



Interim Report January - March 2016

Continued profit increase and strong cash flow

Enea achieved improved operating profit, operating margin and revenues in the first quarter 2016. Enea reported a stable operating margin of over 20 percent, while earnings per share and cash flow increased compared with the same period last year.

- Revenue in the first quarter amounted to SEK 120.8 (117.4) million, an increase of 3 percent.
- Operating profit for the first quarter increased to SEK 26.9 (23.3) million, corresponding to an operating margin of 22.3 (19.9) percent.
- Earnings per share were up to SEK 1.38 (1.19) for the first quarter.
- Cash flow from operating activities was SEK 38.8 (13.6) million for the quarter. Cash and cash equivalents and financial investments amounted to SEK 227.8 (222.5) million at the end of the quarter.
- The Board of Directors proposes that the Annual General Meeting approves a transfer to shareholders of SEK 4.20 (3.60) per share through an automatic redemption program.

	Jan-Mar		Full year
	2015	2014	2015
Revenue, SEK million	120.8	117.4	481.5
Revenue growth, %	3	16	12
Revenue growth currency adjusted, %	3	8	5
Operating profit, SEK million	26.9	23.3	110.0
Operating margin, %	22.3	19.9	22.9
Net profit after tax, SEK million	21.9	19.2	88.0
Earnings per share, SEK	1.38	1.19	5.49
Change in earnings per share, % *	16	35	20
Cash flow (from operating activities), SEK million	38.8	13.6	104.6
Cash, cash equivalents and financial investments, SEK million	227.8	222.5	203.5

* Compared with the same period last year

A word from the CEO

"Operating profit for the quarter was SEK 26.9 million... which is 16 percent increase on the same period of the previous year."

"...very strong cash flow from operating activities in the period of SEK 38.8 (13.6) million."



Anders Lidbeck,
President & CEO

Strong profits

Going into 2016, our target was to keep our profit margin stable at levels above 20 percent, and with the ambition of increasing our earnings in absolute terms, and per share, on 2015. Looking back at the first quarter, we achieved an operating margin of 22.3 (19.9) percent, and a 16 percent increase in earnings per share to SEK 1.38 (1.19). Operating profit for the quarter was SEK 26.9 million, which is also a 16 percent increase on the same period of the previous year. We also achieved very strong cash flow from operating activities in the period of SEK 38.8 (13.6) million.

Revenue also progressed satisfactorily, with growth of 3 percent compared with the same quarter previous year. Product-related service sales are continuing to grow, but total revenues from our service business were unchanged on the same period of the previous year, which means that overall growth was somewhat moderate. This means that in the first quarter, our software business grew year over year, and once again, our highest growth is outside our Key Accounts. Of itself, this is an important target for us, because we think this is the best way to create consistent and positive progress over time. Expert knowledge not only confined to our products, but also the capacity to deliver integrated projects effectively and with high quality is, and will remain, a key component in a world where open source is becoming ever more significant. Accordingly, our service business will become strategically more central to Enea. At the beginning of the second quarter, we announced a major new deal in this segment in the US, and now that it has been secured, I expect growth in our service business to be healthy in the second quarter.

Substantial investments in our product portfolio

Simultaneous with being able to post excellent margins, we are continuing to invest substantially in our product portfolio. In the following order, they centre on three main points: continuing to develop the products and solutions we already have in our portfolio, working strategically on expanding our portfolio, and working actively to integrate and coordinate the various offerings we have more clearly.

One example of the first is that exactly two years ago, we sowed the first seeds of a fully open implementation of the Carrier Grade Linux (CGL) standard defined by the Linux Foundation. Since then, technology contributors to public email lists have been able to follow progress under Enea's management, and now other companies and individuals, even our direct competitors, have engaged and become contributors. In this quarter, we were able to report that we have now achieved one of the original endpoints, and that Enea Linux has now joined the exclusive cluster of Linux distributors that the Linux Foundation officially recognises as fully compatible with the CGL 5.0 specification.

For the expansion of our portfolio, obviously one of the milestones this quarter was our acquisition of Centred Logic, and its ElementCenter network management solution - a deal with strategic and tactical significance. From a strategic perspective, we were able to expand our portfolio in a new direction, and towards a new market where we were not previously present. From a tactical perspective, there was also a clear connection with the news relating to on-device management, which we were able to announce for our Element product last year.

On the coordination of our product portfolio and service offering, there have been a number of developments. Firstly, we were able to demo a complete solution of our various components - Enea Linux, COSNOS, Element and ElementCenter - interacting in the NFV segment at the Mobile World Congress. Jointly with ARM, hardware vendors and selected software players, we were able to demo a complete implementation at system level. Secondly, we were able to announce an enhanced Packaged Services offering in the quarter, where we made our service business available in a new format, packaging our services more consistently with our product offering.

Continuous rationalization

To be able to combine substantial investments in our product portfolio with continued earnings growth, our long-term strategy is to increase our share of development engineers in Romania, where the hourly cost of development is far lower than in Western Europe and the US. We closed down our development function in France in 2015, transferring its work to our operation in Romania. In the same year, we also opened a second office in Romania alongside Bucharest, in Iasi. We possess a very high level of Linux competence in Romania, and in late-2015, we transferred our global Competence Center there.

The fundamental technology and market trends are clear, and we are focusing just as clearly on being part of these trends by developing new technology segments and new business models, simultaneous with continuing to develop our existing business. By enhancing, expanding and integrating the various products and solutions we possess, and by still actively screening acquisitions, we are building a progressively stronger position in a very attractive market. We are continuing our endeavour to build a bigger and stronger company, which delivers increasing value to customers, employees and shareholders. With strong finances, good cash flows and a more secure market position, we view the future with confidence.

We are retaining our objective of achieving revenue growth for the full year 2016, and we expect earnings per share to improve compared to 2015.

Anders Lidbeck, CEO & President

Revenue

Revenue

Enea's revenue in the first quarter was SEK 120.8 (117.4) million, a 3 percent increase on the first quarter 2015. Currency adjusted, revenues were 3 percent higher in the first quarter than the corresponding period of the previous year.

Revenue by business unit and revenue type

Enea's business units are Key Accounts, Worldwide Software Sales and Global Services. Key Accounts include software sales and product-related services to Enea's two largest customers. Worldwide Software Sales include software sales and product-related services to other customers. Key Accounts and Worldwide Software Sales jointly make up Enea's software business, which generated 70 percent of total revenue in the quarter, divided between Key Accounts at 51 percent and Worldwide Software Sales at 19 percent. Global Services includes sales of services not directly related to software sales. Global Services revenue amounted to 30 percent of total sales in the quarter.

Revenues from Key Accounts were flat compared with the same period previous year while revenues from Worldwide Software Sales increased with 15 percent. It is mainly in Asia that software revenue increased significantly compared with the same period last year.

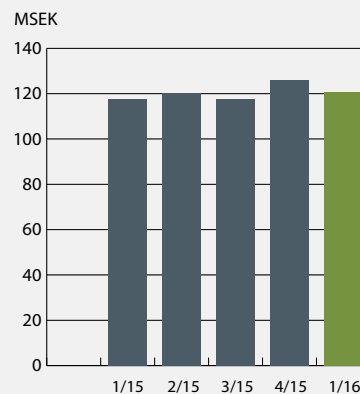
Sales of licenses including support and maintenance, which represented 93 percent of Enea's software business, increased slightly in the quarter. Product related services increased significantly compared with the same period last year due to non-recurring revenue related to previous customer projects.

Global Services revenue was unchanged compared with the same period last year. The local service sales in the US and Romania are developing well, while revenue from Bridged Services decreased compared to the first quarter of 2015.

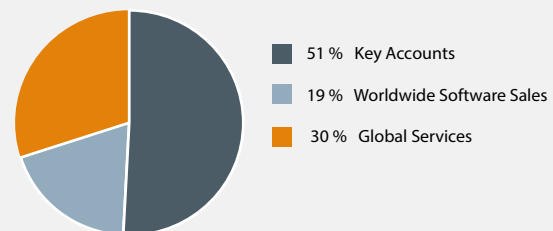
Revenue by customer segment

Apart from telecom infrastructure, the Telecom segment includes mobile devices and operators, which were previously included in the segment 'Other.' Quarterly revenue was divided as follows: Telecom segment, 75 percent; Aerospace/Defence, 13 percent; Transportation 2 percent, and Other, 10 percent. The Other segment includes system integration and manufacturing customers.

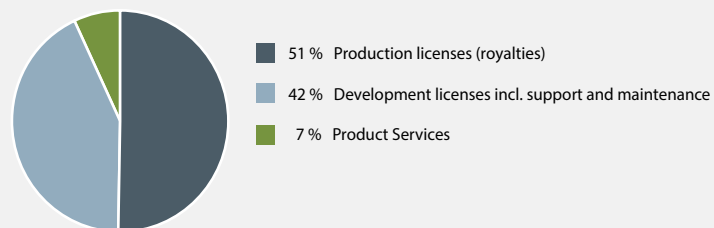
Revenue



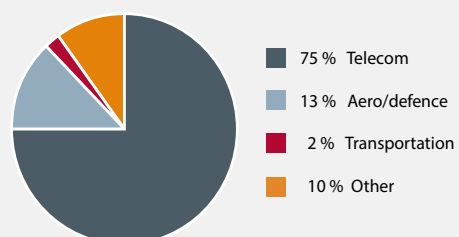
Revenue per business unit (Jan-Mar)



Revenue type, software operations (Jan-Mar)



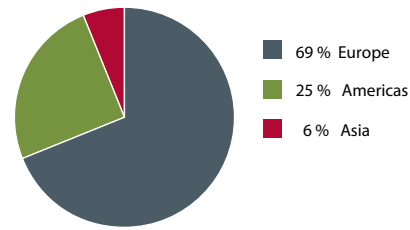
Revenue per customer segment (Jan-Mar)



Revenue per Region

Enea has a total of seven sales offices. They are located in Europe, Americas and Asia.

Revenue per region (Jan-Mar)



Europe

The European operation includes such customers as Ericsson and Nokia. Sales are from our offices in Sweden, Germany and Romania and consist of Key Accounts, Worldwide Software Sales and Global Services. Revenue in Europe increased on the corresponding quarter of the previous year.

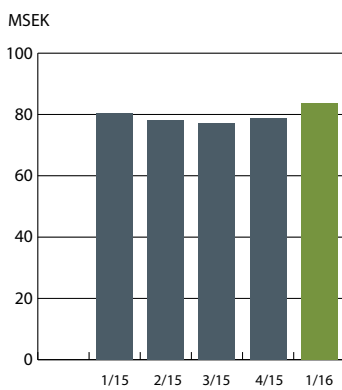
Americas

Enea’s American business includes such customers as Motorola, Fujitsu, Boeing and Honeywell. Two offices manage sales and delivery of software and services. Sales consist of Worldwide Software Sales and Global Services. Revenue decreased in the quarter compared to the corresponding quarter of the previous year.

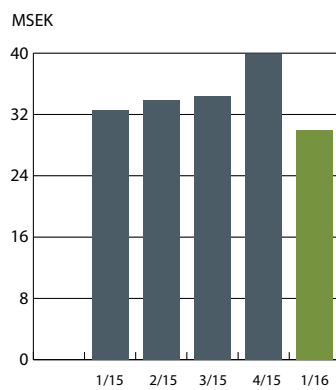
Asia

The Asian operations are conducted from two offices, one in Shanghai, China and the other in Tokyo, Japan, and sales consist of Worldwide Software Sales. In Asia, revenue increased in the quarter compared to the corresponding period of the previous year.

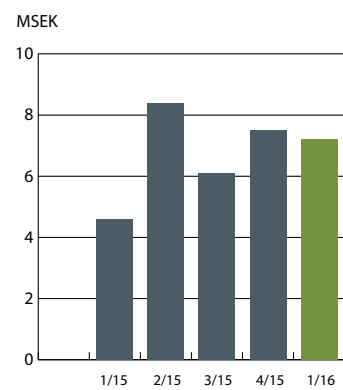
Revenue Europe



Revenue Americas



Revenue Asia



Revenue per product group

Enea's products and services are divided into three main groups: **Operating systems including tools**, which includes Enea OSE, Enea Linux, Enea OSEck and Enea Optima, **Middleware**, which includes Enea Element, ElementCenter, Polyhedra, LINX and Netbricks. Revenues from Global Services are recognised in the **Global Services** product group.

Operating systems including tools

Operating systems are the software that forms the link between hardware and the programs that it runs. Enea's operating system is used in embedded systems that are components in telecom equipment, for example. Development tools are used to develop software that runs on Enea's operating system and are usually sold together with the operating system. Operating systems and tools are reported as one product group.

Operating systems including tools account for most of Enea's sales, with 58 percent of revenues in the quarter. Sales increased in the quarter compared to the corresponding quarter of the previous year.

Middleware

Middleware is a term for software that connects applications with the operating system. Middleware adds functionality beyond what is available in the underlying operating system, including features for availability, uninterrupted operation and built-in manageability. Enea's middleware solutions accounted for 8 percent of Enea's total sales during the quarter, of which several products developed positively compared with the same quarter last year. In total revenues decreased, largely due to a single recurring deal during the first quarter of 2015. The area continued strategic importance of Enea.

Global Services

Enea's global service sales were unchanged in the same quarter of the previous year, accounting for 30 percent of Enea's total sales.

Others

The Other group, which mainly consists of third-party products, and currency effects, increased in the quarter, representing 4 percent of total quarterly sales.

Enea's offering

Enea OSE, Enea Linux, Enea OSEck - operating systems

Enea Optima - tools for developing software that runs on Enea's operating systems

Enea Element - middleware that interconnects operating systems with applications

Enea ElementCenter - software for configuring, monitoring and controlling network functions

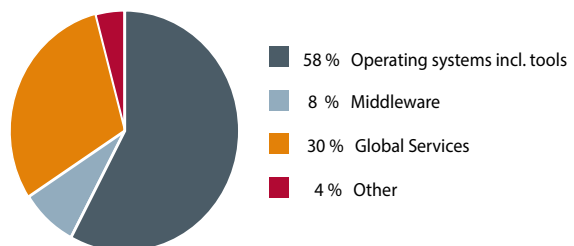
Enea Polyhedra - in-memory database

Enea LINX - software that manages communication between the cores of hardware chips

Enea Netbricks - telecom communication protocol

Global Services - which delivers design, development, project management, training and quality assurance services, for example.

Revenue per product group (Jan-Mar)



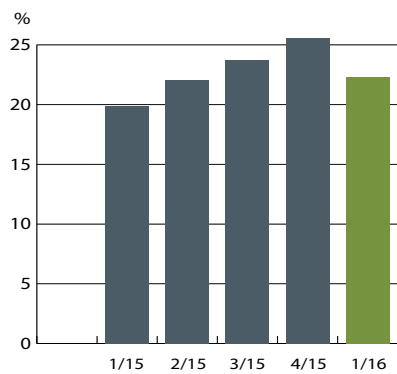
Profit & Loss

Profit & Loss

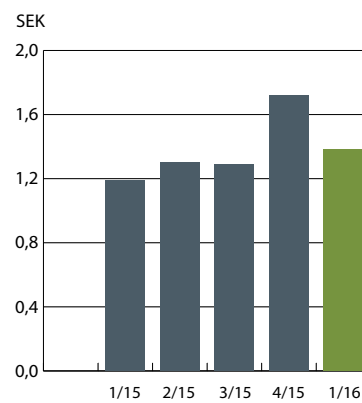
The group's operating profit amounted to SEK 26.9 (23.3) million in the first quarter, which corresponds to an operating margin of 22.3 (19.9) percent. Currency effects exerted a marginal impact on profit. The gross margin for the first quarter was 68.4 (69.1) percent. The decrease of the gross margin in the quarter was mainly due to a higher share of cost of goods and services sold.

The financial net for the first quarter amounted to SEK 0.9 (1.1) million. Profit after tax increased to SEK 21.9 (19.2) million for the quarter. Earnings per share increased to SEK 1.38 (1.19) for the first quarter. Without adjusting for holdings of treasury shares, earnings per share were SEK 1.33 (1.14) for the quarter.

Operating margin



Earnings per share





Cash and cash equivalents and financial investments were SEK 227.8 (222.5) million at the end of the quarter, of which financial fixed assets with maturities of more than one year amounted to SEK 40.1 (57.2) million. In addition, the group has an unused credit line of SEK 15 million. Enea has an equity ratio of 75.3 (77.8) percent.

Investments

The group's investments amounted to SEK 34.0 (4.4) million for the first quarter. Depreciation and amortisation amounted to SEK 5.2 (4.7) million for the first quarter. Enea capitalised SEK 4.2 (3.8) million of product development expenses in the first quarter. Amortisation of capitalised product development expenses in the first quarter amounted to SEK 4.1 (3.7) million.

Repurchasing of Treasury Shares

Enea did not repurchase any shares in the first quarter. Enea held 544,911 treasury shares at the end of the quarter, corresponding to 3.3 percent of the total number of shares.

Employees

At the end of the quarter, the group had 402 (406) employees, a decrease of 4 on the corresponding quarter of the previous year and a decrease of 1 on the previous quarter.

Cash Flow and Investments

Cash Flow and Financial Position

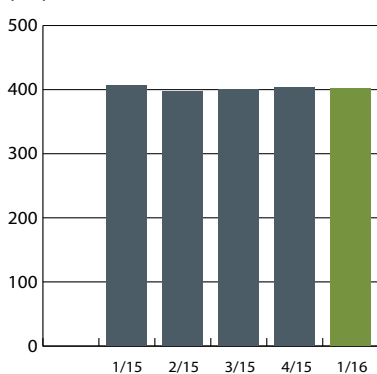
Cash flow from operating activities was SEK 38.8 (13.6) million for the first quarter. Total cash flow amounted to SEK 54.5 (-17.2) million for the first quarter. Cash flow from changes in working capital varies between quarters, for reasons including the timing of major payments.

Parent Company

The parent company's revenue for the first quarter amounted to SEK 11.4 (14.9) million and profit before appropriations and tax amounted to SEK 0.6 (0.9) million. The financial net of the parent company was SEK 0.6 (0.9) million, and at the end of the quarter, cash and cash equivalents and financial investments amounted to SEK 194.5 (191.0) million. The parent company's investments in the quarter amounted to SEK 0.1 (0.2) million. The parent company had 12 (13) employees at the end of the quarter. The parent company does not conduct its own business and its risks primarily relate to the operations of subsidiaries.

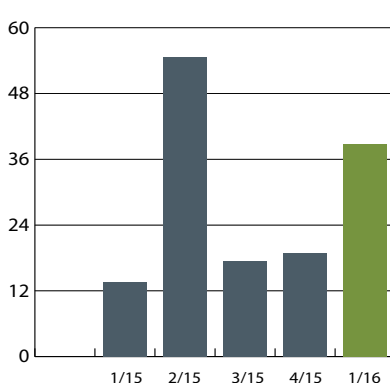
Employees

people



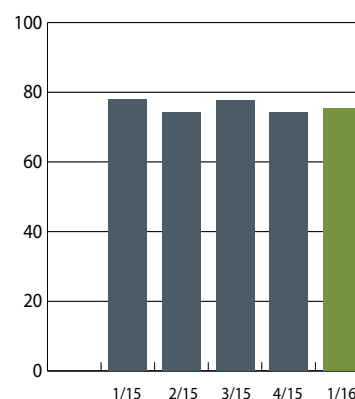
Cash flow from operations

MSEK



Equity ratio

%



Other

Accounting Policies

This Interim Report has been prepared in accordance with IAS 34, Interim Financial Reporting, which is compliant with Swedish law through application of the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups and RFR 2, Accounting for Legal Entities, for the parent company. The corresponding accounting policies, definitions and calculation methods have been applied as in the latest annual accounts for the group and parent company, unless stated otherwise below.

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 reporting 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. These are level 1 instruments. The investments included in level 1 are made up of corporate bonds SEK 40.1 million. The fair value of corporate bonds held to maturity is SEK 40.1 million. Level 2: Fair value of financial instruments not traded on an active market (e.g. OTC derivatives are measured with the aid of valuation techniques). The group has currency derivatives, which are used for hedging purposes. Currency hedges are measured at market value by conducting an early allocation of the currency hedge in order to determine what the forward price would be if the maturity were at the reporting 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 receivable relating to currency hedges that is recognised at a value of SEK 0.8 million as at 31 March 2016. This is also the total for level 2. Level 3: there is a liability relating to an additional purchase consideration for Centred Logic in level 3, which amounts to SEK 17.9 million as of 31 March 2016. Estimated fair value is consistent with carrying amount.

Allocation by level in valuation at fair value, 2016-03-31, SEK million	Level 1	Level 2	Level 3	Total
Financial assets available for sale				
Corporate bonds	40.1	-	-	40.1
Derivatives used for hedging purposes				
Currency derivatives	-	0.8	-	0.8
Financial liabilities measured at fair value through profit or loss				
Liability, additional purchase consideration	-	-	17.9	17.9
Total	70.1	0.8	17.9	58.8

No transfers between the categories took place in the period. The carrying amount of other financial assets and liabilities is consistent with fair value.

Acquisition of Centered Logic

On 8 January, Enea Software AB acquired the assets of Centred Logic LLC and Model Based Technology LLC "Centered Logic," two American companies active in network management and orchestration, for SEK 28,999 thousands via an asset acquisition. The employees of Centered Logic were transferred to Enea in connection with the acquisition. Operating profit (loss) and assets and liabilities relating to the acquired operation are being reported effective 1 January 2016. The financial effects of this transaction are stated below.

Purchase consideration

Summary purchase consideration paid, TSEK

Cash and cash equivalents	10,624
Contingent consideration	18,375
Total purchase consideration paid	28,999

Carrying amounts (fair values) of identified assets and liabilities taken over of Centered Logic as of the acquisition date, TSEK

Prepaid expenses	2
Prepaid income	-237
Contracts with customers	400
Intellectual property	1,336
Goodwill	27,497
Total	28,999

Contingent consideration

Pursuant to an agreement on contingent consideration, Enea will pay an additional purchase consideration in cash based on Centered Logic's license and services sales, of a maximum of MUS\$ 2.2 to the sellers of the intellectual property of the products and the operations of Centered Logic. The estimated nominal value of the contingent consideration is essentially consistent with fair value, and accordingly, the liability has not been discounted kUSD 300 of the additional purchase consideration becomes due within one year, and the remaining kUSD 1.900 is due within 1 to 4 years.

Essential Risks and Uncertainty Factors

Enea is still heavily dependent on Ericsson and Nokia. These customers accounted for more than half of the group's revenues over the past year. Because there were no significant changes to material risks and uncertainties in the past quarter, the reader is referred to the review on pages 18-19 of the most recent Annual Report.

Annual General Meeting

Enea's Annual General Meeting 2016 will be held at 4:30 p.m. on Tuesday 10 May at Kista Science Tower, Färögatan 33, Kista, Sweden.

Nomination committee

In consultation with the largest shareholders, the Chairman of the Board of Enea AB has established a Nomination Committee for the AGM 2016. The members of the Nomination Committee are Per Lindberg, Sverre Bergland (DnB Nor), Annika Andersson (Swedbank Robur Fonder) and Anders Skarin (Chairman of Enea AB). The Nomination Committee has appointed Per Lindberg as its Chairman.

The duty of the Nomination Committee is to submit proposals to the Annual General Meeting regarding the Chairman and other members of the Board of Directors, as well as fees and other compensation for Board duties to each of the Board members. The Nomination Committee will also submit a proposal regarding the election and fees for auditors. The Nomination Committee will also submit a proposal regarding the process for appointing the Nomination Committee for the Annual General Meeting 2017.

The Annual Report and other documentation is available from Enea's website, www.enea.com

Dividend through an automatic redemption program

The company's dividend policy stipulates that at least 30 percent of profit after tax should be transferred to shareholders. Considering Enea's strong financial position, the Board of Directors proposes that the Annual General Meeting resolves on transferring SEK 4.20 (3.60) per share to shareholders. This corresponds to a transfer amounting to SEK 69.1 (60.3) million. The Board proposes that this transfer is executed via an automatic redemption program.

Target Compliance and Outlook

Long-term Ambition

The ambition over a period of three years commencing 2016 is to continue to develop a global software company with higher sales, sustainable high profitability and good cash flows. The company will focus on organic growth, but both strategic and complementary acquisitions will be evaluated continuously.

Growth will vary between years and quarters, depending on the timing of individual deals and the progress of royalty streams, which depend on customers' sales volumes. Operating margin will vary over the quarters of this period, corresponding to growth. Enea's objective is to maintain an operating margin of over 20 percent over this period.

Outlook for 2016

Our objective for the full year 2016 is to achieve revenue growth and our assessment is that earnings per share will improve compared to 2015.

Kista, April 26, 2016
Board of directors

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



Consolidated statement of comprehensive income

SEK million	Jan-Mar		12 months	Full year
	2016	2015	Apr-Mar	2015
Revenue	120.8	117.4	485.0	481.5
Cost of sold products and services	-38.2	-36.2	-148.5	-146.6
Gross profit	82.7	81.1	336.4	334.9
Sales and marketing costs	-22.3	-21.8	-84.9	-84.4
R&D costs	-21.1	-23.2	-89.2	-91.3
General and administration costs	-12.4	-12.8	-48.7	-49.1
Operating profit ^{1,2}	26.9	23.3	113.7	110.0
Net financial income	0.9	1.1	2.2	2.5
Profit before tax	27.8	24.4	115.9	112.5
Tax	-5.9	-5.3	-25.2	-24.5
Net profit for the period	21.9	19.2	90.7	88.0
OTHER COMPREHENSIVE INCOME				
<i>Items that may be reclassified to profit or loss</i>				
Change in hedging reserve, after tax	-0.5	0.9	0.6	2.0
Currency translation differences	-0.7	6.1	-4.5	2.3
Total comprehensive income for the period, net of tax	20.7	26.1	86.9	92.2
Profit for the period attributable to the shareholders of the Parent Company	21.9	19.2	90.7	88.0
Comprehensive income for the period attributable to the shareholders of the Parent Company	20.7	26.1	86.9	92.2
1) incl. depreciation of tangible assets	0.9	0.9	3.7	3.7
2) incl. amortization of intangible assets	4.3	3.8	15.2	14.7

Key figures related to the income statement

	Jan-Mar		12 months	Full year
	2016	2015	Apr-Mar	2015
Earnings per share (SEK) ¹	1.38	1.19	5.66	5.49
Earnings per share after full dilution (SEK)	1.38	1.19	5.66	5.49
Number of shares before dilution (million)	15.9	16.1	16.0	16.0
Number of shares after dilution (million)	15.9	16.1	16.0	16.0
Revenue growth (%)	3	16	9	12
Gross margin (%)	68.4	69.1	69.4	69.6
Operating costs in % of revenue				
- Sales and marketing costs	18.4	18.6	17.5	17.5
- R&D costs	17.5	19.7	18.4	19.0
- General and administration costs	10.2	10.9	10.0	10.2
Operating margin (%)	22.3	19.9	23.4	22.9

1) Excluding Enea's treasury shares

Consolidated statement of financial position

<i>SEK million</i>	31 Mar	31 Mar	31 Dec
	2016	2015	2015
ASSETS			
Intangible assets	157.2	131.3	128.4
- of which goodwill	119.8	93.3	92.6
- of which capitalized development costs	35.1	37.0	35.0
- of which other intangible assets	2.3	1.0	0.8
Tangible assets	6.3	7.4	6.6
Deferred tax assets	2.0	1.8	1.9
Other fixed assets	1.5	0.5	2.0
Financial assets held for sale, non-current	40.1	57.2	70.7
Current receivables	164.0	181.7	196.2
Cash and cash equivalents	187.7	165.3	132.8
Total assets	558.8	545.2	538.6
EQUITY AND LIABILITIES			
Equity	420.9	424.3	398.9
Deferred tax liability	20.0	15.7	20.2
Other provisions	1.3	1.3	1.3
Long-term liabilities, non-interest-bearing	15.5	-	-
Current liabilities, non-interest bearing	101.1	104.0	118.2
Total equity and liabilities	558.8	545.2	538.6

Consolidated statement of changes in equity

<i>SEK million</i>	31 Mar		Full year
	2016	2015	2015
At beginning of period	398.9	400.3	400.3
Total comprehensive income for the period	20.7	26.1	92.2
Dividend / Redemption program	-	-	-57.8
Share saving program	1.3	2.0	6.5
Repurchasing of own shares	-	-4.1	-42.3
At end of period	420.9	424.3	398.9

Consolidated statement of cash flows

SEK million	Jan-Mar		Full year
	2016	2015	2015
Cash flow from operating activities before change in working capital	27.9	25.5	123.1
Cash flow from change in working capital	11.0	-11.9	-18.5
Cash flow from operating activities	38.8	13.6	104.6
Cash flow from investing activities	15.7	-26.7	-52.8
Cash flow from financing activities ¹⁾	-	-4.1	-100.1
Cash flow for the period	54.5	-17.2	-48.3
Cash and cash equivalents at the beginning of period	132.8	180.4	180.4
Exchange rate differences in cash and cash equivalents	0.4	2.1	0.7
Cash and cash equivalents at end of period	187.7	165.3	132.8

1) Redemption program June 2015 SEK 57.8 million (June 2014 SEK 49.1 million)

Key Figures related to the balance sheet and cash flow

	Jan-Mar		12 months	Full year
	2016	2015	Apr-Mar	2015
Cash and cash equivalents and financial investments (SEK million)	227.8	222.5	227.8	203.5
Equity ratio (%)	75.3	77.8	75.3	74.1
Equity per share (SEK)	26.44	26.37	26.44	25.06
Cash flow from operating activities per share (SEK)	2.44	0.85	8.10	6.53
Number of employees at end of period	402	406	402	403
Return on equity (%)	-	-	21.5	22.0
Return on capital employed (%)	-	-	28.5	29.7
Return on assets (%)	-	-	21.9	22.9

Parent Company Income Statement

SEK million	Jan-Mar		Full year
	2016	2015	
Revenue	11.4	14.9	52.9
Operating costs	-11.4	-14.9	-52.9
Operating profit	-	-	-
Net financial income	0.6	0.9	132.5
Profit after financial net	0.6	0.9	132.5
Appropriations	-	-	-1.1
Profit before tax	0.6	0.9	131.5
Tax	-0.1	-0.2	-0.6
Net profit for the period	0.5	0.7	130.8

Parent Company Balance Sheet

SEK million	31 Mar		31 Dec
	2016	2015	2015
ASSETS			
Fixed assets	214.6	232.7	245.5
Current assets	175.0	154.4	119.7
Total assets	389.6	387.1	365.1
EQUITY AND LIABILITIES			
Equity	259.1	218.6	257.2
Untaxed reserves	7.7	6.6	7.7
Current liabilities	122.8	161.8	100.2
Total equity and liabilities	389.6	387.1	365.1

Quarterly data

SEK million	2016				2015				2014		2013	
	q 1	q 4	q 3	q 2	q 1	q 4	q 3	q 2	q 1	q 4		
INCOME STATEMENT												
Revenue	120.8	126.2	117.7	120.2	117.4	119.3	105.0	104.0	101.0	106.4		
Costs of sold prod. and services	-38.2	-37.6	-37.9	-34.8	-36.2	-34.1	-29.0	-29.0	-28.8	-28.0		
Gross profit	82.7	88.5	79.9	85.4	81.1	85.2	76.0	75.0	72.2	78.4		
Sales and marketing costs	-22.3	-20.5	-19.3	-22.8	-21.8	-22.7	-19.7	-17.6	-20.3	-19.8		
R&D costs	-21.1	-23.1	-21.5	-23.6	-23.2	-21.8	-20.1	-23.5	-22.5	-23.3		
General and administration costs	-12.4	-12.7	-11.2	-12.5	-12.8	-11.5	-12.3	-11.1	-11.5	-10.1		
Operating profit	26.9	32.3	27.9	26.5	23.3	29.2	23.9	22.7	18.0	25.1		
Net financial income/expense	0.9	1.3	-0.1	0.2	1.1	0.3	0.4	0.1	0.7	0.2		
Profit before tax	27.8	33.6	27.7	26.7	24.4	29.4	24.3	22.8	18.7	25.3		
Tax	-5.9	-6.2	-7.1	-5.9	-5.3	-5.9	-5.5	-5.1	-4.3	-5.9		
Net profit for the period	21.9	27.4	20.6	20.8	19.2	23.5	18.8	17.8	14.4	19.4		
Other comprehensive income	-1.2	-2.5	3.4	-3.6	6.9	5.8	4.4	4.0	-0.7	1.6		
Total comprehensive income	20.7	24.8	24.0	17.3	26.1	29.3	23.2	21.7	13.7	21.0		
BALANCE SHEET												
Intangible assets	157.2	128.4	129.8	128.2	131.3	128.1	124.6	123.3	120.9	121.7		
Other assets	8.3	8.5	9.2	8.7	9.2	9.5	10.0	10.4	11.7	13.2		
Other financial fixed assets	1.5	2.0	0.6	1.0	0.5	0.5	0.4	0.5	-	-		
Financial assets held for sale, non-current	40.1	70.7	83.0	88.7	57.2	14.3	33.3	33.4	-	-		
Current receivables	164.0	196.2	150.6	158.2	181.7	150.6	142.1	146.9	152.8	140.8		
Financial assets held for sale, current	-	-	-	-	-	20.6	20.4	20.1	-	-		
Cash and cash equivalents	187.7	132.8	110.3	98.9	165.3	180.4	130.7	118.1	191.9	163.6		
Total assets	558.8	538.6	483.5	483.8	545.2	504.0	461.4	452.7	477.3	439.3		
Shareholders' equity	420.9	398.9	374.9	358.9	424.3	400.3	373.6	351.7	383.7	371.2		
Long-term liab., non-interest bearing	36.8	21.5	17.5	17.2	17.0	16.2	11.4	11.2	11.3	11.6		
Current liab., non-interest bearing	101.1	118.2	91.2	107.7	104.0	87.5	76.5	89.8	82.2	56.5		
Total equity and liabilities	558.8	538.6	483.5	483.8	545.2	504.0	461.4	452.7	477.3	439.3		
CASH FLOW												
Cash flow from operating activities	38.8	18.8	17.5	54.7	13.6	38.5	17.9	36.8	23.0	13.6		
Cash flow from investing activities	15.7	6.9	2.8	-35.7	-26.7	14.3	-2.9	-57.0	-3.3	-4.3		
Cash flow from financial activities	-	-2.2	-9.3	-84.5	-4.1	-4.7	-3.2	-54.8	-1.9	-2.8		
Cash flow for the period	54.5	23.5	10.9	-65.5	-17.2	48.1	11.8	-75.0	17.8	6.5		
Cash flow, discontinued operations incl. cap.gain:												
Cash flow, discontinued operations	-	-	-	-	-	-	-	-	10.4	-		
Total cash flow for the period	54.5	23.5	10.9	-65.5	-17.2	48.1	11.8	-75.0	28.2	6.5		

5 Years in Summary

SEK million	2015	2014	2013	2012	2011
INCOME STATEMENT					
Revenue	481.5	429.3	408.5	467.8	721.5
Operating expenses	-371.4	-335.5	-326.4	-395.3	-719.0
Operating profit	110.0	93.8	82.1	72.5	2.5
Net financial items	2.5	1.5	1.7	4.2	3.8
Earnings before tax	112.5	95.3	83.8	76.7	6.3
Profit for the period	88.0	74.5	63.2	53.6	-6.4
Profit, discontinued operations ¹	-	-	-	61.7	-
Net profit	88.0	74.5	63.2	115.3	-6.4
BALANCE SHEET					
Intangible assets	128.4	128.1	121.7	121.5	127.1
Other assets	8.5	9.5	13.2	20.3	26.4
Other financial fixed assets	2.0	0.5	-	28.0	-
Financial assets held for sale, non-current	70.7	14.3	-	-	-
Current receivables	196.2	150.6	140.8	143.2	147.0
Financial assets held for sale, current	-	20.6	-	-	-
Cash and cash equivalents	132.8	180.4	163.6	146.7	127.3
Assets held for sale	-	-	-	-	137.3
Total assets	538.6	504.0	439.3	459.7	565.1
Shareholders' equity	398.9	400.3	371.2	367.2	415.9
Provisions and non-current liabilities	21.5	16.2	11.6	6.8	3.6
Current liabilities	118.2	87.5	56.5	85.8	90.0
Liabilities held for sale	-	-	-	-	55.6
Total equity and liabilities	538.6	504.0	439.3	459.7	565.1
CASH FLOW					
Cash flow from operating activities	104.6	116.2	76.6	80.1	77.2
Cash flow from investing activities	-52.8	-48.9	-14.3	-15.7	-33.0
Cash flow from investing activities - divested business	-	10.4	18.0	115.4	-
Cash flow from financing activities	-100.1	-64.6	-63.1	-157.3	-93.4
Cash flow for the period	-48.3	13.1	17.3	22.5	-49.2
KEY FIGURES					
Revenue growth, %	12	5	-13	-35	-1
Operating margin, %	22.9	21.9	20.1	15.5	0.3
Profit margin, %	23.4	22.2	20.5	16.4	0.9
Return on capital employed, %	29.7	25.7	24.1	19.2	4.5
Return on equity, %	22.0	19.3	17.1	13.7	2.5
Return on total capital, %	22.9	21.1	19.8	15.7	3.6
Interest coverage ratio, times	16.2	24.5	16.7	20.7	7.3
Equity ratio, %	74.1	79.4	84.5	79.9	73.6
Liquidity, %	278.3	401.8	538.9	338.1	304.8
Average number of employees	400	392	384	417	613
Net sales per employee, MSEK	1.20	1.10	1.06	1.12	1.18
Net asset value per share, SEK	25.06	24.81	22.65	22.14	24.31
Earnings per share, SEK	5.49	4.58	3.83	6.85	-0.37
Transfer to shareholders per share, SEK ²	4.20	3.60	3.00	3.00	8.00

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

2) Transfer to shareholders proposed by the Board to the Annual General Meeting 2016.

Technology Insight

Enea Packaged Services

Enea launched Packaged Services in the quarter. Packaged Services are intended to accelerate the development and deployment of Virtual Network Function (VNF), using the Enea Laboratory and typical configurations of the latest available NFV hardware infrastructure from an array of manufacturers.

These new Packaged Services primarily address operators, OEMs and service vendors, so that they can address the build-out of the networks and services of the future more quickly:

- "OPNFV deployments" - development, installation and maintenance of tailored OPNFV platforms.
- "VNF factory" - development of the virtual framework that VNF needs, so the customer can focus on developing, validating and porting the actual VNF.
- "VNF Application Services" - prototyping, developing and testing complete VNFs.
- "NFV training" - a broad portfolio of courses in Linux, OPNFV, real-time and much more.

For more information:

<http://services.enea.com/services/packaged-services>

or contact:

info@enea.com



Significant events during the quarter

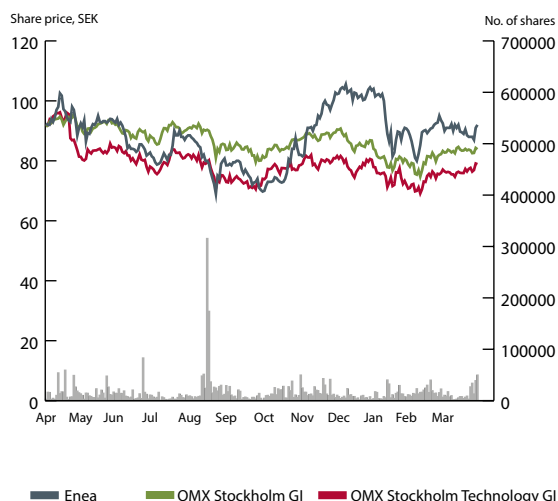
- **Enea acquires network management and orchestration technology** - Enea acquired Centered Logic LLC, one of the established challengers in network management and service orchestration, which delivers solutions for the effective management of traditional and virtual networks.
- **Enea Linux CGL 5.0 registered for leading NFV players to rely on when developing applications, equipment and networks**
- **Annual Statement 2015** - Enea published its Annual Statement for 2015 on 11 February.
- **Enea demonstrated a framework for managing Virtualised Network Function (VNF) at the Mobile World Congress.**
- **Enea launches Packaged Services for accelerated development and implementation of Virtualised Network Function (VNF) at the Mobile World Congress.**
- **Invitation to the AGM of Enea AB (publ)** - Enea is inviting the shareholders of Enea AB (publ), corporate ID no. 556209-7146, to its Annual General Meeting at 4:30 p.m. on Tuesday, 10 May 2016 at Kista Science Tower, Färögatan 33, Kista, Stockholm. Registration from 3:30 p.m. onwards.

For more information, go to:

<http://www.enea.com/sv/Corporate/Press/Pressmeddelanden/>

or contact:

info@enea.com



The Share

January - March 2016

Share price development:	-11.54 %
No. of traded shares:	544,040
Highest closing price:	104.00 SEK
Lowest closing price:	80.00 SEK
Dividend 2016*	4.20 SEK
Market cap. (31 Mar):	1,514 MSEK
Total No. of shares (31 Mar):	16,462,577

* through a redemption program

For queries, please contact

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Financial information

Annual General Meeting	10 May, 2016
Interim report Apr-Jun	20 July, 2016
Interim report Jul-Sep	26 October, 2016
Annual statement	9 February, 2017

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

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

This report contains forward-looking statements that are based on the current expectations of the management of Enea. Although management believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove correct. Accordingly, results could differ materially from those implied in the forward-looking statements as a result of, among other factors, changes in economic, market and competitive conditions, changes in the regulatory environment and other government actions, fluctuations in exchange rates and other factors. This document is essentially a translation of Swedish language original thereof. In the event of any discrepancies between this translation and the original Swedish document the latter shall be deemed correct.