November



The Share

October - December 2014

Share price development: +23.14%
No. of traded shares: 923,883

Highest closing price: 70.50 SEK
Lowest closing price: 50.00 SEK
Dividend in 2014*: 3.60 SEK

Market cap. (31 Dec): 1180 MSEK
Total No. of shares (31 Dec): 16,739,724

* through a redemption program

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Financial information

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
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