Annual Report 2011

Enea powers the development of wireless infrastructure

ENEA

POWERING THE DEVELOPMENT OF WIRELESS INFRASTRUCTURE

ENEA OFFERS PRODUCTS AND SERVICES for companies who develop communication-intensive products. Enea's operating system is the cornerstone of the company's product portfolio and sold as part of customized solutions for the major global telecom companies.

World-leaders in telecom

The world's leading telecom companies turn to Enea when building wireless communications infrastructure. Enea's operating systems are already in most 4G infrastructures around the world and embedded in 1.7 billion mobile phones. This makes Enea a world leader in the telecom industry.

The world's third-largest player in real-time operating systems

Enea's solutions work in most types of communicating systems, so companies in associated segments, such as medical technology, aerospace and automotive are also among Enea's customers. Enea is the world's third-largest player in real-time operating systems.

Enea builds the systems of the future

Building the wireless infrastructure of the future is a complex task that requires expertise. Enea is the best in the industry and has extensive experience of running large-scale, global projects where we, along with our customers, build future-secure solutions.

Why invest in ENEA?

1 The market for wireless communication is expanding rapidly.

2 Enea already holds a world-leading position on this market with products that unquestionably work.

3 Enea is now purely a software company focusing on further strengthening its market position.

Content

Important events in 2011

Enea sells its Nordic consultancy business
On 30 December, Enea signed a binding agreement to divest our Swedish consultancy companies to Xdin AB, the Swedish subsidiary of the Alten Group. The sold entities had sales of approximately SEK 300 million annually and 226 employees and around 90 sub contractors. The purchase price amounted to SEK 148.5 million paid in cash with no credit. The sold business was transferred to Xdin in February 2012.

Focus on the software business
By selling the Nordic consultancy business, Enea is able to focus its business on global software and invest in key areas of technology. The remaining Enea, after divestment of the Nordic consultancy business, reported sales of SEK 446.7 million in 2011 and an operating margin of 8.9 percent (excluding writedowns).

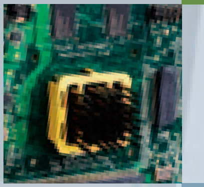
Stronger product range
A number of product improvements were made over the year. Enea's investment in Linux ensured that parts of the product portfolio, like the Optima development tool, gained improved support for Linux. Two new solutions were launched, based on the current problems faced by Enea's customers: The Multicore Migration Platform helps customers effectively manage the transition from developing software for one processor core to numerous processor cores. Bare Metal Performance Tools are used by customers who need to run multicore applications in a stripped environment, usually without an operating system, in order to achieve maximum performance.

Successes for consultancy businesses in the US and Romania
Enea's service businesses in the US and Romania were successful throughout the year, with a number of major projects, which led to the expansion of the business. The projects were staffed by employees from the US and Romania in order to achieve maximum expertise at minimal cost. Enea will continue investing in this part of the service business, as this expertise is important for being able to offer customized software solutions in large-scale, global projects.

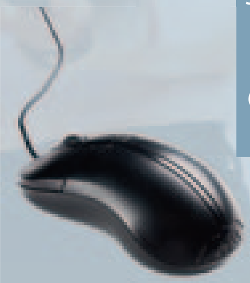
Strengthened executive management team and a new CEO
In July, the CEO at the time, Per Åkerberg, announced that he would be leaving his position. Anders Lidbeck became Enea's President and CEO in September, thereby leaving his previous position as Chairman of the Board. The executive management team was reformed over the year to focus more on major customers and customized solutions, including raising Enea's global responsibility for its product-related service sales and introducing the role of Chief Technical Officer (CTO).

THE ENEA GROUP
OPERATING MARGIN
8.6 1)
percent

THE ENEA GROUP
SALES
721.5
SEK million

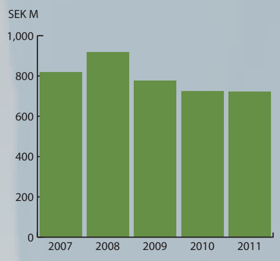


THE ENEA GROUP
SHARE DIVIDEND PROPOSED BY THE BOARD
8.00 2)
SEK

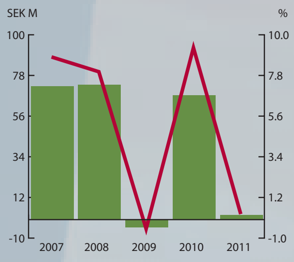


1) Excluding writedowns
2) Via a redemption program

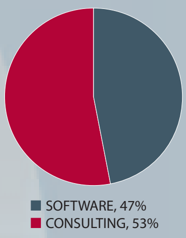
REVENUE, SEK MILLION



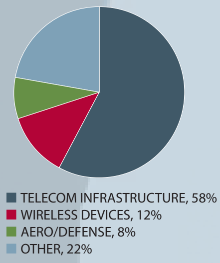
OPERATING PROFIT/ LOSS AND MARGIN



REVENUE PER BUSINESS AREA, %



REVENUE PER CUSTOMER SEGMENT, %



We have the ambition to create a large global software company with high profitability

The market for mobile communication is developing rapidly. The market for mobile infrastructure is estimated to increase 18-fold in the next four years, according to Cisco.

We therefore estimate that our addressable market will double within 5-7 years.

Our technology is already world leading and embedded in the market-leading mobile infrastructure products around the world. This is a good platform from which to build the company.

> ***Our ambition during the next five years is to create a global software company with significantly higher sales, high profitability, good cash flow and a large percentage of recurrent revenues.***

Our business within mobile infrastructure has experienced excellent growth in recent years. However, Enea's overall sales have not increased, The growth we experienced within telecom infrastructure was erased by the downturn experienced by customers within the area of mobile handsets and a reduction in sales from acquisitions carried out a number of years ago. As Enea's new CEO from September 2011, I have mainly focused on boosting investments in our core business and focusing the company on the parts that are profitable and growing. Enea will once again become a profitable growth company.

Measures in 2011

In the third quarter, we wrote off a total of SEK 60 million in goodwill and other items from previous acquisitions that did not live up to our expectations. At year-end, we also carried out a number of measures to further improve Enea's efficiency. Our aim is to strengthen our position as the leading supplier of operating system solutions to the telecom industry. To create better conditions for this, we have reorganized both our sales and product units. We have invested in the development of a framework for our Linux offering, and we have clarified our focus towards major customers and leading hardware suppliers.

In December, we entered into an agreement for the sale of our Nordic consultancy business to the Alten Group and its Swedish subsidiary Xdin. The Nordic consultancy business was significantly different from our global software business. By selling this part, we are now able to focus Enea's operations on our global software business and on product-related services and have the opportunity of making further investments in key technology areas.

We will also continue investing in our service business in Romania, China and the US. Their expertise is important in order for us to produce customized solutions in large-scale, global projects. We also need consultancy capacity in order to provide advanced solutions to major

> ***Enea's operating system is already embedded in most infrastructure that uses 3G and 4G. This is a fantastic position that few companies can show.***

telecom companies. For this reason, we have also agreed on a partnership with the Alten Group.

The Enea that remains after divesting of the Nordic consultancy business had sales of SEK 446.7 million in 2011, with an operating margin of 8.9 percent, excluding writedowns.

Increased yield

Our strong cash flow, combined with the sale of the Nordic consultancy business, has allowed for higher dividends to shareholders than in previous years. The Board proposes that SEK 8.00 per share be transferred to the shareholders in the form of a redemption program. It is pleasing to be able to increase the yield to our shareholders two years in a row.

Enea's long-term ambition

The dramatic increase in the number of communicating devices leads to increased data traffic, which places demands on investments in telecom infrastructure. Our largest customer, Ericsson, forecasts that there will be 50 billion connected devices in 2012. Cisco Systems Inc. believes that the increased number of connected devices will lead to data traffic increasing 18-fold in the next four years. We work with the best suppliers of telecom infrastructure. They have already embedded Enea's operating system in most of the infrastructure handling 3G and 4G. This is a fantastic position that few companies can show.

By working with the best manufacturers on the market, we boost our understanding of how the best telecom systems can be built. We are also seeing that these systems are becoming increasingly complex and that solutions are becoming increasingly customized. It is no longer enough to just provide a standardized product; instead, our solutions must adapt to our customers' hardware and other systems. It is therefore of strategic importance for Enea to ensure that it can provide the most advanced solutions of the highest quality to a number of the world's best manufacturers.

To achieve this, we have refocused the organization from investing most of our efforts on cultivating companies in a wide range of technology areas and sizes. Enea's solutions work best in large-scale systems, where the highest quality is valued. Our focus will therefore be on key customers that demand customized solutions. We will have the expertise required to develop the wireless infrastructure of the future together with our customers. Enea will strengthen its market position as the cornerstone of wireless infrastructure around the world.

Our ambition in the next five years is to create a global software company with significantly higher sales, high profitability, good cash flow and a large percentage of recurrent revenues. Our focus will be on organic growth, but both strategic and complementary acquisitions will be constantly evaluated.

Growth will vary from year to year and quarter to quarter, depending on the timing of individual transactions and the development of royalties, which depend on our customers' sales volumes. The operating margin will vary between the quarters, in line with growth. Our five-year objective is to achieve an operating margin of 20 percent.

However, this objective will not be met in 2012. We have chosen not to submit any further forecast for 2012. It is already clear however that 2012 will be a key step towards our vision of becoming a major global software company.

Kista, March 2012
Anders Lidbeck
President and CEO

Wireless communication is driving growth

Enea is active in a very interesting market with excellent growth forecasts. According to Cisco Systems Inc, the world's largest manufacturer of telecommunication network equipment, data traffic over wireless networks will increase by 110 percent in 2012 and experience an 18-fold increase by 2016. It is mainly smartphones, laptops, netbooks and tablet computers that are expected to contribute to the majority of the traffic increase.

One of the reasons is that the number of smartphones used on the networks is increasing faster than expected, compared with traditional mobile phones. This also leads to increased use of apps and other interaction with social networks, GPS, picture messaging and video calls, not to mention media consumption.

Each smartphone generates between 10 to 30 times more traffic in the networks than more basic mobile phones. A portable computer generates as much as 1,300 times more traffic than a simple mobile phone. In a couple of years' time, it is expected that the majority of all data traffic will be created by private individuals, and it is data-intensive services like video streaming and music services that are expected to account for the largest quantities of data.

Increased traffic places demands on smarter software

Such a heavy increase in traffic will be a challenge for operators, as they will want to ensure a high level of quality on the services in the network. LTE, also known as 4G, will not be sufficient for meeting the demand for bandwidth and performance, so the 3G network will drive growth and network capacity over the coming years. It will continue to be important to utilize the network more efficiently in order to retain bandwidth, and we will see an increasing number of cells in the networks, and smaller cells, known as pico or micro cells and the more cells, the more base stations.

The control software must be parallelized in order to handle the increased level of traffic, meaning that there is a need for instructions and calculations to be carried out in parallel in order to keep up. Multicore processors have been a fact for several years in base stations, and they are a prerequisite for the ability to carry out calculations using several processors in parallel.

We will also need more intelligence and control mechanisms in the networks to optimize traffic. Both FastPath and Deep Packet Inspection are examples of this.

FastPath improves the algorithm performance on a specific piece of hardware; in other words, the number of instructions needed to perform a section of software will be optimized and shortened. We are specifically speaking of parallel, possibly hardware accelerated, IP stacks that unburden the ordinary IP stack so that it can handle more traffic.

Deep Packet Inspection examines data traffic at specific inspection nodes, determining whether the traffic should pass unnoticed or be channeled via other nodes in order to improve the quality of

certain traffic. While the examination is underway, it is also possible to detect viruses and other errors in the traffic.

The technology race continues

The exponential growth and the high demands have pushed the telecom industry to move at increasingly high speed, requiring new hardware reviews every six to twelve months. Our customers buy new software for their future platforms before releasing their most recent ones.

Hardware manufacturers are providing more software with their platforms. Form a time when they hardly included the most basic software required to boot the system, they are now being shipped with basic versions of complete operating systems. There are many reasons for this. Partly they retain full control of how their products offering is differentiated, and they minimize the barrier to entry for new customers, and partly they safeguard the most successful use of their specific solutions and lead time to market.

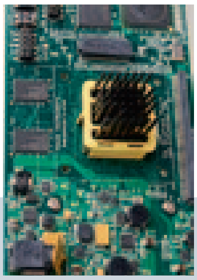
Not all types of customer are satisfied with basic operating systems from the hardware manufacturers, and this is where Enea continues to play a key role in meeting the largest customers' needs for specialist solutions. Enea has entered into close cooperation with several hardware manufacturers, including LSI, Freescale, Cavium, Broadcom, TI, ARM and Tilera, to ensure that the software is well adapted to the latest hardware.

Linux guarantees short lead time to market

There is continued demand for open source software, primarily referring to the Linux operating system, which allows manufacturers to quickly and safely develop their products. There is a surplus of free, hardware components, tools and solutions of high quality available, and it is not difficult to find engineers with good knowledge of Linux who are able to create brilliant products and services. Another bonus is that Linux is an excellent common platform to build upon when integrating components from different manufacturers.

An increasing number of companies choose to extend their share of open source software in future projects, but Linux cannot solve every problem. The industry has quickly realized that Linux as a free operating system does not mean that their customers have no costs. Although Linux can be downloaded for free, it is up to the user to assume responsibility for development and maintenance. And there is no supplier with legal liability if anything goes wrong.

Another challenge is that Linux is not



Multicore – the answer to the technical challenges

An embedded system contains at least one hardware chip, which in turn has a processor core running the software superimposed on a chip. These processors have gradually improved and become faster and able to handle increasingly complex calculations. But now the physical limits are putting a stop to further performance enhancements. The industry's response to the problem was the inclusion of more than one processor core on each hardware chip, and hence the multicore chip was born.

When every hardware chip has more than one processor core, this puts entirely new demands on operating systems. They must be able to handle the distribution of resources between the various cores in a predictable, efficient manner. Today, some 40 percent of ongoing projects use multiple processor cores (multicore + multiprocessor), and this is expected to rise to 70 percent within two years. Multicore is in other words an area that will drive growth in the market.

*) multi = many, core = processor core.

designed to handle real-time demands and latency-sensitive tasks, so these applications require the co-existence of Linux and a real-time operating system, such as Enea OSE. This places demand on companies such as Enea to be able to deliver solutions that combine the best of both worlds.

Enea can handle complex requirements

Enea is a pioneer and among the best companies in the world at operating systems for communicating systems, and our technologies are integrated into leading mobile infrastructures throughout the world, both 3G and 4G. Enea is one of the few suppliers in the world that can help telecom equipment manufacturers with the challenges they face in building the wireless networks of the future.

Trends 2012

- LTE technology is just about to be launched, and it will take time to build up this capacity. Until then, our focus will be on 3G, and on measures intended to increase capacity in these networks. The market is currently driven by base stations that handle several technology standards, where LTE can be added later.
- User experience is key to success. The consumers' choice of operator is increasingly based on the quality they can expect of their data transfer. This will provoke continued high pressure on the introduction of intelligence in systems in order to optimize the use of bandwidth.
- The line between server and network is being erased with the introduction of new online services. Operators are seeing new business opportunities through new kinds of cloud services. In addition, network manufacturers have introduced distributed base stations that permit new kinds of resource management in networks.
- The "Internet of things" is here to stay. The Internet of things concept means that more and more appliances and machines communicate with each other. It is possible to reach, control, configure and measure an increasing number of things from your computer or phone, even if they are physically located on the other side of the planet. Thin, cheap modems are a condition for the connection to mobile networks, and some analysts predict that within a few years, two out of three mobile connections will be used by machines communicating with other machines. That is twice as many communicating devices as people communicating. Ericsson, Enea's largest customer, predicts that there will be 50 billion communicating devices in the world by 2020.

The world is facing a major transition that will affect how we, and the devices we surround ourselves with, communicate. With its extensive experience in these areas, Enea will take advantage of the opportunities this brings and become a key player in the transition to a simpler, more secure and more communicative daily life.

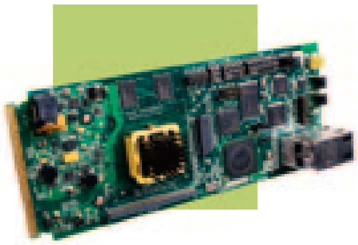
Communication is more than just telecom

In a number of areas outside telecom, communication-driven products will change our daily lives. Households will not only connect their computers and phones. In many homes, there are already several entertainment devices that communicate both with each other and externally. To enhance security, sensors can raise an alarm if the temperature rises in the freezer or stream live video images from the domestic alarm system. Heating, sun-protection awnings and ventilation can be controlled remotely to increase comfort and reduced energy consumption.

Consumer electronics is another category where we can already see numerous communicating products. This involves everything from game consoles, where users can play against other players or download new games, to cameras that upload back-up copies of photographs to a server or to training equipment that transmits the user's results to a computer where the results can be analyzed and compared with those of others.

In the transport sector, a haulage company can see in real-time where its trucks are located, enabling the enhancement of its logistics; mobile phones can be used to find unoccupied parking spots nearby; and automated toll stations can register passing vehicles and transmit a tracking signal if any have been reported stolen.

Healthcare is another area where a large amount of technology has been developed that can both increase patient security and shorten treatment times. This may involve portable devices that transmit ECG data, blood sugar levels and other test results directly to the patient's physician, or automated communications between ambulances and hospitals, enabling advance preparation of care for acutely sick patients.



> *By 2020, there will be 50 billion communicating devices.*

At the community level, the technology can be used to improve traffic safety by means of automated alarms and surveillance functions, to even out loads in the electricity grid or to compile data in emergency situations, such as video footage and still images that can be used by rescue personnel, enhancing the efficiency of their rescue efforts.

Enea's long-term market position

The examples to the left are just a selection of possibilities offered by new technologies. Common to all of these examples is the fact that they are driving development in two entirely different ways that together increase the demand for Enea's products and services:

- they lead to more devices with embedded systems, and
- they lead to increased data traffic, which places demands on investments in telecom infrastructure.

Enea is currently the world-leader in real-time operating systems, and our operating systems successfully meet the demands set by our customers. It might be a coexistence of Linux and our real-time operating system OSE, the handling of systems with multicore processors, protocol support, databases or tools, to name just a few.

We are currently most successful in telecom, but we are also seeing clear synergies with other industries, where we could potentially provide substantial value. Therefore, Enea's potential for long-term growth is very good.

Real-time operating system (RTOS)

An RTOS must be predictable in terms of time compared with an operating system for a PC or a mainframe computer, where a calculation or print-out is correct even it would be completed a few seconds too late.

Consequently, an RTOS can be assigned responsibility for critical systems where a correct function is performed on time. Another associated requirement is that the predictable time must be sufficiently brief to complete the task – an aspect that disqualifies most regular operating systems.

Market scale

The market for real-time operating systems for embedded systems and associated services amounted to approximately USD 722 million in 2010. Enea was ranked third in the world with a market share of 11.4 percent.

- Expected general market growth of 8.8 percent by 2013.
- The market for real-time operating systems for embedded systems increased by 9.5 percent to USD 1,319 million.
- The telecom market rose by 8.5 percent to USD 244.5 million, with an expected growth of 8.7 percent by 2013.
- Telecom was the largest sector in 2010 with 19 percent of the market.
- Sales of Linux-related software and services is expected to rise by 7.4 percent by 2013.

Source: VDC and Enea.

Focused strategy for strengthened market position

Enea's market is experiencing strong growth, which creates good conditions for developing the company. Meanwhile the technology that is driving the wireless infrastructure is becoming increasingly complex, and customers are demanding increasingly innovative and intelligent solutions to continue building leading products. To benefit from the growth offered by this development, we have chosen a focused strategy, based on our high technology expertise and strong position among the leading players on the market.

Business concept

We develop solutions based on operating systems, which with their innovative, robust properties aim at providing the best quality and performance, while also providing energy-efficient end products.

Vision

We will be the obvious choice for innovative, reliable solutions for companies developing communication-intensive products.

Strategy

Developing world-leading, robust solutions consisting of operating systems and associated components for use in real-time systems.

Enea is a world-leader in real-time operating systems. One of the reasons the company has achieved this position is because our products are reliable and predictable. These qualities are highly appreciated in real-time systems. The core of a real-time system is that the software performs exactly as it is supposed to – that the response times are exact with no delays, and that the system works every time. These kinds of very exact systems are found in a number of different industries, such as control systems in aircraft or med-tech equipment. However, the part of the market that Enea is most prevalent on is the telecom industry, where real-time is a condition for telecom equipment to work. A delay means that the communication is cut or that the transfer quality is insufficient. We will continue to build on this position, and continue to develop and sell operative systems with associated components that live up to the demands set on real-time systems.

Developing world-leading, innovative operating system solutions for companies that develop base stations and fixed network equipment.

There is currently an incredible rate of development in the field of telecom. It is the telecom industry that drives development within communication-intensive industries with new, innovative solutions. To retain and strenghten our world-leading position, we need to remain at the forefront of development and maintain our innovative power. By focusing on the telecom industry, Enea will benefit from its strong customer relations, while the solutions that appeal to telecom customers in many cases are at the forefront of technology, even compared with other industries. These solutions will consist of combinations of Enea's in-house developed operating system and open source systems such as Linux.

Offering expertise and services in order to take full responsibility for our solutions.
With the complex challenges that face Enea's customers, we need to do more than just sell a combination of products. The solutions must be adapted to the customers' other systems and hardware. With our experience of being part in the creation the solutions that are currently market leading within 3G and 4G, Enea has the expertise required on how to build the telecom solutions of the future, which is integrated as services in the solutions we offer.

Expanding regional consultancy capacity to handle both local and global projects.
The majority of Enea's revenues derives from major client assignments, where our customers combine our software and services in global projects. It is crucial to have the right skills and experience of the service business to effectively run this type of complex projects. We also need to provide cost-effective solutions for customers who want to use us in smaller projects. It is an important component in forming more profound customer relationships and can lead to larger assignments long-term. Our local consultancy organizations in the US, Romania and China must therefore be highly skilled on a local level, but also have the ability to run large-scale, global projects. We are also continuing our work on improving how we staff projects with consultants from different countries, in order to achieve a high level of expertise at the best possible price.

Strengthening strategic, long-term partnerships with selected key customers.
Enea already has a strong position with a number of key customers. In the projects that we run together with customers, it is a prerequisite for success that we know the customer well and are involved in future discussions at an early phase. These kinds of projects require customized solutions, which in turn require an organization that can effectively handle customized product development and follow-up support. Enea works towards enhancing and expanding our cooperation with all our key customers and expanding the share of sales from key customers outside our two largest customers, Ericsson and Nokia Siemens Networks.

Creating strategic, long-term partnerships with leading hardware suppliers.
Most of Enea's customers select their hardware before their operating system.

The operating system must also be adapted in order to make full use of the relevant processor. Consequently, Enea will continue to develop and extend its relationships with hardware suppliers in order to coordinate product plans, but also to supplement its own sales channels.

Continually improving the organization's ability and flexibility as a business and technology partner.
Enea acts as a partner to both customers and suppliers. This requires a high level of technological expertise and the ability to constantly adapt to new trends and act quickly in order to keep up with the rapidly moving market.

Attracting and developing individuals with exceptional attitudes and knowledge.
Enea will continuously develop its position as an attractive employer and nurture a high level of energy and knowledge throughout the organization. The company and its solutions are propelled forward by its innovative, expert employees.

Values

We see values as a basic platform for how to act in our day-to-day business. It is how we implement the strategies that makes a difference. Our values bring us together and create involvement and a team feeling. At Enea, we want our values to be visible in everything we do.

We focus on customer success
To succeed our decisions must lead to the success of our customers. We focus our resources on a select number of customers to deliver world class solutions.

We provide trusted leadership
We strive to be global leaders in everything we do. Leadership is about taking full responsibility and delivering on your promises.

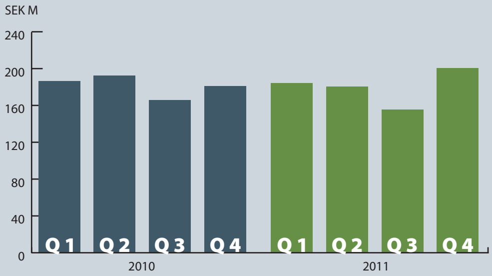
We innovate for business reasons
Creativity is adding value when it solves real customer challenges and creates new business opportunities.

We are team players
A team player puts company objectives first. A strong team player is delivering his/her share and always strive to contribute to the overall result.

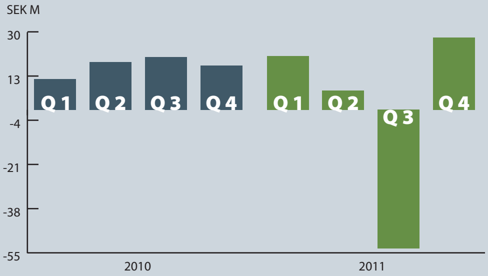
We bring passion and fun
No great achievements have been accomplished without passion. The best way to achieve passion is to have fun.

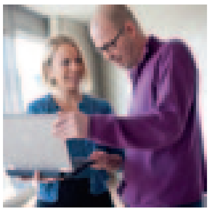
	2011	2010	2011	2010	2011	2010
	Remaining business	Remaining business	Divested business	Divested businesss	Enea	Enea
Net sales, SEK million	446.7	446.6	274.8	279.5	721.5	726.1
Growth, %	0.0		-1.7		-0.6	-6.6
Growth currency adjusted, %					1.5	-4.8
Operating profit, SEK million	2.2	37.3	0.3	30.1	2.5	67.4
Operating margin %	0.5	8.4	0.1	10.8	0.3	9.3
Net profit before tax, SEK million	6.0	37.0	0.3	31.1	6.3	68.1
Net profit after tax, SEK million	-1.0	23.4	-5.4	22.6	-6.4	46.0
Earnings per share, SEK	-0.06	1.35	-0.31	1.30	-0.37	2.65
Cash flow (from operations), SEK million	69.6	114.1	7.6	-48.5	77.2	76.1

REVENUE, SEK MILLION



OPERATING PROFIT/LOSS, SEK MILLION

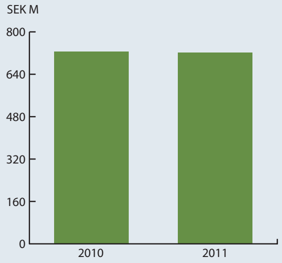




Financial objectives

Long-term ambition
Our ambition over the next five years is to create a global software company with significantly higher revenues, high profitability, good cash flows and a large proportion of recurring revenues. We 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 when individual deals take place and the development of royalty revenue streams which are dependent on customers' sales volumes. The operating margin will vary in line with growth over the various quarters of the period. Our objective during this five year period is to achieve an operating margin of 20 percent. The long term objective will not be reached in 2012. We have decided not to provide any further outlook for 2012.

Fulfillment of objectives in 2011

Objectives	Outcome	Comments
Enea's annual statement for 2010 stated that sales would rise in 2011 compared with 2010. In conjunction with the interim report for the second quarter, this was revised, as the income was expected to remain in line with the preceding year. In the interim report for the third quarter, the outlook was revised further and stated that sales would be lower than the previous year.	**REVENUE, SEK MILLION**  	Revenue for the year fell by 0.6 percent compared with 2010.
Like revenue, profitability in the first forecast was predicted to increase in 2010 but was later revised to be in line with and finally to be lower than the previous year.	**OPERATING PROFIT/LOSS**  **OPERATING MARGIN**  	The operating profit, excluding writedowns, fell from SEK 67.4 million to SEK 62.0 million. The operating margin, excluding writedowns, fell from 9.3 percent to 8.6 percent.

Sustainable solutions by innovative employees

Sustainable development can take many forms. For Enea, it is principally a matter of social commitment, fair business and environmental responsibility. Issues of sustainability are to a very large extent global – affecting all aspects of enterprise, from capital to employees, customers and suppliers. As a global company, we are in contact with many different kinds of stakeholders that have a bearing on health, safety and social development.

Social responsibility

Enea contributes both directly and indirectly to the communities in which it operates. Enea's products are used by millions of people in their communications. Increased communication can, for example, cut the need for unnecessary travel and enhance security.

Enea also seeks to contribute directly to various social projects, particularly in Romania, where the company has one of its larger offices. In the Bucharest, the country's capital, Enea has helped children with cancer and hearing impairments through various activities at clinics and hospitals in the city. This has encompassed everything from donating Christmas gifts to investing in medical equipment and building repairs.

Enea bears an economic responsibility to generate growth and profitability for all stakeholders. Over time, the objective is to increase the company's value, and thereby safeguard a sustainable development and long-term returns for our shareholders. We contribute to economic development in society, both through the use of our products and by providing jobs.

Enea's responsibility towards its employees is based on the core values on which its corporate culture is based. We want all employees to feel that they are heard and that they are part of the company's success. We must respect the dignity and human rights of the individual, develop his/her skills, pay fair wages, provide opportunities for advancement, promote open and honest communications and provide a safe and healthy working environment.

Code of conduct and ethics policy

Enea's code of conduct summarizes the Group's ethical guidelines. Among other aspects, the code of conduct includes guidelines on compliance with regulations and legislation, the rights of the individual, as well as rules regarding ethical business practices and strict regulation against corruption.

The purpose of the code of conduct is to emphasize the basic principles according to which Enea carries out its operations and handles relationships with employees, business partners and other stakeholders.

Enea's code of conduct builds on the following international principles:

- The UN's Universal Declaration of Human Rights.
- The UN's Global Compact initiative.
- The ILO Declaration on Fundamental Principles and Rights at Work.

Equal treatment policy

Enea encourages a trend towards increased diversity. It is because of

employees who dared to think in new and different ways that the company is where it is today. Different backgrounds and experiences are positive aspects that we want to nurture. According to Enea's equal treatment policy, no employee may be treated in a discriminatory manner in their employment or duties on the basis of gender, religion, age, disability, sexual orientation, nationality, political views or social or ethnic origin.

Environmental responsibility

Enea's business concept is to facilitate our customers' development of communication-driven products. Many of Enea's customers develop products that reduce environmental impact. One example in the M2M area is an electricity meter that automatically submits meter readings, thereby cutting transportation needs. There are many examples in telecom of products that enhance communication, thus cutting the need for face-to-face meetings.

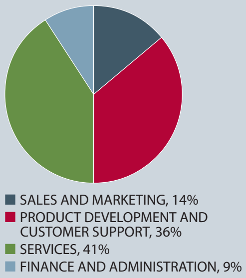
Enea's products also help customers build products that use less energy and use resources more effectively. Creating solutions that promote sustainable development is a key component of future product plans.

Although Enea does not conduct operations requiring permits or reporting in accordance with the Swedish Environmental Code, environmental work does form an important part of day-to-day operations. According to our environmental policy, we shall work to, among other things:

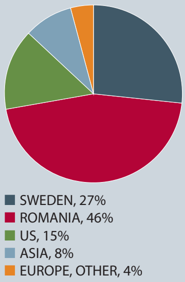
- Comply with all applicable environmental legislation and other environmental requirements in the market in which the Group operates.
- Avoid wasting resources.
- Take care of the waste we produce by reusing and recycling materials.
- Take environmental considerations into account in the design and location of our offices.
- Strive to continuously assess our approach and to identify new working methods to reduce our environmental impact.

To a large extent, sustainable development is about viewing our operations in a global perspective and being prepared to reassess accustomed notions and procedures. It is a matter of taking care of employees and releasing their innovative strength, both to create products and services that promote sustainable development and to find everyday solutions that make Enea a company characterized by a healthy attitude to a sustainable future.

EMPLOYEES PER FUNCTION*, %



EMPLOYEES PER COUNTRY*, %



**) Remaining business*

A focused software company

Enea took the final step towards becoming a focused software company with the sale of the Nordic consultancy business. The remaining business focuses on solutions for companies that develop communication-intensive products. Customized solutions are created, based on the OSE operating system, where products and consultancy services are woven together to produce advanced solutions that are implemented into customers' environments.

Business model

Enea's revenues from software are based on two ways of licensing:

- A development license is used when the customer's product is still under development and not available as a complete version. The development license is charged per developer. The customer can choose to rent the license over time or buy the license for a one-off fee.
- The production license is paid for when the customer's product is on sale to the end user. One part is charged as the price per user in the same way as with the development license. One part is charged in the form of royalty payments per product sold and are completely dependent on customers' sales volumes. Customers usually report sales quarterly, meaning that Enea invoices royalties and recognizes them as income with a delay of one quarter.

In addition to license revenues, the customer pays for support and maintenance, which accounts for one fifth of the cost of the licenses.

For consultancy assignments, customers are either charged an hourly rate or a fixed price for an achieved, predetermined result.

For larger projects, customers are given an estimate based on a combination of products and services.

Net sales

Net sales for 2011 were unchanged in comparison with 2010 and amounted to SEK 446.7 (446.6) million. Sales of new licenses rose compared with 2010, royalties remain unchanged and other income fell.

Earnings

Operating profit amounted to SEK 2.2 (37.3) million, corresponding to an operating margin of 0.5 (8.4) percent. The profit for the year was hit by a writedown of goodwill of SEK 18.6 million for the acquisition of Netbricks, a writedown of excess value of other intangible fixed assets of SEK 5.2 million and a writedown of capitalized development expenses in the amount of SEK 13.8 million. The operating profit, excluding writedowns, amounted to SEK 39.8 million, corresponding to an operating margin of 8.9 percent.

Organization

Enea's products are mainly developed in Sweden and Romania by more than 100 engineers. In recent years, Enea has gradually built up parts of its development department in Bucharest to reduce costs. This has been a successful venture, and most teams in the development department now consist of a mix of people

from both Bucharest and Kista. Customer support is closely linked to the development department.

Enea has three major groups of consultants in the US, Romania and China. These groups support projects with product-specific services and training, but also run some ongoing consultancy assignments not linked to Enea's products. At the end of 2011, Enea had around 170 consultants in total.

Sales takes place through sales teams organized according to customer size and geographically. Enea maintains eight sales offices in Sweden, Germany, France, Israel, the US, China and Japan. Enea employs around 60 individuals in sales and marketing.

At year-end 2011, Enea employed a total of 426 people.

Customers

Most of Enea's customers are in the telecom industry. 65 percent of sales emanate from customers working with telecom infrastructure and 8 percent from customers working with wireless devices. Other customers include med-tech companies and the defense industry.

Two individual customers stand out due to large share of the sales. Ericsson (Ericsson, ST Ericsson) and Nokia (Nokia Siemens Networks) represent more than half of the sales. Other customers include Motorola, Fujitsu, Alcatel-Lucent, LSI, Volvo and Yamaha.

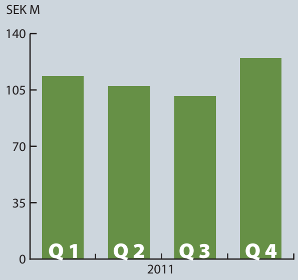
Competitors

There are many smaller companies that can compete in niche areas, but only a few that can compete on a broad scale. One thing they all have in common is the fact that they have the operating systems as a central part of their offerings. The largest competitor is the US company Windriver, which became a part of Intel in 2009. Two other major competitors are Green Hills, based in the US, and QNX, based in Canada. In 2010, QNX was acquired by Research in Motion.

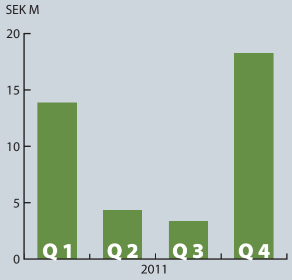
Enea's is third on the world market with a market share of 11 percent.

REMAINING BUSINESS EXCLUDING WRITEDOWNS

REVENUE, SEK MILLION



OPERATING PROFIT/LOSS, SEK MILLION



Product range

The cornerstone of Enea's product range is the OSE operating system. In addition, Enea provides a number of complementary products, usually combined into customized solutions and complemented with consultancy services.

- **Enea OSE** – a real-time operating system used for embedded systems. The operating system is the software closest to the hardware and acts as the link between the hardware and the software.
- **Enea OSEck** – a real-time operating system specially optimized for use in digital signal processors, i.e. the part of the hardware that manages communication.
- **Enea Hypervisor** – software that allows a number of operating systems to be run in parallel, such as OSE and Linux.
- **Enea Optima** – a development environment for software running on Enea's operating system.
- **Enea Polyhedra** – a database developed especially for embedded systems.
- **Enea Element** – software for middleware, i.e. the software that links the operating system with the applications. Middleware runs in the background and makes sure, among other things, that the system is uninterruptible, predictable and scalable.
- **Enea Linx** – Enea Linx – software for managing communication between different cores on the hardware chip. These cores can also run various operating systems.

> *This is a good transaction for all involved: our customers, employees and shareholders.*
>
> ***Anders Lidbeck, President and CEO***

Divestment of the Nordic consultancy business

On 30 December 2011 Enea entered into an agreement to divest the Swedish consultancy firms in Stockholm, Lund and Linköping to Xdin AB, the Swedish subsidiary of Alten Group, a leading global technology company based in Paris, France.

The divested business includes 226 employees and around 90 sub contractors. The Nordic consultancy business is profiled as expert technology consultants with specialist expertise in areas such as embedded systems, testing and quality assurance for telecom and defense, which are areas that suit the Alten Group's activities very well.

Enea will work closely with Alten with joint customers, ensuring continuity from the customers' perspective. As part of the agreement, Enea commits to buying a percentage of its consultancy services from the Alten Group next year, at market prices. This ensures Enea's ability to supply major projects and will be a good complement to the company's own product-specific expertise.

Service offering

Enea's Nordic consultancy business has provided services in the form of feasibility studies, requirement management, hardware development, application development, project management, system design, test and training.

Customers

Most customers are within the telecom sector. Other customers include car manufacturers, energy equipment manufacturers, med-tech companies, government organizations and retailers.

Competitors

A number of companies can compete with Enea's consultancy activities in individual projects, but significantly fewer companies have the same level of expertise as a whole. Enea considers HiQ, Cybercom, Prevas and ÅF to be the main competitors to the divested business.

Net sales

The Swedish consultancy activities had sales of SEK 274.8 (279.5) million for the year. Sales amounted to SEK 303.8 million, including transactions between Group companies.

Earnings

The divested business' operating profit amounted to SEK 0.3 (30.2) million, equivalent to an operating margin of 0.1 (10.8) percent. The profit for the year was negatively impacted by a writedown of goodwill of SEK 22 million for the acquisition of Qivalue. Excluding the writedown of goodwill, the operating margin for the year was 8.2 percent. The figures for the divested business do not include Group-wide costs previously allocated also to this business.

Purchase price

The purchase price amounted to SEK 148.5 million paid in cash with no credit. The sale meant a capital gain of SEK 66.8 million. The divestment affected Enea's cash flow positively by SEK 144 million in the first quarter. The deal was finalized on 16 February 2012.

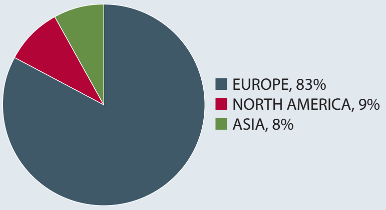
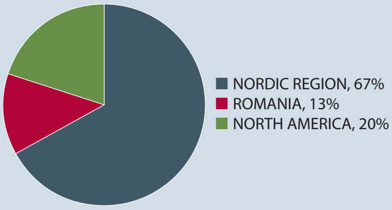
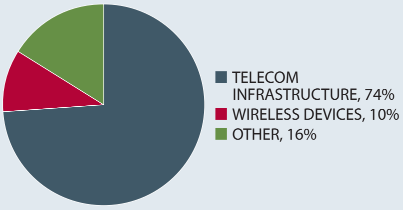
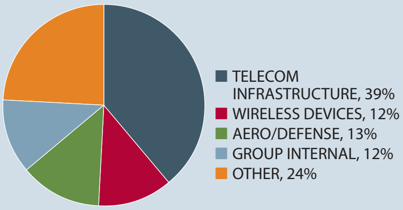
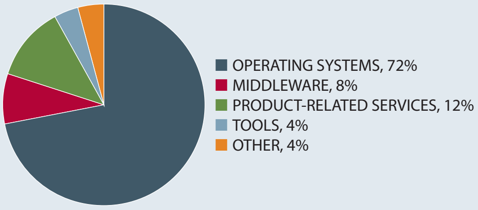
<<

Business areas

In 2011, Enea reported its activities in two business areas:

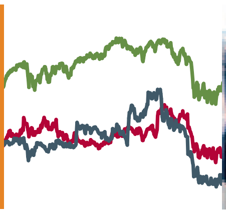
- Software was comprised of Enea's global product business including product-related services.
- Consulting was comprised of the consultancy operations in Romania, the US and Sweden.

The majority of the Consulting business area was divested at the sale of the Nordic consultancy business. Comments on the remaining and divested business are provided on pages 16-18. The table below shows Enea's results for 2011 by business area, including the divested business, with the figures for 2010 in parentheses.

	Software	**Consulting**
Share of total sales	47 (48) percent	53 (52) percent
Net sales and growth	Sales for Software fell by 1.8 percent to SEK 340.7 (347.1) million for the year. Adjusted for currency effects, sales fell by 0.3 percent. Sales of new licenses increased compared with 2010, royalties remain unchanged and other income fell.	Sales for Consulting remained unchanged for the year with sales of SEK 434.9 (434.7) million. Adjusted for currency effects, growth was 2.9 percent.
Profit/loss	Operating profit for Software amounted to SEK 3.0 (49.9) million, equivalent to an operating margin of 0.9 (14.4) percent. The year was negatively impacted by a writedown of goodwill of SEK 24 million for the acquisition of Netbricks and a writedown of capitalized development expenses of SEK 14 million. The operating margin, excluding writedowns, was 11.9 percent for the year.	The business area's operating profit/loss fell to a loss of SEK 0.5 (21.6) million, equivalent to a negative operating margin of 0.1 (5.0) percent. The profit/loss for the year was negatively impacted by a writedown of goodwill of SEK 22 million for the acquisition of Qivalue. The operating margin, excluding write-downs, was 5.0 percent for the year.
Geographic regions		
Customer segments		
Product groups		
Employees	175 employees	466 employees

8.00 SEK

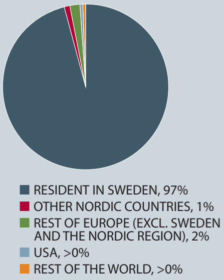
Proposed transfer to shareholders



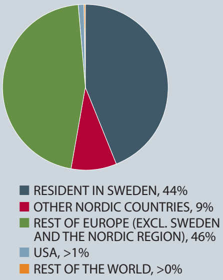
Shares and shareholders

Enea was listed on the Stock Exchange in 1989 and has been listed since 1 July 2007 on the NASDAQ OMX Nordic Exchange in Stockholm for Swedish shares – Small Cap (ENEA).

NUMBER OF SHAREHOLDERS



% OF VOTES AND CAPITAL



OWNERSHIP BY GEOGRAPHIC AREA

Area	Share-holders, %	% of votes and capital
Resident in Sweden	96.50	43.60
Other Nordic countries	0.87	8.99
Rest of Europe (excl. Sweden and the Nordic region)	1.70	46.33
USA	0.48	0.86
Rest of the world	0.45	0.22
Total	**100.0**	**100.0**

Price trend

The price fluctuated over the year between SEK 21.20 at its lowest and SEK 58.25 at its highest. The closing price at year-end was SEK 29.00. Enea's share price has declined by 38 percent over the year, compared with a 14.4 percent decline of the broad SIX General Index and an 8.6 percent decline of the IT index. Enea's total market capitalization amounted to SEK 512 million as at 31 December 2011.

Trade volume

A total of around 3.3 million shares were traded at a total value approaching SEK 512 million. This is equivalent to a turnover rate of 19 percent for 2011. On average, 13,054 shares were traded every trading day over the year.

Ownership

The number of company shareholders was 9,404 as at 31 December 2011. The holdings of the ten largest shareholders amounted to 62.7 percent of capital and votes. The principal shareholders consist of Per Lindberg and DnB Nor. Foreign ownership amounted to 56 percent.

Number of shares

The number of shares amounted to 17,659,091 as at 31 December 2011.

Enea's Board of Directors proposes a transfer to the shareholders

Given Enea's strong financial position, the Board recommends to the Annual General Meeting a transfer of the equivalent of SEK 8.00 per share to shareholders. That corresponds to a transfer of SEK 136.9 million.

Long-term dividend policy

Enea's long-term dividend policy is that at least 30 percent of the profit before non-recurring items and after flat rate tax are to be distributed to the shareholders.

Capital structure

To enable Enea to continue its development also through acquisitions, the company may, over time, be in a position of net indebtedness. For a company such as Enea, where software development and sales represent an essential part of operations, the maintenance of a strong financial position is extremely important. Consequently, the Board will always consider the company's long-term financing needs.

THE TEN LARGEST SHAREHOLDERS, GROUPED BY OWNER

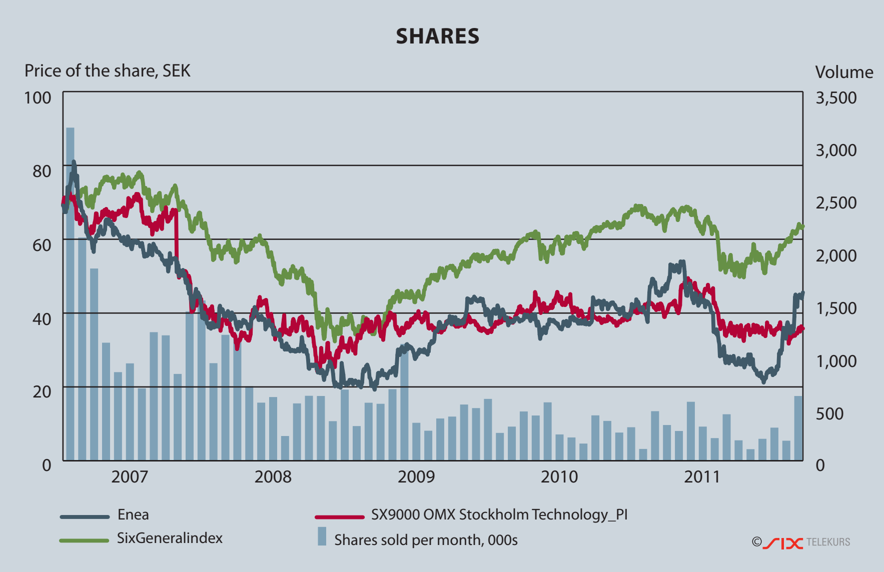
30 DECEMBER 2011

Owners	Number of shares	% of votes and capital
SIX SIS AG, W8IMY	4,234,140	23.98
Per Lindberg	3,124,585	17.69
DnB Nor	1,174,637	6.65
INFLÄKTOR FAST AB	820,000	4.64
Handelsbanken Funds	381,535	2.16
DNB Norden (IV)	364,169	2.06
Skandia Funds	358,713	2.03
FÖRSÄKRINGS AB SKANDIA	269,873	1.53
Caceis Bank Luxembourg	205,073	1.16
Swedbank Robur fonder	140,000	0.80
Total, ten largest owners	**11,072,725**	**62.70**
ENEA AB (PUBL)	548,734	3.11
Other shareholders	6,037,632	34.19
Total number of shares	**17,659,091**	**100.0**

DISTRIBUTION BY SIZE CLASS

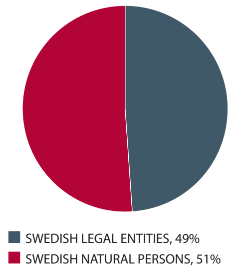
30 DECEMBER 2011

Holding	Number of shareholders	Number of shares	% of votes and capital
1 – 500	7,945	962,075	5.44
501 – 1000	649	517,797	2.93
1001 – 5000	644	1,447,289	8.20
5001 – 10000	70	512,134	2.90
10001 – 15000	29	368,803	2.09
15001 – 20000	12	208,008	1.18
20001 –	55	13,642,985	77.26
Total	**9,404**	**17,659,091**	**100.0**



SHARES

LEGAL ENTITIES AND NATURAL PERSONS, % OF VOTES AND CAPITAL



Source: Euroclear

KEY FIGURES*

SEK	2011	2010	2009	2008	2007
Net value per share	24.31	29.55	29.53	30.43	23.71
Earnings per share	-0.37	2.65	0.24	4.9	3.88
Earnings per share after full dilution	-0.37	2.65	0.24	4.9	3.88
Cash flow per share from operating activities	4.47	4.38	4.02	4.54	3.62
Dividend per share	8.00[1]	5.00	1.50	0	0

**) Including divested business*

1) Board's proposals to the Annual General Meeting.

The Board and CEO of Enea AB (publ.) Co. Reg. No. 556209-7146, registered in Stockholm, hereby submit the accounts for the financial year 1 January–31 December 2011 for the parent company and the Group.

Business

Enea is a global software and consultancy company listed on the NASDAQ OMX Stockholm Small Cap list. Enea specializes in solutions for communication-driven products and provides products and know-how that reduce customers' development time, cut production costs and enhance the reliability of the systems. About half of its customers are manufacturers of telecom equipment, while the others are divided more equally over the fields of medical technology, industry, vehicles, aviation and defense.

Significant events during the year

On 30 December 2011, Enea entered into an agreement to sell the three Swedish consultancy firms in Stockholm, Linköping and Lund to Xdin AB, a subsidiary of the French Alten Group The sold units had sales of SEK 303.4 million, including internal sales in 2011, and at year-end they had 226 employees and a further 90 sub consultants. By selling the Nordic consultancy business, Enea will be able to focus on the global software business. The remaining business had sales of SEK 446.7 million in 2011 with an operating margin of 8.9 percent (excluding writedowns of goodwill and other intangible surplus values).

In the second quarter, Enea made a deal with a telecoms company in Asia worth SEK 7.9 million for licenses related to the development of base stations and associated consultancy services.

Per Åkerberg stepped down as Enea's President and CEO in August and was replaced by the Chairman of the Board, Anders Lidbeck. Anders took over as President and CEO on 9 September and stepped down as Enea's Chairman of the Board. Board member Anders Skarin was appointed as the new Chairman of the Board.

Significant events after the end of the financial year

The sale of the three Swedish consultancy firms to Xdin AB was completed on 16 February 2012.

The final purchase price was SEK 148.5 million. The capital gain amounted to SEK 66.8 million. Enea's cash flow was positively affected by SEK 144 million in the first quarter of 2012.

Sales and profit development

Enea's sales in 2011 fell by 0.6 percent to SEK 721.5 (726.1) million compared with last year. Adjusted for currency effects on the translation of foreign subsidiaries, sales remained unchanged. Sales in 2011 were distributed with 47 (48) percent from the Software business area and 53 (52) percent from the Consulting business area. Sales are distributed between several customer segments, with telecom infrastructure representing 58 (52) percent, wireless devices 12 (18) percent, defense 8 (9) percent and other segments 22 (21) percent. The operating profit in 2011 was SEK 2.5 (67.4) million and the operating margin was 0.3 (9.3) percent. Profits were negatively impacted by SEK 59.7 million for the writedown of goodwill, other intangible surplus and capitalized development expenses. Results were also negatively impacted by restructuring costs of SEK 7.5 (6.8) million. Currency effects when translating foreign subsidiaries only had a marginal effect on the consolidated profit/loss.

Writedown of goodwill and other intangible surplus of SEK 37.6 million and capitalized development expenses of SEK 5.7 million burdened the business area's profit/loss.

The Consultancy business area's external sales amounted to SEK 380.9 (380.1) million. Operating profit/loss fell to a loss of SEK 0.5 (21.6) million. The writedown of goodwill of SEK 22.1 million and structural costs of SEK 1.8 million burdened the business area's results.

Product development, sales and marketing expenses fell compared with 2010. Administration expenses remained at the same level as in 2010.

Net financial items for the full year totaled SEK 3.8 (0.7) million. The loss after tax for the year was SEK 6.4 (profit 46.0) million. Earnings per share amounted to a loss of SEK 0.37 (profit 2.65). Without adjustment for the holdings of treasury shares, earnings per share amounted to a loss of SEK 0.36 (profit 2.54). Return on equity was a negative 1.4 (pos. 8.9) percent.

Investments, depreciation and amortization

The Group's investments for the full year amounted to SEK 27.5 (19.0) million, of which capitalized development expenses amounted to SEK 16.1 (15.8) million. Depreciation for the year amounted to SEK 23.8 (22.4) million, of which SEK 13.8 (8.1) million involved amortization of capitalized development expenses.

Cash flow and financial position

Cash flow from current operations amounted to SEK 77.2 (76.1) million for the full year. Total cash flow was negative in the amount of SEK 49.2 (pos. 25.4) million. SEK 86.7 million was transferred to shareholders in the form of an automatic redemption scheme in the second quarter. Over the year shares for SEK 6.8 (7.7) million were bought back.

Cash and equivalents and current

investments amounted to SEK 127.3 (176.5) million at the end of the year. In addition, the Group had unutilized credit facilities of SEK 100 million. Enea has a continued strong financial position, with an equity ratio of 73.6 (77.6) percent.

Parent company

The operations of the parent company, Enea AB (publ), focus primarily on Group-wide management. The company provides and sells services to other Group companies, involving management, finance, administration and IT.

The parent company's net sales in 2011 amounted to SEK 55.8 (60.0) million and profit before tax amounted to SEK 7.9 (8.0) million. Net financial items in the parent company amounted to SEK 11.8 (12.0) million. Cash and cash equivalents amounted to SEK 86.0 (128.5) million.

The parent company's investments amounted to SEK 3.9 (0.5) million. The parent company had 11 (17) employees at the year-end. The parent company's risks are primarily attributable to the activities of the subsidiaries.

Employees

At year-end, 652 (620) people were employed by the Group. The average number of employees in the Group during the year was 613 (621).

Guidelines on remuneration for senior executives

The proposed guidelines on remuneration to senior executives are described in detail in Notes 4 and 22. At the 2012 Annual General Meeting, it will be proposed that current guidelines should continue to apply until the next Annual General Meeting. The Board of Directors shall be entitled to deviate from these guidelines where specific reasons exist.

Enea's shares

As of 31 December 2011, the registered share capital amounted to 17,659,091 shares with a nominal value of SEK 1.04. Shareholders are entitled to dividends as determined by the Annual General Meeting. Each share entitles the holder to one vote at the Annual General Meeting. The Articles of Association do not contain any provision that limit the transferability of shares or the vote entitlement of each individual shareholder at the Annual General Meeting.

Shareholders whose shares represent at least one-tenth of the votes for all shares in the company are Per Lindberg, partly via Electro Medicinska AB (a total of 17.3 percent of share capital and votes) and SIX SegaInterSettle AG (23.4 percent of share capital and votes). There were a total of 9,404 (10,031) shareholders as of 31 December 2011.

The Annual General Meeting decided to authorize the Board to pass resolutions on acquisitions and transfers of treasury shares. Shares in the company may only be acquired on the NASDAQ OMX Stockholm or in accordance with acquisition offers to all of the company's shareholders. The number of shares acquired must be such that the treasury shares held by the company at no time exceed 10 percent of all shares in the company. A maximum of 10 percent of the total number of shares in the company may be transferred. The purpose of the acquisition of treasury shares is to allow Enea's capital structure to be adapted constantly to Enea's capital requirement and to permit financing – either fully or in part – in connection with corporate acquisitions.

Enea AB owns 548,734 of the shares in the company, equivalent to 3.1 percent of the share capital. In 2011, Enea AB bought back 235,616 of its own shares, equivalent to 1.3 percent of the share capital, for which SEK 6.8 million was paid. In 2011, 422,080 shares were canceled in accordance with a resolution passed by the Annual General Meeting.

The 2011 Annual General Meeting authorized the Board to pass resolutions, for the period until the 2012 Annual General Meeting, on one or more occasions, on the issue of new shares without preferential rights for shareholders, with provisions regarding non-cash issues or other terms as referred to in Chap. 13, Section 5, first paragraph, item 6 of the Swedish Companies Act, and that the Board may otherwise resolve on the terms of the issue. However, the issue price must be determined under market conditions and must correspond to no more than 10 percent of the number of outstanding shares. This authorization was not utilized in 2011.

Transfer to shareholders

The Board proposes to the Annual General Meeting that a 2:1 share split be combined with a compulsory redemption procedure. The procedure entails each share being split into an ordinary share and a redemption share. No transfer is made for the 548,734 treasury shares bought back by the company. It is proposed that the redemption shares be redeemed for SEK 8.00 per share, corresponding to a transfer of SEK 136,882,856 to the company's shareholders.

Following the implementation of the proposed appropriation of earnings and the redemption program, the retained earnings and unrestricted funds in the parent company Enea AB will amount to SEK 34,629 thousand and total equity will be SEK 40,461 thousand.

Board statement on the proposed redemption program in accordance with the Swedish Companies Act, Chapter 18, Section 4: The proposed dividend to shareholders reduces the parent company's equity ratio from 93.3 percent to 91.0 percent and the Group's equity ratio from 73.6 percent to 65.2 percent. The equity ratio is reassuring, given that the operations of the company and the Group's business still show a profit. It is considered possible to maintain the liquidity in the company and the Group at an equally satisfactory level by selling the Nordic consultancy business.

It is the view of the Board that the proposed transfer of value will not impede the company, or other companies that form part of the Group, from fulfilling their obligations in the short and long term, nor from completing necessary investments. The proposed transfer of value can thus be viewed as justifiable, given what is stated in the Swedish Companies Act, Chapter 17, Section 3, paragraphs 2-3.

The Board proposes that the Annual General Meeting authorize the Board to set the record days for the share split and redemption, and the period for trading in redemption shares. However, the record day for the share split is expected to be 20 April 2012 and the record day for the withdrawal of redemption shares is expected to be 11 May 2012. Trade in redemption shares is expected to take place from and including 24 April 2012 up to and including 8 May 2012. Payment for redemption shares is expected to be executed via Euroclear Sweden AB around 16 May 2012.

For information on the company's profit/loss and general position, please refer to the following income statements, balance sheets and cash flow statements with supplementary notes. The financial reports were approved for issue by the Board of the parent company on 06 March 2012.

PROPOSAL FOR DISTRIBUTION OF ENEA AB'S EARNINGS

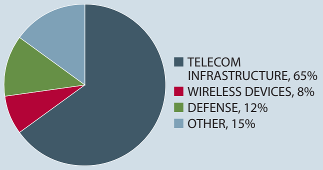
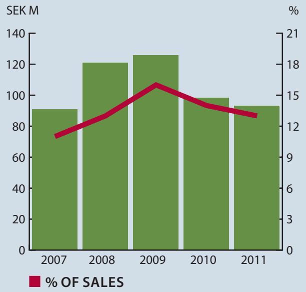
The following funds are available to the parent company (SEK):

Share premium reserve	2,082,854
Retained earnings	169,428,888
Profit/loss for the year	5,831,856
Total	**177,343,598**

The Board proposes that the earnings are appropriated so that SEK 177,343,598 is carried forward.

Enea is exposed to a number of risks that could affect the Group's profit. Enea identifies and manages the company's risks on a continuous basis. The risks deemed to be of the greatest significance to the company have been classified below as business-related, market-related and financial risks.

Business-related risks	Comments	Exposure
Customer structure Enea depends on a number of major customers like Ericsson, ST-Ericsson and Nokia Siemens Networks, all major suppliers of telecom equipment.	Enea is dependent on the major customers' long-term investment and product development plans, because when they develop new generations of products, major decisions can be made that affect which of Enea's products and services will be used.	Overall income from Ericsson and Nokia make up more than half of the company's sales. The risk of rapid negative changes is limited due to long-term agreements and difficulties for customers to change the extent of their use of Enea's products and services at short notice.
Contract structure A large percentage of income from software is repetitive in the form of long royalty and maintenance contracts. Income from the consultancy business is usually not repetitive.	Enea cannot influence the developments of future royalty income. The development of these customers' product volumes is crucial for the size of the royalty income. However, the costs incurred are limited in connection with income flows.	Repetitive income is roughly 2/3 of the annual software income
Competence supply Enea's success is very much linked to its ability of employing, developing, motivating and retaining qualified personnel.	There is strong competition for qualified personnel in the IT industry. Enea's combination of products and services, however, gives the company an advantage over its competitors by allowing it to offer broader career paths. Enea has invested in more clearly defining its values and enjoyment, and enhanced staffing in Human Resources.	Enea's employee turnover rate has risen compared with last year, but is expected to be in line with the industry average.
Product responsibility, intellectual property rights and legal disputes Enea's products are a key component in the customers' products and faults may cause a breakdown in customer relations and compensation claims. Enea's brand and the company's patents risk being infringed.	Enea is insured against product liability and believes it is sufficiently covered to limit the direct risk. Enea is also insured against patent and brand infringement and constantly employs expert legal services to minimize these risks.	Neither Enea nor its subsidiaries are currently involved in any legal disputes, court or arbitration proceedings, with the exception of a small number of minor disputes that are not expected to have any substantial negative impact on the company's financial position. The Board is unaware of any circumstances that could lead to a dispute or that could subsequently damage Enea's financial position to any significant extent.

Market-related risk	Comments	Exposure
Macroeconomic development Enea is dependent upon the growth and financial development of its largest customers. Most of its income comes from customers in the telecom industry, meaning that the economic risks are linked not only with the economic situation in general, but also with the specific development of the telecom industry.	A generally impaired economic situation mainly has consequences for customers' current willingness to invest, thus reducing purchases of Enea products and services. A downturn in the economic climate can also affect the customers' product sales, which in turn affects Enea's royalty income. Structural changes such as an increase in the use of embedded systems in various contexts are of greater significance than changes in the economic situation.	73 percent of Enea's remaining sales emanate from the telecom segment. 
Products and technology Enea's competitiveness and market position are largely dependent the company's ability to manufacture innovative products, often in close cooperation with both customers and hardware manufacturers.	And close cooperation with its largest customers concerning product development is of major importance. The increasing presence of open source software entails a risk that Enea's customers choose such solutions instead of the company's copyright-protected products. Enea is keenly aware that open solutions are on the increase and has therefore complemented its product range with Linux. Enea works closely with a number of hardware manufacturers in order to adapt it product plans to future hardware solutions and to pre-integrate its products in hardware suppliers' solutions.	PRODUCT DEVELOPMENT COSTS 
Competitors The market for embedded system software is fragmented, with a handful of players of Enea's size or larger. Like Enea, all of its major competitors operate globally while niche players compete in limited areas.	Enea is strongly positioned in the telecom industry and has positioned itself as the market leader for this sector. Other competition is seen in the form of customers' in-house developed software solutions. This is falling as hardware environments and end products are becoming increasingly complex.	Enea is the third largest player in real-time operating systems in the world with a market share of 11 percent.

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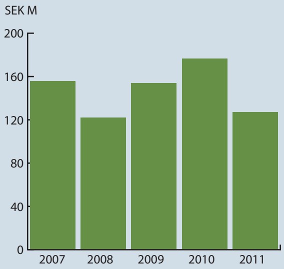
Financial risks	Comments	Exposure
Currency risk Currency risk is the risk of the value of financial instruments varying due to changes in currency exchange rates.	Enea has an international business, with most of its sales in SEK, EUR and USD. To a great extent, currency exposure is minimized by running the business in subsidiaries that generate income and incur costs in local currencies. A Group account structure with a number of currencies keeps currency exchanges to a minimum and increases flexibility in respect of the time for exchanges. Major known deposits and outgoing payments in foreign currencies are hedged through foreign exchange forwards in accordance with the financial policy. Foreign subsidiaries are translated to Swedish kronor in accordance with the current method, which means that the report on total profit/loss is translated in accordance with the average rate for the period, and the balance sheet is translated according to the exchange rate on the balance sheet date. Translation exposure is not hedged.	In 2011, a total of EUR 11 (4) million and JPY 0 (42) million was currency hedged. There were outstanding derivatives valued at EUR 7 million at an average exchange rate of 9.18 at year-end 2011. If the Swedish krona had strengthened/weakened by an average of 5 percent in relation to the EUR, with all other variables constant, income in 2011 would have been SEK 5 million higher or lower. Equivalent conditions against the USD would have entailed an income effect of SEK 7 million.
Liquidity risk Liquidity risk means that financing cannot be acquired, or can only be acquired at greatly increased cost.	Enea's cash pool, with mostly cash and equivalents in the Swedish companies, is administrated by the parent company. The Group's liquidity is reported and reviewed on an ongoing, weekly basis. Excess liquidity is invested as a special deposit or as commercial papers with maturity periods from one day to three months with well-established financial institutes. Investments maintain a low risk profile in accordance with the financial policy.	Enea's liquidity risk is limited. At 31 December, cash and equivalents amounted to SEK 127.3 (176.5) million. The Group has no interest-bearing debts. CASH AND EQUIVALENTS 
Capital risk The Group's target concerning the capital structure is to maintain a stable financial position that secures the Group's ability to continue its operations and generate returns for shareholders, benefit other stakeholders and engender confidence in the often close and long-term customer relations.	To maintain or alter the capital structure, the Group may issue a dividend, repay capital to shareholders, issue new shares or sell assets to decrease its liabilities.	At year-end, the Group had no external financing.
Interest risk Interest risk refers to the risk that the value of a financial instrument varies due to changes in market interest rates.	The Group had granted, but unutilized, credits of SEK 100 million on 31 December 2010, 2009 and 2008. The interest risk in the Group's cash and cash equivalents is mainly attributable to trends on the Swedish fixed-income market. .	Enea's interest risk is low as the Group has no interest-bearing liabilities. An increase/decrease of 1 percent of the interest rate related to the interest on cash and cash equivalents would result in an increase/decrease of net financial items of approximately SEK 1.5 million.
Credit risk Credit risk is when a party in a transaction with a financial instrument cannot meet its commitments. The main credit risk is that Enea would not be paid for accounts receivable.	The Group's customers are predominantly large, well-established companies with good payment capacity, distributed on several geographical markets. To limit the risk of potential credit losses, the company's credit policy includes guidelines and regulations regarding the credit assessment of new customers, payment terms and procedures for the processing of unpaid receivables.	In 2011, SEK 0.7 million was reserved for a doubtful account receivable.

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Enea Corporate Governance Report, 2011

Enea AB ("Enea" or "the Company") is a Swedish public limited company listed on the NASDAQ OMX Nordic exchange in Stockholm. Corporate governance within the Enea Group is based on Swedish legislation and the rules and recommendations issued by relevant organizations, including the Swedish Corporate Governance Board, NASDAQ OMX, the Swedish Securities Council and others.

Governance, management and control of Enea are distributed between the shareholders through the Annual General Meeting, the Board and the CEO in accordance with the Swedish Companies Act and the Board's rules of procedure.

Swedish Code of Corporate Governance

The following description of the Corporate Governance Report has been prepared in accordance with the Swedish Code of Corporate Governance. Over the 2010 financial year, Enea complied with the Code with the exception of the points detailed below.

Instruction 2.5: The company is to announce the names of members of the nomination committee on its website no later than six months before the Annual General Meeting.

Deviation: The information was disclosed later than six months before the Annual General Meeting.

Explanation: At the end of the third quarter in 2011, the Chairman of the Board contacted the four largest registered shareholders in terms of number of votes to ask them to appoint one member each to the nomination committee. Three of these appointed a representative, but the fourth declined. Despite requests to many of the remaining largest shareholders, in order of size, no fourth owner-representative was appointed. This meant that the process was protracted and that the information could not be provided in accordance with the Code.

Deviation: The Audit Committee consists of fewer than three members.

Explanation: Due to the company's size and complexity, it was decided not to replace the former Chairman of the Committee with a new representative when he was appointed as CEO.

Shareholders

Enea's ordinary shares are listed on the NASDAQ OMX Stockholm Small Cap list. According to the share register maintained by Euroclear Sweden, Enea had 9,404 shareholders as at 31 December 2011. On 31 December 2011, the share capital in Enea amounted to SEK 18,355,713, divided into 17,659,091 ordinary shares, each conveying the same voting rights and participation in the Company's capital and earnings. Enea owns 548,734 shares in the Company, corresponding to 3.1 percent of the total shares outstanding. On 31 December 2011, the largest shareholders were SIX SIS AG, with 23.4 percent and Per Lindberg, with 17.3 percent of shares.

Annual General Meeting

The Annual General Meeting, or where applicable, an Extraordinary General Meeting, is Enea's highest decision-making body. Every shareholder is entitled to participate in the Annual General Meeting, either in person or via a representative with power of attorney. Every shareholder has the right to request that a matter be addressed by the Meeting. The 2011 Annual General Meeting of Enea AB (publ) took place on 7 April 2011 in Kista.

The Annual General Meeting adopts Articles of Association, appoints the Board of Directors and its Chairman, appoints auditors, adopts the income statement and balance sheet, resolves on the appropriation of earnings, discharges the Board and the CEO from liability, adopts the principles of remuneration for the CEO and other senior executives, etc. A 2/3 majority is required to amend the Articles of Association.

In addition to adopting the income statement and balance sheet for the company and the Group, the Annual General Meeting resolved to change the Articles of Association concerning the highest and lowest number of shares and the lowest and highest amount of share capital, to discharge the board members and CEO from liability, elected Board members and approved the remuneration to the Board and the auditors, adopted guidelines for the senior executives and introduced an automatic redemption program involving a share split, the redemption of shares and a bonus issue. The redemption program involved a transfer of SEK 86,729,865 to the shareholders. In addition, the Board was authorized to pass resolutions on acquisitions and transfers of treasury shares corresponding to no more than 10 percent of all shares in the company, plus the new issue of shares for share or business acquisitions corresponding to an increase of no more than 10 percent of the share capital and the cancellation of 422,080 treasury shares.

Anders Lidbeck, Kjell Duveblad, Åsa

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Landén Ericsson, Mats Lindoff and Anders Skarin were reappointed as ordinary board member at the 2011 Annual General Meeting. Anders Lidbeck was reappointed as Chairman of the Board.

The complete minutes from the Annual General Meeting, together with the Meeting's decision data, can be viewed at the company's website (www.enea.com) under the Investor Relations section

Nomination Committee

The Annual General Meeting will appoint nomination committee members or state how they are to be appointed. Enea's nomination committee for the 2012 Annual General Meeting shall comprise representatives of the four largest shareholders plus the Chairman of the Board. If any of the four largest shareholders in terms of votes declines to appoint a representative on the nomination committee, the next shareholder in order of size must be given the opportunity to appoint such a representative. The names of nomination committee members will be published in the company's third quarterly report. The mandate period for the nomination committee appointed will run until a new nomination committee has taken over. A representative of the shareholders should be appointed chairman of the nomination committee.

In accordance with the above, the Chairman of the Board contacted the four largest shareholders in terms of number of votes at the end of the third quarter of 2011 to ask them to appoint one member each to the nomination committee. Three of these appointed a representative, but the fourth declined. Despite requests to many of the remaining largest shareholders, in order of size, no fourth owner-representative could be appointed. To leave sufficient time for preparations for the Annual General Meeting, it was decided that the nomination committee for the 2011 Annual General Meeting would only comprise representatives of the three largest shareholders plus the Chairman of the Board.

If any significant change takes place to the ownership structure once the nomination committee has been inaugurated, the composition of the nomination committee will be amended in accordance with the principles above.

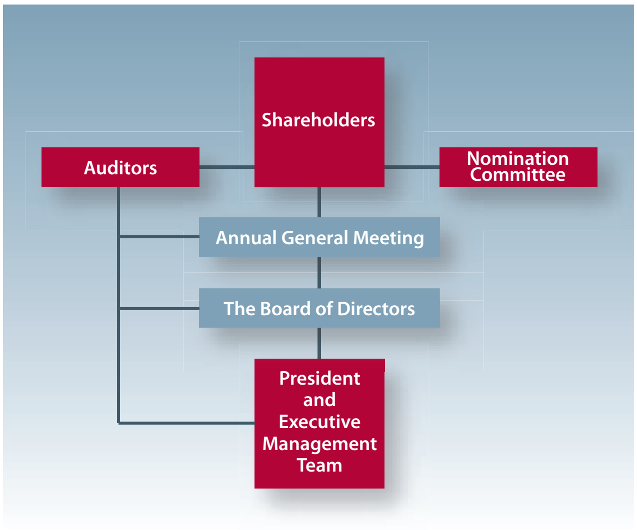
The nomination committee shall prepare and submit proposals for:

- the Chairman of the coming Annual General Meeting,
- the appointment of the Chairman of the Board and other Board members,
- the remuneration to the Board, divided between the Chairman and the other members of the Board, along with the principles of remuneration (if any) for committee work,
- the appointment of and remuneration to the auditor and deputy auditor (if applicable), and
- the adoption of principles for the appointment of a nomination committee.

The nomination committee for the 2012 Annual General Meeting consists of Chairman Per Lindberg (the largest shareholder in Enea), Sverre Bergland (DnB Nor), Robert Andersson (Infläktor Fastighets AB) and Chairman of the Board Anders Skarin.

The term of office for the company's current firm of auditors,

Management overview



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PricewaterhouseCoopers AB, with Michael Bengtsson as chief auditor, expires at the 2012 Annual General Meeting. The nomination committee proposes that PricewaterhouseCoopers AB be reappointed until the next Annual General Meeting. Niklas Renström is proposed as new chief auditor. For information on remuneration to the auditors, see Note 5.

The work of the Board

The Board shall manage the company's interests and the interest of all shareholders. The tasks of the Board include adopting business objectives and strategy, appointing, evaluating and - where necessary - dismissing the CEO, ensuring that effective systems are in place for following up and reviewing the company's operations, ensuring that there is satisfactory control over the company's compliance with laws and other regulations applicable to the company's operations, ensuring that the requisite ethical guidelines are adopted for the company's conduct, and ensuring that the company's provision of information is characterized by openness and is correct, relevant and reliable.

The CEO participates in every Board meeting and reports on the company's business situation, future prospects, financial position and events of essential significance, as well as the management's budget proposals and action plan for the coming financial year. Other officers of the company also take part in Board meetings, presenting reports when necessary. The CEO does not participate in the parts of Board meetings dealing with the relationship between the CEO and the company, and the work of the CEO is evaluated at least once a year. The Board members' shareholdings are detailed in the presentation of the Board, see pages 28-29.

Every year, the company's auditor reports to the Board its observations from the review and its assessment of the company's internal control.

The guidelines for Board's work are based on the rules of procedure, which regulate the distribution of work between the Board, the Chairman and the CEO, and indicate which matters are to be discussed at ordinary Board meetings. The Board's rules of procedure are adopted each year at the inaugural Board meeting immediately following the Annual General Meeting and they are adjusted as required.

Besides the tasks already stated, the rules of procedure includes approval of the Board's meeting agenda, the instruction to the CEO, the decision-making structure within the company, the relevant division of work and an information arrangement between the company and the Board.

Anders Lidbeck stepped down as Chairman of the Board on 9 September and took over as Enea's CEO. Anders Skarin was appointed new Chairman of the Board. Anders Lidbeck will remain on the Board until the 2012 Annual General Meeting, but without remuneration.

In 2011, the Board dealt with the Enea Group's strategy and business, the divestment of the Swedish consultancy business, the recruitment and appointment of the new CEO, ongoing follow-ups of the business and forecasts, quarterly reports, budget and business plan for 2012 and a buy-back of treasury shares. The work of the Board was evaluated at the end of the year. The Board held a total of 13 meetings in 2011.

In addition to the regular Board work, some members are also members of the company's audit committee and remuneration committee.

The Board of Directors

				
Name	**Anders Skarin**	**Anders Lidbeck**	**Kjell Duveblad**	**Åsa Landén Ericsson**
Born	1948	1962	1954	1965
Appointed	2005	2009	2008	2003
Board duties	Chairman of the Board since September 2011, Board member since 2005.	Board member since September 2011, Chairman of the Board between 2009 and September 2011.	Board member since 2008.	Board member since 2003.
Education	Bachelor of Science.	Bachelor of Business Administration.	Bachelor of Business Administration, Stockholm School of Economics.	Master of Science and MBA.
Other Board assignments	Chairman of Cambio Healthcare Systems AB, PocketMobile Communications AB, Vendator and Infobric. Board member of Acando AB and WSP Europe AB.	Chairman of the Board of Creandum AB and Scalado AB.	Chairman of the Board at Remium Fondkommission AB and Madeo Sourcing Group AB. Board member of 3L System and Board member of other unlisted companies.	Board member of Rejlerkoncernen AB.
Own and related parties' shareholding 2011 (2010)	15,000 (15,000)	50,000 (through endowment assurance) (50,000)	10,000 (10,000)	2,500 (2,500)
Committee work	Audit committee, remunerations committee.	Audit committee and remunerations committee until 9 September 2011.	Remunerations committee.	Audit committee.
Primary occupation	Management consulting and board work.	CEO of Enea.	Consultant.	CEO, Enfo Pointer Sweden AB.

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The Board received remuneration of SEK 1,250,000, to be distributed to the Chairman of the Board (SEK 380,000) and to other members appointed by the Annual General Meeting (SEK 175,000 each), as well as SEK 170,000 to be divided among Board members according to their efforts and participation in committee work. In addition, it was resolved that the Board should appropriate SEK 500,000 for use for extraordinary initiatives over and above their regular Board work. This must be reported separately. From 9 September, remuneration equivalent to one year's remuneration, SEK 380,000 of which will be paid to the Chairman of the Board and SEK 175,000 to the other Board members, and SEK 120,000 should be distributed for committee work. An additional SEK 5,000 will be paid to each Board member for extra work required due to the drop in number of Board members. The fee will be taken from the SEK 500,000 appropriated by the Board for extraordinary initiatives.

Details of Board members' remunerations are presented in Note 4/22.

Board independence

All members were to be considered independent in respect of the company and the executive management team and in respect of major shareholders in the company.

For information on the Board members and the CEO, see pages 28–30.

Audit Committee

The audit committee is a committee of the Board that until 9 September 2011 consisted of Anders Skarin (Chairman), Anders Lidbeck and Åsa Landén Ericsson. Anders Lidbeck was appointed as CEO on 9 September 2011, thereby stepping down from the audit committee. From this date, the audit committee consisted of Åsa Landén Ericsson (Chairman) and Anders Skarin. Enea's CFO and the company's external auditor are co-opted to the meetings, which are normally held once a quarter. The work of the audit committee is minuted and reported to the Board.

The audit committee is responsible for the preparation of the Board's work on quality assurance of the company's financial reporting, informing itself of the direction and scope of the audit, and discussing coordination between the external and the company's internal control functions and the view of the company's risks, adopting guidelines concerning which services other than the audit that the company may procure from the company's auditor, evaluating the audit efforts and notifying the company's nomination committee of the evaluation, and assisting the nomination committee with its proposals for auditors and remuneration.

The audit committee held four meetings in 2011, all in connection with the closing of the quarterly accounts. All members were present at every audit committee meeting in 2011. The formulation of the company's quarterly reports, product profitability, goodwill and other intangible assets, accounts receivable, risk management, finance-related issues and internal reviews were the main topics discussed.

The Group's auditor reports his findings from the audit to the entire Board each year when the annual accounts are prepared. In addition, the Board meets the company's auditor at least once a year – without the presence of the executive management team – to learn about the focus and scope of the audit, and to discuss coordination between the external audit and the internal review and views of the company's risks.

Remuneration committee

The overall responsibilities of the Board cannot be delegated, but the Board has

Name	**Mats Lindoff**	**Anders Dahlenborg**	**Mattias Östholm**	**Frans Roselius**
Born	1961	1967	1970	1980
Appointed	2010	2006	2005	2008
Board duties	Board member since 2010.	Employee representative for SI since 2006.	Employee representative for Unionen since 2005.	Employee representative for SI since 2008. Deputy.
Education	Master of Science, EE.	Master of Science, Computer Science.	Engineering (college level).	Master of Science.
Other Board assignments	Board member of Multiq, Free2move, Scalado and a number of unlisted companies.			
Own and related parties' shareholding 2011 (2010)	990 (990)	2,700 (2,700)	0 (0)	0 (0)
Committee work				
Primary occupation	Partner in EMA-Technology and Consulting.	Group manager, Enea Software AB.	Senior consultant, Enea Services Stockholm AB.	Senior consultant, Enea Services Öresund AB.

Enea's Board as of 31 December 2011. All shareholdings, including those of related parties on 31 December 2011.

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established a remuneration committee tasked with preparing issues relating to salaries, remuneration and other terms of employment for the CEO and other members of the executive management team. In 2011, the committee consisted of Board members Kjell Duveblad (Chairman from 9 September) and Anders Lidbeck (Chairman until 9 September) and Anders Skarin as replacement for Anders Lidbeck.

The remuneration committee is convened as required and reports on its work to the Board. The remuneration committee held three meetings in 2011.

Below is an account of all Board members' attendance.

CEO

Anders Lidbeck has been the CEO since 9 September 2011. Anders Lidbeck is employed on a consultancy basis. His other significant assignments and previous experience are detailed in the presentation of senior executives. Anders Lidbeck has no material shareholdings in companies with whom Enea has business relations. Per Åkerberg was the CEO until 9 September. During his time as the CEO, Per Åkerberg had no material shareholdings in companies with whom Enea has business relations.

Internal review and risk management related to the financial reporting

In accordance with the Swedish Companies Act, the Swedish Annual Accounts Act and the Swedish Code of Corporate Governance, the Board is responsible for the internal review. The following description is limited to the internal review related to financial reporting.

REVIEW ENVIRONMENT

Enea's objective is to meet the requirements for ongoing work with risk and internal review that follows on from Enea's application of the Swedish Code of Corporate Governance. At Enea, internal review of financial reporting is an integral part of corporate governance. It includes processes and methods in order to assure Group assets and correctness in financial reporting, and through this aims to protect the owners' investment in the company.

The Board monitors the quality of financial reporting in a number of ways. The Board approves rules of procedure each year, which include regulating the tasks of the Chairman and CEO. According to these instructions, the CEO is responsible for reviewing and ensuring the quality of all financial reporting, and for making sure that the Board in general receives the reports required to allow the Board to assess the financial position of the Group on an ongoing basis. The instructions to the CEO state the issues on which the CEO is permitted to exercise his authorization to represent the company, but only once the Board has given its authorization or approval for this.

At an inaugural Board meeting following the Annual General Meeting, Enea's Board adopts rules of procedure for the Board, the audit committee and the remuneration committee. In addition, the instruction to the CEO, attestation instruction and instruction for trading the company's shares are approved.

Enea's CEO and Group executive hold operational responsibility for the internal review. Based on the Board's guidelines and laws and rules relating to financial reporting,

Executive Management Team

				
Name	**Anders Lidbeck**	**Lars Kevsjö**	**Tobias Lindquist**	**Karl Mörner**
Born	1962	1958	1972	1975
Employed since	2011	2009	2011	1998
Member of the management group since	September 2011	2009	April 2011	December 2011
Position	President and CEO since September 2011.	Chief Financial Officer.	Chief Technology Officer.	Vice President Products since December 2011.
Education	Bachelor of Business Administration, Lund University.	Bachelor in Business Administration, Stockholm University.	Master of Science, electronics, Lund University.	Graduate engineer, Skövde.
Previous positions	President and CEO of Telelogic. Several sales and marketing positions at Nokia, ICL and Telia Megacom, including CEO of ICL Direct in Benelux and Vice President of Sales and Marketing at ICL Industry systems Europe.	CFO at Net Insight, Chief Financial Officer at Bewator, Chief Financial Officer at Cygate, Director of Finance at Telia Telecom.	Corporate chief architect and responsible for system architecture at Sony Ericsson, Director Head of platform program office at Sony Ericsson Mobile Communications, Senior Manager, Head of Software Architecture, Open Platform at Sony Ericsson.	Director of Product Management at Enea, Director of System Management at Enea, System architect at Enea and Team leader at Enea.
Own and related parties' shareholding 2011 (2010)	50,000 (through endowment assurance) (50,000)	2,500 (2,500)	0 (0)	0 (0)

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the executive management team has established the division of roles and responsibilities for employees working with financial reporting within the Group. The Group is divided into units, and the manager of each unit is responsible for the fulfillment of objectives and compliance with governance issues for his/her unit. Enea's organizational structure is communicated on the Group's intranet so that roles and responsibilities are clear to everyone working with financial information.

Enea has issued instructions to the managers of the subsidiaries, based on the same principles that apply to the CEO of Enea AB. Enea has also made a number of policies available to employees via the intranet. These policies govern the work at Enea and create a foundation for good internal review, including a finance policy, attestation policy, IT policy, insider policy and communications policy. The Group also has an accounting and reporting manual with instructions on the Group's accounting principles, reporting instructions and a schedule, to ensure that consistent, correct accounting information is provided in a timely manner. These guidelines are followed up and updated regularly and communicated to all employees who work directly or indirectly with financial reporting.

RISK ASSESSMENT

The objective of Enea's risk assessment is to secure the Group's profit development and financial position. Enea AB's Board approves principles and guidelines for risk management at Enea, and the CEO and Group executive hold operational responsibility. Regular risk assessments are carried out within the scope of Enea's monthly financial follow-ups by the managers of each unit, the executive management team and the controller, and measures are implemented as required.

REVIEW ACTIVITIES

Every business unit at Enea is followed up every month by the relevant executive and controller. Results are compared with earlier results and budgets for all units. Enea's Group management held scheduled meetings once a month in 2011 to review the business and business situation, the financial outcome compared with the budget and preceding periods, to establish sales and profit forecasts and to decide on any measures deemed necessary for good internal review An aggregated report is sent to the Board every month by the CEO. If necessary, more precise follow-up is carried out; e.g. in the form of audits of subsidiaries carried out by controllers. An overview of the company's review activities was initiated in 2011, in order to document and formalize more of the review activities.

In 2011, in connection with the closing of the accounts for the third quarter, Enea's auditors conducted a general review and submitted their report in the quarterly report for the period 1 January–30 September 2011, as well as a review of the annual accounts, for which they submitted their auditors' report in the company's Annual Report for 2011.

Given the scope and limited complexity of the operations, combined with the existing reporting to the Board and the audit committee, the Board does not consider the establishment of a specific internal audit function to be financially viable. The internal review described above is deemed sufficient to assure the quality of the financial reporting.

				
Name	**Bo Strömqvist**	**Bogdan Putinica**	**Catharina Paulcén**	**Håkan Rippe**
Born	1964	1977	1973	1968
Employed since	2011	2007	2009	2009
Member of the management group since	August 2011	December 2011	2009	2009
Position	Vice President, Global Sales since January 2012, Sales Manager for the Ericsson key account from August to December 2011.	Vice President Services since December 2011.	Vice President, Corporate Communications.	Senior Vice President, Corporate Development.
Education	Engineer, systems analysis, Linköping University.	International Finance and Banking, Academy of Economic Studies Bucharest, Romania.	International business administration, Universities of Lund and Mannheim.	Master of Science, Chalmers University of Technology, Gothenburg.
Previous positions	VP Ericsson Sales at Enea, Global Account manager at Ericsson and Nordic regional manager at IBM/Rational, VP Sales at TDC and VP Sales at Cision.	CEO of Enea Romania, Global Sales Director Product Services at Enea Romania and CEO for IP Devel.	Branding Manager at IBM Nordics, Director of Marketing at IBM Rational Software and Executive Vice President Marketing & Communications at Telelogic.	Senior Vice President Nordic Consulting at Enea, Business Development Executive at IBM Rational Software and Executive Vice President Corporate Development at Telelogic.
Own and related parties' shareholding 2011 (2010)	2,000 (2,000)	0 (0)	13,000 (13,000)	35,000 (through endowment assurance) (35,000)

Board members that stepped down in 2011:
Per Åkerberg, President and CEO, until September 2011.
Michael Ventrella, Sales Manager for North America until December 2011.
Mathias Båth, Senior Vice President, Marketing and Sales Manager for Europe and Asia, until December 2011.
Adrian Leufvén, Senior Vice President, Research & Development, until December 2011.

Enea's executive management team on 31 December 2011.
All shareholdings, including those of related parties on 31 December

The Group

GROUP REPORT ON TOTAL PROFIT/LOSS

				2011			2010
SEK thousand (1 January–31 December)	**Note**	**Remaining business**	**Divested business**	**Total**	**Remaining business**	**Divested business**	**Total**
Net sales	2	446,714	274,799	**721,513**	446,577	279,544	**726,121**
Operating expenses							
Cost of sold products and services		-179,449	-239,172	-418,621	-141,290	-208,897	-350,187
Gross profit/loss		**267,265**	**35,627**	**302,892**	**305,287**	**70,647**	**375,934**
Sales and marketing expenses		-104,439	-35,326	-139,765	-104,191	-39,545	-143,736
Product development expenses		-93,212	0	-93,212	-98,545	0	-98,545
Administration expenses		-67,394	-11	-67,405	-65,272	-947	-66,219
Operating profit/loss	3, 4, 5, 6, 7, 10, 11	**2,220**	**290**	**2,510**	**37,279**	**30,155**	**67,434**
Financial income		8,232	438	8,670	3,141	1,237	4,378
Financial expenses		-4,412	-444	-4,856	-3,448	-238	-3,686
Net financial items	8	**3,820**	**-6**	**3,814**	**-307**	**999**	**692**
Profit/loss before tax		**6,040**	**284**	**6,324**	**36,972**	**31,154**	**68,126**
Tax	9	-7,020	-5,746	-12,766	-13,538	-8,543	-22,081
Profit/loss for the year		**-980**	**-5,462**	**-6,442**	**23,434**	**22,611**	**46,045**
Other total profit/loss							
Translation rate differences		688	0	688	-19,783	0	-19,783
Cash flow hedging, profit before tax		1,795	0	1,795	0	0	0
Cash flow hedging, tax effect		-472	0	-472	0	0	0
Total profit/loss for the year, net after tax		**1,031**	**-5,462**	**-4,431**	**3,651**	**22,611**	**26,262**
Profit/loss for the period attributable to parent company shareholders		-980	-5,462	-6,442	23,434	22,611	46,045
Total profit for the period attributable to parent company shareholders		1,031	-5,462	-4,431	3,651	22,611	26,262
Earnings per share, SEK	17	-0.06	-0.32	-0.37	1.35	1.30	2.65
Profit per share, full dilution, SEK		-0.06	-0.32	-0.37	1.35	1.30	2.65

BALANCE SHEET – GROUP

SEK thousand (31 December)	Note	2011	2010
Assets			
Intangible assets	10	127,163	216,794
Equipment, tools, fixtures and fittings	11	14,862	13,078
Financial investments		1,466	1,375
Deferred tax assets	9	9,965	16,440
Total fixed assets		**153,456**	**247,687**
Accounts receivable	12	126,538	209,869
Tax assets		4,415	0
Prepaid expenses and accrued income	13	14,199	23,570
Other receivables		1,221	2,913
Derivative instruments	14	670	248
Cash and cash equivalents		127,302	176,467
Total current assets		**274,345**	**413,067**
Assets held for sale	15	137,267	-
Total assets		**565,068**	**660,754**
Shareholders' equity	16		
Share capital		18,356	18,356
Other paid-in capital		713,564	713,564
Reserves		-17,911	-19,922
Retained earnings, including profit/loss for the year		-298,098	-199,448
Total shareholders' equity		**415,911**	**512,550**
Provisions			
Deferred tax liabilities	9	3,636	2,588
Other provisions		-	317
Total provisions		**3,636**	**2,905**
Long-term liabilities			
Long-term liabilities, non interest-bearing	25	-	9,845
Total long-term liabilities		**-**	**9,845**
Current liabilities			
Current provisions		145	-
Current liabilities, interest-bearing		-	3,600
Accounts payable		13,152	33,078
Tax liabilities		1,187	1,231
Other liabilities		20,801	24,698
Accrued expenses and deferred income	18	54,934	72,847
Total current liabilities		**90,219**	**135,454**
Liabilities held for sale	15	55,302	-
Total shareholders' equity and liabilities		**565,068**	**660,754**
Pledged assets		None	None
Contingent liabilities		5,000	None

SUMMARY OF CHANGES IN CONSOLIDATED EQUITY

SEK thousand	**Share capital**	**Other capital contributions**	**Cash flow Hedging**	**Translation Reserve**	**Profit/loss brought forward including profit/ loss for the year**	**Total equity**
Opening equity, 1 January 2010	**18,356**	**713,289**	**0**	**-139**	**-215,535**	**515,971**
Total profit/loss						
Profit/loss for the year					46,045	46,045
Other total profit/loss						**562,016**
Translation difference				-19,783		-19,783
Other total profit/loss, total				**-19,783**		**-19,783**
Total profit/loss				**-19,783**	**46,045**	**26,262**
Transactions with shareholders						
Dividend					-26,030	-26,030
Writedown	-275	275				0
Bonus issue	275				-275	0
Stock option programs					1,983	1,983
Buy-back of own shares					-7,645	-7,645
Sold, previously repurchased, own shares					2,009	2,009
Total transactions with shareholders		**275**			**-29,958**	**-29,683**
Closing equity, 31 December 2010	**18,356**	**713,564**	**0**	**-19,922**	**-199,448**	**512,550**
Opening equity, 1 January 2011	18,356	713,564	0	-19,922	-199,448	512,550
Total profit/loss						
Profit/loss for the year					-6,442	-6,442
Other total profit/loss						506,108
Cash flow hedging, profit before tax			1,795			1,795
Cash flow hedging, tax effect			-472			-472
Translation difference				688		688
Other total profit/loss, total			**1,323**	**688**		**2,011**
Total profit/loss			**1,323**	**688**	**-6,442**	**-4,431**
Transactions with shareholders						
Dividend	-9,178				-77,467	-86,645
Writedown	-428	428				0
Bonus issue	9,606				-9,606	0
Stock option programs					1,221	1,221
Buy-back of own shares					-6,784	-6,784
Sold, previously bought-back, own shares						0
Total transactions with shareholders	**0**	**428**			**-92,636**	**-92,208**
Closing equity, 31 December 2011	**18,356**	**713,992**	**1,323**	**-19,234**	**-298,526**	**415,911**

CONSOLIDATED CASH FLOW STATEMENT

SEK thousand (31 December)	Note 20	2011	2010
Operating activities			
Profit before tax [1]		6,324	68,126
Adjustment for items not included in cash flow		85,079	22,634
		91,403	90,760
Tax paid		-13,302	-2,191
Cash flow from operating activities before change in working capital		**78,101**	**88,569**
Cash flow from change in working capital			
Change in operating receivables		-5,386	8,194
Change in operating liabilities		4,502	-20,642
Cash flow from change in working capital		**-884**	**-12,448**
Cash flow from current operations [2]		**77,217**	**76,121**
Investing activities			
Acquisition of intangible assets		-16,144	-15,779
Acquisition of tangible fixed assets		-11,331	-3,201
Acquisition of financial assets		-5,557	-30
Cash flow from investing activities [3]		**-33,032**	**-19,010**
Financing activities			
Dividend		-86,645	-26,030
Buy-back of own shares		-6,784	-7,645
Sold, previously repurchased, own shares		-	2,009
Cash flow from financing activities [4]		**-93,429**	**-31,666**
Cash flow for the year		**-49,244**	**25,445**
Cash and cash equivalents at start of the year		176,467	153,945
Exchange rate differences in cash and cash equivalents		79	-2,923
Cash and cash equivalents at end of period		**127,302**	**176,467**

1) Profit before tax for the Enea Group's remaining business amounted to SEK 6,040 (36,972) thousand and to SEK 284 (31,154) thousand for the divested business.

2) Cash flow from operating activities for the Enea Group's remaining business amounted to SEK 69,584 (114,137) thousand and to SEK 7,633 (-37,026) thousand for the divested business.

3) Cash flow from investing activities for the Enea Group's remaining business amounted to SEK -32,551 (-18,155) thousand and to SEK -480 (-1,845) thousand for the divested business.

4) Cash flow from financing activities for the Enea Group's remaining business amounted to SEK -93,308 (-47,291) thousand and to SEK -121 (-15,625) thousand for the divested business.

Parent company

INCOME STATEMENT – PARENT COMPANY

SEK thousand (1 January–31 December)	Note	2011	2010
Net sales	2	**55,766**	**60,045**
Operating expenses			
Administration expenses		-55,766	-64,069
Operating income	3, 4, 5, 6, 7, 10, 11	**0**	**-4,024**
Interest income and similar income items	8	12,863	31,918
Interest expenses and similar expense items	8	-1,037	-25,246
Net financial income/expense		**11,826**	**6,672**
Profit/loss after financial items		**11,826**	**2,648**
Appropriations		-3,922	0
Profit/loss before tax		**7,904**	**2,648**
Tax	9	-2,073	-773
Profit/loss for the year		**5,831**	**1,875**

PARENT COMPANY'S BALANCE SHEET

SEK thousand (31 December)	Note	2011	2010
Assets			
Intangible assets	10	1,233	2,485
Equipment, tools, fixtures and fittings	11	5,962	4,118
Participation in Group companies	19	317,739	232,534
Fixed assets, total		**324,934**	**239,137**
Current receivables from Group companies		102,403	226,829
Tax assets		0	925
Prepaid expenses and accrued income	13	6,761	4,220
Other receivables		16	76
Cash and bank equivalents		86,017	128,527
Current assets, total		**195,197**	**360,577**
Total assets		**520,131**	**599,714**
Shareholders' equity	16		
Restricted equity			
Share capital		18,356	18,356
Reserve fund		289,788	299,394
Non-restricted equity			
Share premium reserve		2,082	1,654
Accumulated profit/loss		169,430	250,585
Profit/loss for the year		5,831	1,875
Equity, total		**485,487**	**571,864**
Provisions			
Untaxed reserves		4,043	0
Total provisions		**4,043**	**0**
Liabilities			
Accounts payable		6,071	5,259
Tax liabilities		401	0
Current liabilities to Group companies	21	11,138	11,059
Other liabilities		579	696
Accrued expenses and prepaid income	18	12,412	10,836
Current liabilities, total		**30,601**	**27,850**
Total shareholders' equity and liabilities		**520,131**	**599,714**
Pledged assets		None	None
Contingent liabilities		5,000	None

SUMMARY OF CHANGE IN PARENT COMPANY'S EQUITY

	Restricted equity		Non-restricted equity			
SEK thousand	**Share capital**	**Reserve fund**	**Share premium reserve**	**Accumulated profit/loss**	**Profit/loss for the year**	**Total shareholders' equity**
Opening equity, 1 January 2010	**18,356**	**299,668**	**1,380**	**280,267**		**599,671**
Dividend				-26,030		-26,030
Writedown	-274		274			0
Bonus issue	274	-274				0
Stock option programs				1,984		1,984
Buy-back of own shares				-7,645		-7,645
Transfer of repurchased shares				2,009		2,009
Profit/loss for the year					1,875	5,798
Closing equity, 31 December 2010	**18,356**	**299,394**	**1,654**	**250,585**	**1,875**	**571,864**
Opening equity, 1 January 2011	**18,356**	**299,394**	**1,654**	**252,460**		**571,864**
Redemption program	-9,178			-77,467		-86,645
Writedown	-428		428			0
Bonus issue	9,606	-9,606				0
Stock option programs				1,221		1,221
Buy-back of own shares				-6,784		-6,784
Transfer of repurchased shares						0
Profit/loss for the year					5,831	5,831
Closing equity, 31 December 2011	**18,356**	**289,788**	**2,082**	**169,430**	**5,831**	**485,487**

CASH FLOW STATEMENT – PARENT COMPANY

SEK thousand (31 December)	**Note 20**	**2011**	**2010**
Operating activities			
Profit/loss before tax		7,904	2,648
Adjustment for items not included in cash flow		8,439	10,970
		16,343	13,618
Paid tax		-715	-403
Cash flow from operating activities before change in working capital		**15,628**	**13,215**
Cash flow from change in working capital			
Change in operating receivables		31,507	11,727
Change in operating liabilities		2,350	32,719
Cash flow from change in working capital		**33,857**	**44,446**
Cash flow from current operations		**49,485**	**57,661**
Investment activities			
Acquisition of intangible assets		-	-
Acquisition of tangible assets		-3,856	-533
Sale of intangible assets		-	-
Sale of tangible assets		-	-
Cash flow from investing activities		**-3,856**	**-533**
Financing activities			
Dividend		-86,645	-26,030
Group contributions received/provided		5,322	-5,321
Buy-back of own shares		-6,784	-7,645
Sold, previously repurchased, own shares		-	2,009
Cash flow from financing activities		**-88,107**	**-36,987**
Cash flow for the year		**-42,478**	**20,141**
Cash and cash equivalents at start of year		128,527	108,386
Exchange rate differences in cash and cash equivalents		-	-
Cash and cash equivalents at end of period		**86,049**	**128,527**

Accounting principles

Compliance with standards and legislation

The consolidated financial statements have been prepared in accordance with the Swedish Company Accounts Act, International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB), and interpretation pronouncements from the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU. In addition, the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary accounting rules for groups has also been applied.

The parent company applies the same accounting principles as the Group except in the cases stated below in the section on "The parent company's accounting principles". The inconsistencies between the parent company's and the Group's principles stem from the limited opportunities for applying IFRS to the parent company as a consequence of the Swedish Annual Accounts Act, and in some instances for tax reasons.

Conditions that apply to preparation of the parent company's financial statements and consolidated financial statements

The parent company's functional currency is Swedish kronor which also constitutes the presentation currency for the parent company and the Group. This means that the financial statements are presented in Swedish kronor. Assets and liabilities are reported at their historic costs, except certain financial assets and liabilities valued at their fair value.

Preparation of the financial statements as per IFRS requires that the company's executive management makes assessments, estimates and assumptions that affect the application of the accounting principles and the carrying amounts of assets, liabilities, income and expenses. The estimates and assumptions are based on historical experience and a number of other factors that are deemed reasonable under prevailing circumstances. The result of these estimates and assumptions are then used to assess the carrying amounts of assets and liabilities that are not otherwise clear from other sources. Actual outcomes may deviate from these estimates and assessments.

Estimates and assumptions are reviewed regularly. Changes to estimates are reported in the period in which the change is made if the change has only impacted upon this period, or in the period in which the change is made and future periods if the change affects both the current period and future periods.

Assessments made by the executive management in the application of IFRS which have a significant impact on the financial reports and assessments made and which could result in substantial adjustments to following years' financial reports are described in greater detail in Note 24.

The accounting principles stated below for the Group were applied consistently in all periods presented in the consolidated financial statements, unless stated otherwise. The Group's accounting principles have been applied consistently to the reporting and consolidation of the subsidiaries.

Segment reporting

The operating segments are reported in a manner that is compliant with the internal reporting to the highest executive decision-making authority. The Group applies IFRS 8 Operating segments as of 1 January 2009. Given the internal control to the Board and management the business is reported over two segments, Software and Consulting. Software covers the development and sale of Enea's software products and services directly linked with the products. Consulting covers Enea's consultancy operations, a not insignificant proportion of which are supplied to Software. Internal sales are based on market conditions. The Board and executive assess the profits for the operating segments on the basis of the operating profit.

Classification, etc.

Fixed assets and long-term liabilities in the parent company and Group essentially consist only of amounts expected to be recovered or paid after more than 12 months reckoned from the balance sheet date. Current assets and short-term liabilities in the parent company and Group essentially consist only of amounts expected to be recovered or paid within 12 months reckoned from the balance sheet date.

Consolidation principles

SUBSIDIARIES

Subsidiaries are companies over which Enea AB exercises a controlling influence. Controlling influence entails a direct or indirect right to determine a company's financial and operational strategies with the purpose of benefiting financially. When assessing whether a decisive influence exists, shares providing potential entitlement to votes that can be utilized or converted without delay are taken into account.

Subsidiaries are reported according to the purchase method. This method means that acquisition of a subsidiary is considered to be a transaction through which the Group indirectly acquires the subsidiary's assets and assumes its liabilities and contingent liabilities. The consolidated cost is calculated in an acquisition analysis in conjunction with the acquisition. The analysis establishes the cost of the participations or the business, the fair value of acquired identifiable assets and liabilities on the acquisition date, as well as the liabilities and contingent liabilities taken over. The cost of the holding in the subsidiary or of the operations consists of the total fair value on the acquisition date of the assets paid, liabilities incurred or assumed, and issued equity instruments submitted as payment for the acquired net assets. In the case of business combinations where the acquisition cost exceeds the net value of the acquired assets and assumed liabilities, as well a contingent liabilities, the difference is recognized as goodwill. Where the difference is negative, this is recognized directly in the income statement.

Subsidiaries' financial reports are included in the consolidated accounts from the time of acquisition to the date on which the decisive influence ceases.

TRANSACTIONS TO BE ELIMINATED ON CONSOLIDATION

Internal Group receivables and liabilities, income or expenses and unrealized losses arising from internal Group transactions between Group companies are eliminated in their entirety when establishing the consolidated accounts.

Unrealized losses are eliminated in the same manner as unrealized profits.

Foreign currency

TRANSACTIONS IN FOREIGN CURRENCIES

Transactions in foreign currencies are translated into the functional currency at the exchange rate in force on the transaction date. Monetary assets and liabilities in foreign currencies are translated into the functional currency at the exchange rate in force on the balance sheet date. Exchange rate differences arising from the conversions are recognized in the income statement. Exchange differences on non-monetary assets and liabilities are recognized in operating profit, while exchange differences on monetary assets and liabilities are recognized in net financial income. Non-monetary assets and liabilities recognized at historical acquisition values are translated at the exchange rate at the time of the transaction. Non-monetary assets and liabilities reported at fair value is translated into the functional currency at the exchange rate in force on the evaluation date for fair value. The exchange rate change is then recognized in the same way as the other value changes in respect of the asset or liability. Functional currency is the currency in the primary economic environments where the companies included in the Group run their business.

The companies included in the Group are the parent company and subsidiaries. The parent company's functional currency and reporting currency is Swedish kronor (SEK). The Group's reporting currency is Swedish kronor (SEK).

FINANCIAL STATEMENTS OF FOREIGN OPERATIONS

Assets and liabilities in foreign operations, including goodwill and other Group-related surplus and deficit values, are converted to Swedish kronor at the currency exchange rate prevailing on the balance sheet date. Income and expenses in a foreign company are converted to Swedish kronor at an average rate approximating the rates applying on the respective transaction dates. Translation differences arising from currency conversion by foreign operations are recognized in other total profit/loss. On divestment of a foreign operation, the accumulated translation differences attributable to the operation are realized. Accumulated translation differences are presented as a separate category under "Reserves" and include translation differences accumulated as of 1 January 2004. Accumulated translation differences before 1 January 2004 are distributed over other equity categories and are not recognized separately.

Income

REPORTING OF INCOME

Services are executed largely on a current account basis and are recognized in income as the work is carried out. Services which are based on a functional undertaking are recognized in income on a straight-line basis over the agreed period in which the services are provided. A functional undertaking involves a service function with an indeterminate number of services that are to be maintained over a specific period. Projects which are executed at a set price are recognized in income as they are completed, which is determined on the basis of contract costs expended in relation to estimated contract costs for the entire contract in accordance with the percentage of completion method. If a loss risk is deemed to exist, current individual reservations take place. The enterprise also has income from software sales, which is based on royalty income, license fees, maintenance contracts and buyouts (where the customer buys the product for an unlimited time). Royalty income and license fees are distributed over a period of time in accordance with the current agreement's financial substance. License fees and buyouts are recognized in income on full delivery of the software in accordance with contract as no significant obligations remain following the delivery date. Maintenance contracts normally run for a 12-month period and the income is distributed over the contract period.

CRITERIA FOR REVENUE RECOGNITION OF LICENSES REVENUE ARE:

- A written contract signed by both parties.
- Delivery has taken place.
- The license fee must be a set amount, or calculated according to a reliable method, and there are no withdrawal options, or the credit period is less than 12 months.
- Assurance that payment will be received.

Operating expenses and financial income and expenses

COSTS CONCERNING OPERATIONAL LEASES

Costs concerning operational leasing contracts are recognized linearly in the income statement over the leasing period. Benefits received in connection with the signing of an agreement recognized as part of the total lease expense in the income statement.

FINANCIAL INCOME AND EXPENSES

Financial income and expenses may consist of income on bank deposits and debt and debts securities, interest on loans, dividend income, foreign exchange differences, unrealized and realized gains on financial investments and derivative instruments used in financing activities.

Interest income on receivables and interest expenses on liabilities are calculated using the effective interest rate method. The effective interest rate is the interest rate, which means that the current value of all future deposits and outgoing payments during the fixed interest term is the same as the reported value of the receivable or liability. Interest income includes accrued amounts of transaction expenses and any discounts, premiums and other differences between the original value of the receivable and the amount received upon maturity. The Group does not capitalize interest on the cost of assets, since its development projects do not extend over a period of more than one year.

Financial instruments

The group values its financial assets in the following categories: financial assets valued at fair value via the income statement, loans receivable and accounts receivable, financial instruments held due and financial assets that can be sold. This classification is dependent upon the intention of the acquisition of the financial instrument. The executive management decides on classifications at the time of acquisition and reassesses this decision each time a report is issued.

LOANS AND RECEIVABLES

Loans and accounts receivable are financial assets which do not constitute a derivative with fixed payments or with payments which can be determined and which are not listed on an active market. Receivables are initially recognized at fair value. Receivables arise when companies provide funds, goods and services directly to the borrower with no intention of trading the claim. This category also includes acquired receivables. Subsequent to acquisition, assets in this category are valued at accrued acquisition value. The accrued acquisition is determined from the effective interest that is calculated at the date of acquisition. They are included under current assets except for items with due dates more than 12 months after the balance sheet date which are classified as fixed assets. Loans and receivables are classified as trade and other receivables in the balance sheet. Receivables are recognized at an amount expected to be received after deduction for bad debts. Reserves for bad debts are made on an individual basis. The expected maturity of accounts receivable is short, and so recognized been recognized at a nominal amount without discount.

DERIVATIVE INSTRUMENTS

Derivative instruments are reported in the balance sheet on the contract day and valued at their fair value, both initially and when revaluing at a later date. The method for reporting the profit or loss arising when revaluing depends whether the derivative is recognized as a hedging instrument. The Group uses derivatives to hedge risks for exchange rate fluctuations. Hedging of fair values and cash flow hedging occurs. To qualify for hedging reporting requires a degree of documentation concerning the hedged instrument and its relationship to the hedged item. The Group also documents objectives and strategies for risk management and hedging measures together with an assessment of how effective the hedging relationship is in terms of ironing out changes in fair value or cash flow for hedged items, both when the hedge is initiated and in continuous reporting.

Cash flow hedging is applied on the forecast flow of sales. The share of change in real value of the derivative that meets the conditions for hedge reporting is reported in other total profit/loss. The ineffective share of profit or loss is reported directly in the income statement under net sales. The unrealized accumulated result in shareholders' equity is reversed and reported in the income statement when the hedged item affects the result (such as when the forecast hedged sales take place).

If the hedged instrument no longer meets the requirement for hedge reporting, sold or completed, then any accumulated profit or loss remains in shareholders' equity and taken up as income at the same time as the forecast transaction is finally reported in the income statement.

When the forecast transaction is no longer expected to happen, the accumulated profit or loss reported as shareholders' equity is transferred immediately the income statement.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash, immediately accessible bank balance as well as special deposits and commercial papers with maturity periods of less than three months. These items have been recognized at accrued acquisition value.

OTHER FINANCIAL LIABILITIES

Financial liabilities that are not held for trading are valued at accrued acquisition value. Accrued acquisition value is determined from the effective interest rate calculated at the time the debt was taken out. This means that surplus and deficit values, like direct issue costs, are accrued over the term of the debt.

Financial instruments recognized in the balance sheet include, on the asset side, cash and cash equivalents and accounts receivable, and liabilities and equity include accounts payable and other current and non-current liabilities. A financial asset or financial liability is posted to the balance sheet when the company becomes a party to the contractual terms of the instrument. Accounts receivable are recognized in the balance sheet when the invoice has been sent. Accounts payable are recognized in the balance sheet when the invoice has been received. A financial asset is excluded from the balance sheet once the contractual rights have been realized, have expired or the company loses control over them. The same applies for part of a financial asset. A financial liability is removed from the balance sheet once the obligation in the contract has been fulfilled or is in some other way extinguished. The same applies for part of a financial liability.

Accounts payable have short expected maturities and are valued at a nominal amount without discounting.

Tangible fixed assets

OWNED ASSETS

Tangible fixed assets are posted as assets in the balance if it is probable that the future financial benefits will accrue to the company and the cost of the asset can be calculated in a reliable way. Tangible fixed assets are recognized in the Group at cost less accumulated depreciation and any writedowns. Cost includes the purchase price plus expenses directly attributable to the asset in order to put it in place and make it appropriate for use in accordance with the purpose of the acquisition. Examples of directly attributable expenses included in the cost are expenses for delivery and handling, installation, consultancy services and legal services.

LEASED ASSETS

IAS 17 is applied in respect of leased assets. Leasing is classified in the consolidated financial statement either as finance or operating leasing. Leases signed are, with no significant exceptions, operational in nature and relate mainly to cars and rent on premises. Operational leasing involves the leasing charge being entered as an expense over the term starting from utilization, which may differ from what has been actually paid for leasing over the year. The cost of the lease is recognized on a linear basis across the period of use.

DEPRECIATION PRINCIPLES

Depreciation is carried out on a straight-line basis over the asset's estimated useful life. The estimated useful life for tangible fixed assets such as equipment, tools and installations is five years. The useful life and residual value of assets are assessed annually.

Intangible assets

GOODWILL

Goodwill represents to the difference between the cost of a business and the fair value of acquired assets, assumed liabilities and contingent liabilities. Goodwill is valued at acquisition value less any accumulated writedowns. Goodwill is distributed to cash-generating units and is tested at least annually for impairment. The cash-generating units are set in accordance with the Group's operating segments.

RESEARCH AND DEVELOPMENT.

Fees for research aimed at obtaining new scientific or technical knowledge are recognized as expenses when they arise.

Development costs, where research results or other knowledge is applied for achieving new or improved products or processes, are recognized as an asset in the balance sheet once the following criteria have been met:

- when it is technically possible to complete the asset,
- the company intends to complete the asset and use or sell it,
- the company has sufficient resources to complete development,
- the asset is expected to generate future financial benefits,
- it is possible to reliably calculate the expenditure required to complete the asset.

The reported value includes costs for materials, direct costs for salaries and indirect costs attributable to the asset in a reasonable and consistent manner. Other development costs are reported in the income statement as expenses when they arise. Development expenses entered in the balance sheet are reported at cost minus accumulated depreciation and any writedowns.

OTHER INTANGIBLE ASSETS

These consist mainly of trademarks, licenses and contractual customer relations arising through business combinations. The assets are recognized at fair value on the acquisition date minus accumulated depreciation.

DEPRECIATION PRINCIPLES

Depreciation is recognized straight-line in the income statement over the estimated useful lives of intangible assets, unless such useful lives are indeterminate. Goodwill is tested for impairment on a quarterly basis or as soon as there are indications that the asset in question has fallen in value. Depreciable intangible assets are depreciated from the date on which they are available for use. The estimated useful life for capitalized development expenditure is five years. Acquired trademarks and licenses are depreciated over five years, while acquired contractual customer relations are depreciated over three years.

Impairment

The reported values for Group assets, with the exception of inventories, deferred tax receivables and financial assets, are tested for impairment on every balance sheet date. If there is any indication of impairment, the recoverable amount of the asset is calculated. For excepted assets as stated above, the values are tested in accordance with the relevant standard. For goodwill and intangible assets, which are not yet ready for use, the recoverable value is estimated annually.

If it is not possible to establish materially independent cash flows for a certain asset, when testing for impairment, the assets are grouped at the lowest level where it is possible to identify materially independent cash flow (known as a cash-generating unit). Impairment is recognized when the recognized value of an asset or cash-generating unit exceeds the recoverable amount. Impairment is charged against the income statement.

Impairment of assets attributable to a cash-generating unit (group of units) is distributed initially to goodwill. After that, proportional impairment of other assets included in the unit (group of units) is implemented.

CALCULATION OF RECOVERABLE VALUE

The recoverable value is the highest of fair value minus sales costs and the utility value. When calculating the utility value, future cash flow is discounted at a discount rate, which takes into consideration risk-free interest and the risk involved with the specific asset. For an asset, which does not generate cash flows, which are significantly independent of other assets, the recoverable value is calculated for the cash-generating unit to which the asset belongs.

REVERSAL OF IMPAIRMENT

Writedowns of goodwill are not reversed. Impairment of goodwill is not reversed. Impairment of other assets is reversed if a change occurs in the assumptions that formed the basis of calculation of the recoverable amount. Impairment is only reversed to the extent that the asset's carrying amount after reversal does not exceed the carrying amount that the asset would have had if impairment had not been recognized – accounting for depreciation or amortization that would have occurred.

Employee benefits

DEFINED CONTRIBUTION PLANS

Obligations relating to charges for defined contribution pension plans are recognized as costs in the income statement as they arise. All pension solutions in foreign subsidiaries are classified and reported as defined contribution plans, which means that the Group's profit/loss is burdened with pension expenses as the benefits were earned.

Salaried employees employed in Sweden are covered by the ITP plan, which is reported as a defined contribution pension plan. Commitments for retirement pensions and family pensions for salaried employees in Sweden are secured through an insurance policy with Alecta. According to a statement from the Swedish Financial Reporting Board's Emerging Issues Task Force, UFR 3, this is a defined benefit plan, which covers several employers. For the 2010 financial year, the company had no access to such information that would make it possible to recognize this plan as a defined benefit pension plan, which is why it is being recognized as a defined contribution plan. This plan is being financed on an ongoing basis through pension payments. Alecta's surplus can be distributed to the policyholders and/or the insured persons. Collective funding is the market value of Alecta's assets as a percentage of insurance commitments, calculated in accordance with Alecta's calculation assumptions for insurance purposes, which do not comply with IAS 19.

TERMINATION BENEFITS

A provision is recognized in connection with termination of personnel only if the company is demonstrably committed to ending an employment situation before the normal date or when benefits are provided as an incentive to encourage voluntary redundancy. If the company terminates personnel, a detailed plan is created which, at the very least, contains workplace, positions and approximate number of affected persons as well as the benefits for each personnel category or position and the time for the plan's implementation.

REMUNERATION TO SENIOR EXECUTIVES

Guidelines on remuneration for senior executives are set by the Annual General Meeting. For the Group's Executive Management Team, salaries and other employment conditions are applied under market conditions. In addition to their fixed annual salaries, members of the Group's Executive Management Team also receive variable remuneration based on the profit trend in relation to pre-set targets. Remuneration to some senior management within the Enea Group is also paid in the form of share-based payments.

SHARE-BASED PAYMENTS

Outstanding option programs allow employees to acquire shares in the company. The fair value of allocated options is recognized as a payroll expense, with a corresponding increase in equity. The fair value is calculated at the time of allocation and distributed over the earning period. The fair value of the allocated options is calculated according to the Black-Scholes model, and the terms and conditions applicable at the time of allocation are taken into account. The amount recognized as an expense is adjusted in order to reflect the actual number of options earned.

Payroll overheads attributable to share-related instruments to employees as remuneration for services purchased are entered as an expense, charged to the period under which services are performed. The provision for payroll overheads is based on the fair value of the options at the time of reporting. Fair value is calculated using the same valuation model used when the options were issued.

Provisions

Provisions are made in the balance sheet when the group has an existing legal or informal obligation as a result of an event occurring, and it is likely that an outflow of financial resources will be required to settle the obligation and a reliable estimate of the amount can be made. If the payment date is of material effect, provisions are calculated through discounting of the expected future cash flow at a pre-tax interest rate that reflects current market assessments of the time value of money and, where applicable, the risks associated with the liability.

RESTRUCTURING

A provision for restructuring is reported once the Group has prepared a detailed and informal restructuring plan, and the restructuring has either commenced or been publicly announced. No provisions are made for future operating expenses.

ONEROUS CONTRACTS

A provision for a future onerous contract is reported when the expected benefits that the Group is expecting to obtain from a contract are lower than the unavoidable costs for fulfilling the terms of the contract.

Taxes

Income taxes comprise current tax and deferred tax. Income taxes are recognized in the income statement, except when the underlying transaction is reported directly against equity, whereby the pertaining tax effect is reported as shareholders' equity. Current tax is tax that is to be paid or received related to the current year, using the tax rates that were decided or had in practice been decided as at the balance sheet date; this includes adjustment of current tax relating to earlier periods.

Deferred tax is calculated according to the balance sheet method on the basis of temporary differences between the carrying value and the tax-related value of assets and liabilities. The following temporary differences are not taken into account: temporary differences arising upon the first recognition of goodwill; first recognition of assets and liabilities which are not business acquisitions and which at the time of the transaction did not affect either recognized or taxable profits; nor are temporary differences attributable to participations in subsidiaries which are not expected to be written back in the foreseeable future taken into account. The valuation of deferred tax is based on how reported values of assets or liabilities are expected to be realized or settled. Deferred tax is calculated using the tax rates and tax rules that were decided or had in practice been decided as at the balance sheet date.

Deferred tax receivables in tax-deductible temporary differences and loss carry-forwards are only recognized if it is likely that they can be used in the future. The value of deferred tax receivables is reduced when it is no longer deemed likely that they can be used. Any additional income tax that arises at the time of dividend payment is recognized at the same time that the dividend is recognized as a liability.

Financial instruments by category

The category loan and customer receivables includes receivables, cash and equivalents. Other financial liabilities include accounts payable and other liabilities.

Financial risks

The greatest financial risk is the exchange rate risk. Enea has a financial policy established by the Board, which forms a framework of guidelines for dealing with financial risks. A detailed description of the financial risks can be found in the Board of Directors' Report.

Earnings per share

The calculation of earnings per share is based on the profit for the year within the Group that is attributable to the parent company's shareholders and on the weighted average number of outstanding shares during the year. In calculating earnings per share after dilution, profit and the average number of shares are adjusted to take into account the effects of potentially diluting common shares, which during the reporting periods are attributable to the promissory notes and options issued to employees. Dilution takes place only when the share price is lower than the stock exchange price. The share price is adjusted by means of a supplement for the value of future services linked to an own capital-regulated stock option program reported as share-based payments in accordance with IFRS 2.

Contingent liabilities

A contingent liability is recognized when there is a possible commitment that stems from events that have occurred and its existence is only confirmed by one or more uncertain future events or when there is a commitment that is not recognized as a liability or provision, because it is not likely that an outflow of resources will be required.

Divested businesses

Enea signed an agreement with Xdin AB on 30 December 2011 to divest the Swedish consultancy companies. Enea prepared its annual statement in accordance with FRS 5, Non-current assets held for sale and discontinued operations. Remaining and divested business are reported separately in the consolidated income statement and assets and liabilities held for sale have been removed and reported in separate rows in the consolidated balance sheet. The Swedish consultancy business is reported as divested business in the income statements for 2011 and 2010.

Parent company's accounting principles

The parent company has prepared its Annual Report in accordance with the Swedish Annual Accounts Act (1995:1554) and Recommendation RFR 2 of the Swedish Financial Reporting Board, Accounting for legal persons. Under RFR 2, the parent company must, the annual accounts of the legal entity, apply all of the EU-approved IFRS standards and statements provided this is possible within the framework of the Swedish Annual Accounts Act and with due regard for the relationship between accounting and taxes. This recommendation specifies which exceptions and additions must be applied with regard to IFRS. The differences between the Group's and parent company's accounting principles are described below.

DIFFERENCES BETWEEN THE GROUP'S AND PARENT COMPANY'S ACCOUNTING PRINCIPLES

The differences between the Group's and parent company's accounting principles are described below. The accounting principles stated below for the parent company were applied consistently in all periods presented in the parent company's financial statements.

SUBSIDIARIES

Participations in subsidiaries are reported in the parent company in accordance with the cost method. Dividends received are only recognized as revenue if they are derived from profits earned after acquisition. Dividends in excess of such earnings are regarded as repayment of the investment and reduce the carrying amount of the participating interest.

DIVIDENDS

Dividends to the parent company's shareholders are reported as liabilities in the consolidated financial reports for the period in which the dividend is approved by the parent company's shareholders. Anticipated dividends from subsidiaries are reported if the parent company has sole entitlement to make a decision on the size of the dividend and the parent company has made a decision on the size of the dividend before the parent company has published its financial reports.

TAXES

The parent company reports untaxed reserves including deferred tax liabilities. However, in the consolidated financial statement untaxed reserves are divided into deferred tax liabilities and equity.

GROUP CONTRIBUTIONS AND SHAREHOLDERS' CONTRIBUTIONS FOR LEGAL ENTITIES

Shareholders' contributions are taken directly to the equity of the recipient and are capitalized in the shares and participating interests of the payer, insofar as no impairment losses are required.

Group contributions paid by the parent company to subsidiaries is reported due to the correlation between reporting and taxation as a financial cost in the income statement Group contributions received are reported as financial income. The tax effect is reported in accordance with IAS 12. Due to changes in accounting principles the parent company's figures for 2010 have also been changed in the income statement and balance sheet, plus changes to shareholders' equity and cash flow statement.

New and amended IFRS

There are no new and amended standards or interpretations applicable for the first time for the financial year commencing 1 January 2011 that have any material effect on the Group.

The following new standards, amendments and interpretations have not yet come into effect and are not applied prematurely by the Group:

IAS 19 (amended), "Employee benefits"

The change to IAS 19 means that the "corridor method" is no longer permitted and all actuarial profit and loss must be reported in other total profit/loss as they arise. The amendment will not have any material impact on the consolidated financial accounts.

IFRS 9, "Financial instruments"

IFRS 9 introduces two new requirements for the assessment and classification of financial assets and may affect the Group's reporting of its financial assets. The Group intends on applying the new standard no later than 2015 and has not yet evaluated the full effect on the financial reports. The standard has not yet been adopted by the EU.

IFRS 10, "Consolidated financial statements"

IFRS 10 complements existing principles as it identifies control as the crucial factor in order to determine if a company needs to be included in the consolidated accounting. The standard provides further guidance in assessing if there are grounds for control as this can be difficult to determine. The Group intends on applying IFRS 10 from the 2013 financial year. IFRS 10 is not expected to have any material effect on the consolidated financial accounts. The standard has yet to be adopted by the EU.

IFRS 12, "Disclosures of interests in other entities"

IFRS 12 includes disclosure requirements for subsidiaries, joint arrangements, associated companies and non-consolidated "structured entities". The Group has not yet evaluated the full impact of IFRS 12 on the financial reports. The standard has not yet been adopted by the EU.

IFRS 13 "Fair value measurement"

The standard provides an exact definition and a joint source in IFRS for fair values and the associated information. The Group has not yet evaluated the full impact of IFRS 13 on the financial reports. The Group intends on applying IFRS 10 from the 2013 financial year. The standard has yet to be adopted by the EU.

Other changes will not have an effect on the Group's accounting principles or financial position.

Notes

2. Operating segment reporting

Operating segments 2009, SEK thousand	Software	Consulting	Other	Elimination	Group
Internal net sales[1]	1,109	54,611	-	-55,720	-
External net sales[2]	345,980	380,131	10	-	726,121
Operating profit/loss	49,892	21,565	-4,023	-	67,434
Net financial income/expense	-	-	-	-	692
Profit/loss before tax	**-**	**-**	**-**	**-**	68,126
Tax	-	-	-	-	-22,081
Profit/loss for the year	**-**	**-**	**-**	**-**	**46,045**
Assets[3]	314,168	184,607	208,525	-46,546	660,754
Investments[4]	17,318	1,129	533	-	18,980
Depreciation	15,862	2,113	3,608	-1,656	19,927
Impairment	-	-	-	-	-

Operating segments 2011, SEK thousand	Software	Consulting	Other	Elimination	Group
Internal net sales[1]	78	53,989	-	-54,067	-
External net sales[2]	340,610	380,903	-	-	721,513
Operating profit/loss	3,042	-532	-	-	2,510
Net financial income/expense	-	-	-	-	3,814
Profit/loss before tax	**-**	**-**	**-**	**-**	**6,324**
Tax	-	-	-	-	-12,766
Profit/loss for the year	**-**	**-**	**-**	**-**	**-6,442**
Assets[3]	259,594	137,541	158,123	14,665	569,923
Investments[4]	19,968	3,651	3,856	-	27,475
Depreciation	20,220	1,944	3,264	-1,618	23,810
Impairment	37,587	22,146	-	-	59,733

Information:
The operating segments are reported in a manner that is compliant with the internal reporting to the highest executive decision-making authority. These operating segments are Software and Consulting. Software covers the development and sale of Enea's software products and services directly linked with the products. Consulting covers Enea's consultancy operations, a not insignificant proportion of which are supplied to Software. Income from external customers in Sweden amounted to SEK 557.8 (532.3) million, and total income from other countries amounted to SEK 163.9 (193.8) million. Fixed assets in Sweden amounted to SEK 110.9 (145.5) million and in other countries to SEK 76.1 (102.2) million.

Distribution of assets, SEK thousand	2011	2010
Assets for which information is to be provided	397,135	498,775
Assets with other companies	35,077	-30,928
Cash	127,302	176,467
Deferred tax	9,965	16,440
Total assets	**569,479**	**660,754**

1. Sales between segments take place under market conditions.
2. Based on the segment in which the income is entered.
3. Based on where the assets are located.
4. Intangible and tangible assets.

3. Exchange rate gains and exchange rate losses

SEK thousand	2011	2010
GROUP		
Exchange rate gains on receivables/liabilities operational in character	3,719	7,375
Exchange rate losses on receivables/liabilities operational in character	-6,302	-8,205
PARENT COMPANY		
Exchange rate gains on receivables/liabilities operational in character	32	17
Exchange rate losses on receivables/liabilities operational in character	-1	-5

4. Employees and other senior executives

	2011		2010	
Average number of employees	**Total**	**of which men, %**	**Total**	**of which men, %**
Parent company	13	64	21	60
Subsidiaries	600	81	600	83
Group total	**613**	**80**	**621**	**83**
Of which:				
Sweden	348	84	385	84
USA	58	80	55	76
Romania	148	71	134	84
China	29	86	15	83
Japan	4	96	4	98
France	15	87	16	87
Germany	4	75	4	77
United Kingdom	5	100	5	100
Israel	2	60	3	40
Group total	**613**	**80**	**621**	**83**

Gender breakdown in Group executive				
Board of Directors	5	80	5	80
Other senior executives	10	90	8	88

Salaries, other remuneration and payroll overheads	**2011**	**2010**
PARENT COMPANY		
Salaries and remuneration	12,950	16,153
of which to the Board, CEO and other senior executives [3]	4,125.	8,245
Pension expenses [1]	3,159	3,177
of which defined benefit pension plans	-	-
of which defined contribution pension plans	3,159	3,177
Other payroll overheads	4,069	5,075
Total	**20,178**	**24,405**
GROUP		
Salaries and remuneration	291,322	296,002
of which to the Board, CEO and other senior executives [4]	16,837	16,494
Pension expenses [2]	37,330	35,438
of which defined benefit pension plans	-	-
of which defined contribution pension plans	37,330	35,438
Other payroll overheads	79,248	79,836
Total	**407,900**	**411,276**

1) Of the parent company's pension expenses, SEK 1,172 (786) thousand relate to the Board and CEO.
2) Of the Group's pension expenses, SEK 2,346 (1,738) thousand relates to the Board and CEO.
3) Of the parent company's salaries and remuneration, SEK 0 (801 thousand) is performance-based remuneration to the Board and CEO.
4) Of the Group's salaries and remuneration, SEK 1,948 (4,989) thousand relates to performance-based remuneration to the Board and CEO.

Cont. Note 4

Board members appointed by the Annual General Meeting who are not employed by the company received the following remuneration in 2011, in accordance with the resolution by the Annual General Meeting.

SEK thousand	Remuneration to the Board	Remuneration to the audit committee	Remuneration to the remuneration committee	Extraordinary initiatives	Total
Anders Skarin (Chairman)	297	43			340
Anders Lidbeck (former Chairman)	158			217	375
Kjell Duveblad	175		30		205
Åsa Landén Ericsson	175	52			227
Mats Lindoff	175			5	180
Total 2011	**980**	**95**	**30**	**222**	**1,327**
Total 2010	**1,020**	**110**	**60**	**227**	**1,417**

Summary of remuneration and other benefits over the year

SEK thousand	Fixed salary	Performance-based remuneration	Other benefits	Other remuneration	Severance pay	Total	Pension expense
Anders Lidbeck, CEO	0	0	0	980		980	0
Per Akerberg, former CEO	1,977	0	66	0		2,043	943
Other senior executives (9)	10,234	3,214	258	0	1,183	14,889	2,200
Total 2011	**12,211**	**3,214**	**324**	**980**	**1,183**	**17,912**	**3,143**
Total 2010	**11,317**	**3,193**	**342**	**0**	**297**	**15,149**	**1,860**

Individuals included in the group of other senior executives varied in 2011. Until Anders Lidbeck was appointed CEO, he received remuneration for his work on the Board. Other remuneration includes consultancy fees of SEK 980 (0) thousand to Anders Lidbeck.

REMUNERATION TO SENIOR EXECUTIVES

Principles

The Chairman of the Board and the Board members receives remuneration in accordance with the Annual General Meeting resolution. Employee representatives do not receive Board remuneration. The remuneration to the CEO is decided by the Chairman of the Board and the Board members appointed by the Annual General Meeting following a proposal by the remuneration committee. The guidelines for remuneration to senior executives are adopted by the Annual General Meeting. For the Group executive management team, market conditions are applied to salaries and other employment terms. In addition to their fixed annual salaries, the Group executives also receive a performance-based salary. The performance-based salary is based on earnings performance compared with set targets and is capped at amounts fixed annually on an individual basis.

Remuneration to certain senior executives within the Enea Group can also be paid in the form of share-based payments. For more information, see Note 22.

Pension agreements

Other senior executives in Sweden have pension agreements within the scope of the ITP scheme, with a pensionable age of 65 and pension provisions are related to the employee's salary. The ITP plan is essentially a defined benefit plan. The ITP plan is assured through an insurance with Alecta. Pension premiums are paid continuously.

Severance pay

The CEO's contract will run until 31 December 2012. The agreed mutual period of notice is six months. For other senior executives, a period of notice of three to twelve months is applied.

5. Emoluments and costs for the auditors

Auditing engagements refer to the examination of the Annual Report and accounts plus the Board's and the CEO's administration and other duties deemed necessary for the company's auditors to perform and advise upon or otherwise assist with due to observations while examining or performing such other duties. Anything else is considered as other engagements.

SEK thousand	**2011**	**2010**
GROUP		
PricewaterhouseCoopers		
Auditing engagement	798	1,098
Auditing activities other than the audit engagement	144	-
Tax advisory services	69	259
Other engagements	242	194
Other auditors		
Auditing engagement	383	550
Tax advisory services	156	440
Other engagements	10	133
	1,802	**2,674**

SEK thousand	**2011**	**2010**
PARENT COMPANY		
PricewaterhouseCoopers		
Auditing engagement	709	904
Auditing activities other than the audit engagement	144	-
Tax advisory services	69	259
Other engagements	242	194
Other auditors		
Auditing engagement	-	-
Tax advisory services	-	-
Other engagements	-	-
	1,164	**1,357**

6. Operating expenses, by cost type

SEK thousand	**2011**	**2010**
Consumables and sub consultants	101 329	104 086
Other external costs	75 319	78 748
Payroll expenses	458 812	453 482
Depreciations and writedowns	83 543	22 371
	719 003	**658 687**

Depreciation and writedowns for the year is divided between Cost of sold products and services at SEK 76.8 (12.5) million, Sales and marketing expenses at SEK 1.6 (1.8) million, Product development expenses at SEK 1.6 (1.4) million and Administration expenses at SEK 3.5 (6.7) million.

7. Leasing fees related to operating leases

Operating leasing mainly relates to cars and rents on premises.

SEK thousand	**2011**	**2010**
GROUP		
Leasing charges, current year	17,712	15,543
Contractually agreed future minimum leasing fees within 1 year	16,094	14,039
Contractually agreed future minimum leasing fees within 2-5 years	38,588	46,372
PARENT COMPANY		
Leasing charges, current year	8,052	8,794
Contractually agreed future minimum leasing fees within 1 year	7,344	7,552
Contractually agreed future minimum leasing fees within 2-5 years	25,141	24,590

8. Net financial income/expense

SEK thousand	2011	2010
GROUP		
Interest income	2,497	1,317
Currency gains	6,173	3,061
Financial income	**8,670**	**4,378**
Interest expenses	-225	-326
Currency losses	-4,631	-3,360
Financial expenses	**-4,856**	**-3,686**
Net financial income/expense	**3,814**	**692**

PARENT COMPANY	2011	2010
Dividend, shares and participations in subsidiaries	-	-
Writedown, shares and participations in Group companies	-	-
Income from participations in Group companies	**-**	**-**
Interest income, other	2,186	881
Interest income, Group companies	10,270	11,781
Group contributions received	121	18,834
Currency gains	286	422
Interest income and similar income items	**12,863**	**31,918**
Interest expenses, other	-218	-249
Interest income, Group companies	-578	-471
Group contributions provided	-	-24,155
Currency losses	-241	-371
Interest expenses and similar expense items	**-1,037**	**-25,246**
Net financial income/expense	**11,826**	**6,672**

9. Taxes

SEK thousand	2011	2010
GROUP		
Current tax expense		
Tax expense for period	-5,751	-9,589
	-5,751	**-9,589**
Deferred tax		
- tax income in loss carryforwards capitalized during the year	1,405	0
- tax expense in loss carryforwards utilized during the year	-4,834	-13,535
- tax expense/income relating to temporary differences	-3,586	1,043
	-7,015	**-12,492**
Total tax expense recognized, Group	**-12,766**	**-22,081**
Reconciliation of effective tax		
GROUP		
Profit/loss before tax	6,324	68,126
Flat rate tax 26.3 %	-1,663	-17,917

Cont. Note 9

Tax effect of		
- other tax rates in foreign subsidiaries	-394	-436
- utilization of previously capitalized loss carryforwards	147	0
- utilization of previously non-capitalized loss carryforwards	78	233
- valuation of future loss carryforwards	-265	-3,373
- non-deductible costs	-14,604	-731
- non-taxable income	2,963	536
Other taxes	667	-435
Adjustment of tax for previous years	305	42
Total tax expense recognized, Group	**-12,766**	**-22,081**
	-202%	**-32%**

SEK thousand	**2011**	**2010**
PARENT COMPANY		
Current tax		
Tax for the period	-2,073	-733
	-2,073	**-733**
PARENT COMPANY		
Profit/loss before tax	7,904	2,648
Tax 26.3%	-2,079	-697
Tax effect of		
- non-deductible costs	-14	-51
- non-taxable income	20	-
Adjustment of tax for previous years	-	-25
Total tax recognized, parent company	**-2,073**	**-773**
	-26%	**-29%**
GROUP		
The following components are included in deferred tax receivables and tax liabilities		
Deferred tax receivables:		
- loss carry forwards	7,100	11,722
- temporary differences on intangible assets	-	514
- other temporary differences	2,865	4,204
Total deferred tax receivables	**9,965**	**16,440**
Deferred tax liabilities:		
- temporary differences on intangible assets	3,636	2,588

Deferred tax receivables for loss carry forwards mainly refer to the US subsidiary. In the management's assessment, the capitalized loss carryforwards will be utilized within the next few years. Non-capitalized deferred tax receivables for unutilized deficits total SEK 1.5 million, of which SEK 0.8 million concerns the UK and SEK 0.7 million concerns France.

10. Intangible assets

2010, SEK thousand	**Goodwill**	**Capitalized development costs**	**Other intang. fixed assets**	**Total**
GROUP				
Accumulated acquisition value				
Opening balance, 1 January 2010	174,638	117,621	24,992	317,251
Acquisition for the year	-	15,779	-	15,779
Divestment/scrapping for the year	-	-998	-	-998
Adjusted payment Netbricks	-5,753	-	-	-5,753
Translation difference for the year	-14,872	-	-1,012	-15,884
Closing balance as at 31 December 2010	**154,013**	**132,402**	**23,980**	**310,395**
Accumulated depreciations and writedowns				
Opening balance, 1 January 2010	-	-72,846	-7,192	-80,038
Divestment/scrapping for the year	-	989	-	989
Depreciations and writedowns for the year	-	-8,112	-7,686	-15,798
Translation difference for the year	-	-	1,246	1,246
Closing balance as at 31 December 2010	**-**	**-79,969**	**-13,632**	**-93,601**
Recognized value as at 31 December 2010	**154,013**	**52,433**	**10,348**	**216,794**

2011, SEK thousand	**Goodwill**	**Capitalized development costs**	**Other intang. fixed assets**	**Total**
GROUP				
Accumulated acquisition value				
Opening balance, 1 January 2011	154,013	132,402	23,980	310,395
Acquisition for the year	-	16,144	-	16,144
Divestment/scrapping for the year	-	-10,208	-	-10,208
Reclassification of assets held for sale (Note 15)	-50,659			-50,659
Translation difference for the year	-26		-118	-144
Closing balance as at 31 December 2011	**103,328**	**138,338**	**23,862**	**265,528**
Accumulated depreciations and writedowns				
Opening balance, 1 January 2011	-	-79,969	-13,632	-93,601
Divestment/scrapping for the year	-	10,208	-	10,208
Depreciations and writedowns for the year	-40,665	-27,638	-9,145	-77,448
Reclassification of assets held for sale (Note 15)	22,146			22,146
Translation difference for the year	182	-	148	330
Closing balance as at 31 December 2011	**-18,337**	**-97,399**	**-22,629**	**-138,365**
Recognized value as at 31 December 2011	**84,991**	**40,939**	**1,233**	**127,163**

Cont. Note 10

Other intangible fixed assets, SEK thousand	**2011**	**2010**
PARENT COMPANY		
Accumulated acquisition value		
Opening balance, 1 January	6,260	6,260
Acquisition for the year	-	-
Divestment/scrapping	-	-
Closing balance as at 31 December	**6,260**	**6,260**
Opening balance, 1 January	-3,775	-2,523
Depreciation for the year	-1,252	-1,252
Divestment/scrapping	-	-
Closing balance as at 31 December	-5,027	-3,775
Recognized value as at 31 December	**1,233**	**2,485**

Goodwill is attributable to the cash-generating units below.

	2011	**2010**
Enea Software – software business	58,324	76,334
Enea Consulting – consultancy business	26,667	77,679
	84,991	154,013

Capitalized development expenses within Enea Software primarily refer to internal work on the development of new products. In the third quarter of 2010, a non-recurring writedown of SEK 60 million occurred. The depreciation time for development expenses is five years and for other intangible assets three to five years. The remaining depreciation time for intangible assets amounts to two to five years.

IMPAIRMENT TEST FOR GOODWILL

The cash-generating units consist of the business areas Software and Consulting. The impairment tests are based on calculations of the utility value and have been carried out in the same way for both units. The estimates are based on estimated future cash flows on the basis of financial budgets that have been approved by the executive and cover a five-year period. Cash flows beyond the five-year period have been forecast using a long-term stable growth of 2 (2) percent. Enea has carried out a susceptibility analysis of important assumptions in which the executive found that no reasonable changes to these assumptions will result in any writedown as at 31 December 2011. The cash flows forecast have been based on an annual income growth for Software of 5 (5) percent and for Consulting of 3 (3) percent. Cost development for Software is forecast at 5 (5) percent and for Consulting at 3 (3) percent. The forecast cash flows have been assessed at current value using a discount interest rate of 12 percent (10) and 14 percent (12) before tax for Software and Consulting respectively. The terminal value is estimated at 2 (2) percent. Assumptions of growth and cost trend are based on the anticipated development of our customers and of the industries in which they are active. The assumptions which are important in the business plan are described in the following list:

VARIABLE	**Assumed value**	
Income growth	3-5%	(3-5%)
Cost trend	3-5%	(3-5%)
Interest rate	12-14 %	(10-12 %)
Long-term stable growth	2%	(2%)

11. Equipment, tools, fixtures and fittings

	Group		**Parent company**	
SEK thousand	**2011**	**2010**	**2011**	**2010**
Accumulated acquisition value				
At start of year	69,291	81,939	19,676	22,818
Acquisition for the year	11,331	3,201	3,856	533
Divestment/scrapping	-9,756	-13,645	-3,109	-3,675
Reclassification of assets held for sale (Note 15)	-9,194	-	-	-
Translation reserve for the year	158	-2,204	-	-
	61,830	**69,291**	**20,423**	**19,676**
Accumulated depreciation according to plan				
At start of year	-56,213	-64,855	-15,558	-16,820
Divestment/scrapping	9,567	13,166	3,109	3,454
Depreciation for the year according to plan	-6,095	-6,573	-2,012	-2,192
Reclassification of assets held for sale (Note 15)	5,978	-	-	-
Translation reserve for the year	-205	2,049	-	-
	-46,968	**-56,213**	**-14,461**	**-15,558**
Recognized value at year-end	**14,862**	**13,078**	**5,962**	**4,118**

Depreciations are attributable to the Cost of sold products and services, Sales and marketing expenses, Production development expenses and Administration expenses.

12. Accounts receivable

Accounts receivable not due concern customers with favorable payment capacity and history. Accounts receivable requiring writedown agree with the provision made for distressed debts. Reserves for distressed debts amount to SEK 4.3 (5.4) million. The fair value of accounts receivable agrees with the carrying amount. Accounts receivable are predominantly denominated in SEK, EUR and USD. The distribution of accounts receivable in terms of age is detailed below:

Age analysis, accounts receivable, SEK thousand	**Remaining**	**Divested**	**2011**	**2010**
GROUP				
Not due	108,991	75,672	184,663	175,599
Due 1-60 days	13,796	14,707	28,503	33,039
Due 61-90 days	3,166	-	3,166	798
Due 90 days	585	-	585	433
Total	**126,538**	**90,379**	**216,917**	**209,869**

13. Prepaid expenses and accrued income

SEK thousand	**2011**	**2010**
GROUP		
Prepaid expenses	12,101	11,290
Accrued income	10,938	12,280
Assets held for sale (Note 15)	-8,840	-
	14,199	**23,570**
PARENT COMPANY		
Prepaid insurance	505	152
Prepaid rents	2,879	2,097
Other prepaid expenses	3,291	1,971
Accrued income	86	-
	6,761	**4,220**

14. Derivative instruments

	2011		**2010**	
SEK thousand	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Long-term				
Foreign exchange forwards – cash flow hedging	294	-	-	-
Current				
Foreign exchange forwards – cash flow hedging	670	-	248	-

All derivative instruments refer to the remaining operations.

15. Assets and liabilities held for sale

SEK thousand	2011	2010
Assets held for sale		
Intangible assets	28,513	-
Equipment, tools, fixtures and fittings	3,216	-
Accounts receivable	90,379	-
Tax assets	3,548	-
Prepaid expenses and accrued income	8,840	-
Other receivables	2,771	-
Total assets held for sale	**137,267**	**-**
Liabilities held for sale		
Accounts payable	27,807	-
Tax liabilities	-	-
Current provisions	513	-
Other liabilities	8,883	-
Accrued expenses and deferred income	18,099	-
Total liabilities held for sale	**55,302**	**-**

16. Shareholders' equity

GROUP

Share capital

A share split was carried out during the year, whereby each existing share was divided into two. One of these shares was a redemption share. The share capital was then reduced by SEK 9,177,857 through the withdrawal of the redemption shares, i.e. a total of 18,081,171 shares for paying back to shareholders. A payment of SEK 5 was payable for each redemption share. The own shareholding of redemption shares was withdrawn without any payment. The share capital was restored to its original amount by increasing the share capital by SEK 9,177,857 through a bonus issue without any issue of new shares. During the year, the share capital was reduced by 422,080 (274,543) through the cancellation of 422,080 (274,543) shares. A subsequent bonus issue has been implemented that will restore the share capital without increasing the number of shares. As at 31 December 2011, the registered share capital comprised 17,659,091 ordinary shares with a nominal value of SEK 1.04 per share. Holders of ordinary shares are entitled to dividends at amounts subsequently determined and the shareholdings convey voting rights at the annual general meeting with one vote per share. Over the year, the company acquired 235,616 (183,751) and sold 0 (48,163) of its own shares.

FINANCIAL INFORMATION

Other paid-in capital

Refers to shareholders' equity contributed by the owners. This includes share premium reserves transferred to the statutory reserve as at 31 December 2005. Allocations to the share premium reserve from 1 January 2006 onwards are also recognized as contributed capital.

RESERVES

Hedging reserve, SEK thousand

	2011	2010
Opening hedging reserve	-	-
Cash flow hedging:		
- fair value gains over the year	1,958	-
- tax on fair value gains	-515	-
- transfers to the income statement	-164	-
- tax on transfers to the income statement	43	-
Closing hedging reserve	1,322	-

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Cont. Note 16

Translation reserve, SEK thousand

The translation reserve includes all exchange rate differences that arise when translating net assets from foreign activities that have compiled their financial reports in other currencies than the currency in which the Group's financial reports are presented. The parent company and Group present their financial reports in Swedish kronor.

	2011	2010
Opening translation reserve	-19,922	-139
Translation reserve for the year	688	-19,783
Closing translation reserve	-19,234	-19,922

Retained earnings, including profit/loss for the year

Retained earnings, including profit/loss for the year includes earnings in the parent company and its subsidiaries. Earlier provisions made to a statutory reserve, excluding transferred share premium reserves, are included in this equity item.

Between 19 November 2007 and 8 December 2011, the parent company bought back 1,293,520 shares on NASDAQ OMX Nordic Exchange in Stockholm at an average market price of SEK 40.06 per share. A total of SEK 51,815 thousand was paid for the shares, which reduced the retained earnings. The shares are held as "own" or "treasury" shares and were fully paid on 31 December 2011. In 2010, 48,163 of the repurchased shares were sold at an average market price of SEK 41.72 per share. In total, SEK 2,900 thousand was received for the shares.

PARENT COMPANY

Statutory reserve

The purpose of the statutory reserve is to retain a part of the net profit, which is not allocated to cover balanced losses.

NON-RESTRICTED EQUITY

Share premium reserve

When shares are issued at a premium, i.e. more is paid for the shares than the shares' nominal amount, an amount equal to the amount received in excess of the nominal value of the shares shall be transferred to the share premium reserve.

Retained earnings

These consist of he previous year's non-restricted equity following any statutory reserve provisions and following any distribution of profits have been paid. Together with the profit/loss for the year, this constitutes total non-restricted equity, i.e. the amount available for distribution to the shareholders.

See also the Summary of changes in consolidated equity on page 32 and the Summary of changes in the parent company's equity on page 35.

17. Earnings per share

	Remaining	Divested	2011	Remaining	Divested	2010
Earnings per share before dilution						
Profit/loss for the year after tax	-980	-5,462	-6,442	23,434	22,611	46,045
Average number of shares, thousands	17,263	17,263	17,263	17,369	17,369	17,369
Earnings per share before dilution, SEK	-0,06	-0,32	-0,37	1,35	1,30	2,65
Earnings per share after dilution						
Profit/loss for the year after tax	-980	-5,462	-6,442	23,434	22,611	46,045
Average number of shares, thousands	17,263	17,263	17,263	17,369	17,369	17,369
Earnings per share after dilution, SEK	-0,06	-0,32	-0,37	1,35	1,30	2,65

In accordance with a resolution passed at the 2008 Annual General Meeting, an option program was adopted for employees of Enea Embedded Technology Inc., equivalent to 37,500 share options, following the 1:20 consolidation of shares carried out in 2008. A subscription right confers the right to buy one share for SEK 48.80. The program was in effect 2008-2011.

In accordance with a resolution passed at the 2007 Annual General Meeting, an option program was adopted for employees of Enea Embedded Technology Inc., equivalent to 75,000 share options, following the 1:20 consolidation of shares carried out in 2008. A subscription right confers the right to buy one share for SEK 77.50. The program was in effect 2007-2010.

In accordance with a resolution passed at the 2006 Annual General Meeting, an option program was adopted for employees of Enea Embedded Technology Inc., equivalent to 100,000 share options, following the 1:20 consolidation of shares. A subscription right confers the right to buy one share for SEK 69.50. The program was in effect 2006-2009.

The average number of shares was reduced by the average number of own shares and it was weighted in relation to the time they were outstanding. As of 31 December 2009, the share option program did not result in any dilution.

18. Accrued expenses and deferred income

SEK thousand	2011	2010
GROUP		
Support income	12,343	12,563
Accrued payroll expenses	38,913	37,204
Other	21,777	-
Liabilities held for sale (Note 15)	-18,099	23,078
	54,934	**72,845**
PARENT COMPANY		
Accrued payroll expenses	8,225	6,571
Other	4,187	4,265
	12,412	**10,836**

19. Group companies

Holdings in subsidiaries	Country	Holding, %
Enea Services Stockholm AB	Sweden	100
Enea Services Öresund AB	Sweden	100
Enea Services Linköping AB	Sweden	100
Xunil AB	Sweden	100
Enea Services Västerås AB	Sweden	100
Enea Software AB	Sweden	100
Enea Zealcore AB	Sweden	100
Enea Software & Services, Inc.	USA	100
Enea GmbH	Germany	100
Enea S.A.R.L	France	100
Enea Netbricks SAS	France	100
Enea Software (Beijing) Co. , Ltd.	China	100
Enea KK	Japan	100
Enea Polyhedra Ltd	United Kingdom	100
Enea Romania SRL	Romania	100
Enea Netbricks Ltd	Israel	100

Parent company	2011	2010
Accumulated acquisition value		
At start of year	391,130	391,130
Shareholders' contribution provided	85,205	-
Closing balance, 31 December	476,335	391,130
Accumulated writedowns		
At start of year	-158,596	-158,596
Writedowns for the year	-	-
Closing balance, 31 December	-158,596	-158,596
Recognized value at year-end	**317,739**	**232,534**

Specification of the parent company's holdings of shares in subsidiaries of participations	Number of shares	Share in %	Recognized value 2011	2010
Subsidiary/co. reg. no./reg. office				
Enea Software AB, 556183-3012, Kista	5,900	100	172,034	172,034
Enea Services Öresund AB, 556586-3494, Kista	5,000	100	145,705	60,500
Enea Services Västerås AB, 556545-4161, Stockholm	1,000	100	0	0
			317,739	**232,534**

20. Cash flow statement

CASH AND CASH EQUIVALENTS

The subcomponents included in cash and cash equivalents are cash, bank and special deposits or commercial papers that have an insignificant risk of fluctuations in value and can easily be converted into cash and cash equivalents, and which have a maturity of no more than three months from the time of acquisition.

	Group		Parent company	
Information on interest rates	**2011**	**2010**	**2011**	**2010**
Interest received over the period amounts to	2,497	1,316	2,186	881
Interest paid over the period amounts to	-225	-326	-218	-249
Adjustment for items not included in cash flow				
Depreciations and writedowns	83,543	22,371	3,264	3,444
Gain/loss on scrapping of fixed assets	188	-2,008	-	221
Stock option programs	-	174	-	174
Share savings plan	1,221	1,810	1,221	1,810
Appropriations	-	-	3,954	-
Provisions	341	222	-	-
Exchange rate differences, net	-214	65	-	-
Total	**85,079**	**22,634**	**8,439**	**5,649**

21. Related parties

CLOSE ASSOCIATIONS

The parent company has close associations with its subsidiaries (see note 19) and senior executives (see note 4).

List of transactions with close associations

GROUP

Close association	**Year**	**Sales of goods/services to related parties**	**Purchase of goods/services from related parties**	**Liabilities to related parties on 31 December**	**Receivables from related parties on 31 December**
Key people in senior posts	2011	-	980	-	-
Key people in senior posts	2010	-	-	-	-
Other related parties	2011	-	-	-	-
Other related parties	2010	-	-	-	-

List of transactions with close associations

PARENT COMPANY

Close association	**Year**	**Sales of goods/services to related parties**	**Purchase of goods/services from related parties**	**Liabilities to related parties on 31 December**	**Receivables from related parties on 31 December**
Subsidiaries	2011	51,377	0	11,138	102,403
Subsidiaries	2010	60,045	0	11,059	226,829
Key people in senior posts	2011	-	980	-	-
Key people in senior posts	2010	-	-	-	-
Other related parties	2011	-	-	-	-
Other related parties	2010	-	-	-	-

Transactions with related parties are priced according to market terms.

For information on remuneration to key persons in senior posts, see note 4, Employees and payroll expenses, and note 22, Pensions, share-related remuneration, benefits to senior executives

22. Pensions, share-related remuneration, senior executives' benefits

DEFINED CONTRIBUTION PLANS

The methods for calculating pension expenses and pension liabilities differ from country to country. Companies report according to local regulations and the reported figures are consolidated in the consolidated annual accounts. All pension solutions in foreign subsidiaries are classified and reported as defined contribution plans, which means that the Group's profit/loss is burdened with pension expenses as the benefits were earned. Salaried employees employed in Sweden are covered by the ITP plan, which is reported as a defined contribution pension plan. Commitments for retirement pensions and family pensions for salaried employees in Sweden are secured through an insurance policy with Alecta. According to a statement from the Swedish Financial Reporting Board's Emerging Issues Task Force, URA 42, this is a defined benefit plan, which covers several employers. For the 2011 financial year, the company had no access to such information that would make it possible to recognize this plan as a defined benefit pension plan, which is why it is being recognized as a defined contribution plan. This plan is being financed on an ongoing basis through pension payments. Charges to Collectum for pension insurance for the year amounted to SEK 10,342 (10,010) thousand. Alecta's surplus can be distributed to the policyholders and/or the insured persons.

At year-end 2011, Alecta's surplus in the form of the collective funding level amounted to 113 (146) percent. Collective funding is the market value of Alecta's assets as a percentage of insurance commitments, calculated in accordance with Alecta's calculation assumptions for insurance purposes, which do not comply with IAS 19.

	Group		Parent company	
	2011	**2010**	**2011**	**2010**
Cost of defined contribution plans	37,330	35,438	3,159	3,177

SHARE-BASED PAYMENTS

In April 2010, the Annual General Meeting resolved to offer key employees the opportunity to participate in a share savings plan. The principal objective of the program is to enhance the company's ability to recruit and retain key employees and, by means of the personal long-term ownership commitment of the participants, to stimulate increased interest in the operations and profits, to increase motivation and enhance the sense of belonging in the company. The program involves 34 senior executives and other key individuals. By 30 June 2010, employees had invested in 96,163 Enea shares ("savings shares"). If the employee keeps the shares for three years and remains employed by the Enea Group, he/she will be allocated an equivalent number of shares ("matching shares"). On the condition that special performance requirements are met, participants are also entitled to a further allocation of no more than three Enea shares ("performance shares") per savings share. The allocation of performance shares is conditional on special performance requirements linked to the fulfillment of Enea's EBIT margin in the years of 2010 and 2012. The performance requirement for the performance shares is linked to EBIT margins in the interval of 11 to 17 percent.

The fair value of the services performed is based on the share price of the matching shares expected to be allocated. The share price is determined at the time of the participants' investment, adjusted for the dividends that do not accrue to the employee during the vesting period.

Other programs from previous years have now terminated.

Option program maturing in 2010	**2011**	**2010**
Outstanding options at start of period	-	41,834
Allocated over period	-	-
Forfeited over period	-	-50
Matured during the period	-	-41,784
Outstanding at the end of period	-	-

Share savings plan	**2011**	**2010**
Number of matching shares at beginning of period	96,163	96,163
Allocated over period	-	-
Forfeited over period	-37,500	-
Matured during the period	-	-
Outstanding at the end of period	58,663	96,163
Number of participants as at 31 December	24	34

Payroll expenses for share-related remuneration

Group	**2011**	**2010**
Option program Enea Software & Services, Inc	-	174
Share savings plan	1,221	1,810

23. Translation exposure

Enea's foreign subsidiaries are translated into Swedish kronor in accordance with the current method. This means that the balance sheet is translated according to the rate on the balance sheet date and the income statement in accordance with the average rate for the period.

The rates used for the Group's significant currencies appear in the table below.

	Rate on balance sheet date		Average rate	
Currency	**2011**	**2010**	**2011**	**2010**
EUR	8,94	9,00	9,03	9,54
USD	6,92	6,80	6,50	6,80
GBP	10,68	10,55	10,41	10,55
JPY	0,089	0,083	0,082	0,083
RON	2,07	2,09	2,13	2,09
CNY	1,10	1,03	1,01	1,03
ILS	1,80	1,91	1,80	1,91

When translating foreign subsidiaries' balance sheets to Swedish kronor, the Group is exposed to exchange rate fluctuations. The effect on shareholders' equity in 2011 for the translation of foreign subsidiaries' accounts to Swedish kronor was SEK 688 (-19,783) thousand. The Group's exposure in shareholders' equity to currency exchange rate fluctuations on the balance sheet date was as follows:

Currency	Amount	Translated into SEK according to rate on balance sheet date
EUR	298	2,666
USD	5,288	36,611
GBP	250	2,669
JPY	38,293	3,415
RON	13,079	27,017
CNY	4,791	5,269
ILS	826	1,490

24. Critical accounting estimates and assumptions

Estimates and assumptions are evaluated on a running basis and are based on historical experience and other factors, including expectations of future events that are considered reasonable under the prevailing conditions.

IMPORTANT ASSESSMENTS ON APPLICATION OF THE GROUP'S ACCOUNTING POLICIES

The corporate executive has discussed with the audit committee the development of, the choice of and information on the Group's important accounting policies and estimates, as well as the application of the same. These estimates and assumptions mainly include revenue recognition, the valuation of deferred tax receivables on loss carry forwards and any need to make writedowns. Some important account-related estimates made on application of the Group's accounting policies are described below.

IMPORTANT SOURCES OF UNCERTAINTY IN ESTIMATES

Impairment testing of goodwill

When calculating the recoverable amount of cash-generating units for assessment of any necessary impairment of goodwill, a number of assumptions have been made regarding future conditions and estimates of parameters. Enea has carried out a susceptibility analysis of important assumptions in which the executive found that no reasonable changes to these assumptions will result in impairment as at 31 December 2011. An account of these can be found in Note 10.

Impairment testing of development costs brought forward

When calculating cash generating units' recoverable amount for estimating any impairment testing of development costs brought forward, a number of assumptions concerning future relationships and estimates of parameters have been carried out. Enea has carried out a susceptibility analysis of important assumptions in which the executive found that no reasonable changes to these assumptions will result in impairment as at 31 December 2011.

25. Long-term liabilities

	2011	2010
Not regulated price, Netbrick SAS	-	-
Not regulated price, IP Devel SRL	-	9,845
	-	**9,845**

The reduction of long-term liabilities in 2011 is attributable to transfers to current liabilities.

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BOARD DECLARATION

The Board and CEO certify that the Consolidated Accounts have been drawn up in accordance with the International Financial Reporting Standards, IFRS, as adopted by the EU, and the Annual Accounts Act, and gives a true and fair reflection of the Group's results and position. The Board of Directors' Report for the Group and parent company give a true and fair overview of the Group and parent company's development, financial position and results and covers significant risks and stability issues concerning the parent company and companies within the Group.

Stockholm 6 March 2012
Enea AB (556209-7146)

Anders Skarin
Chairman of the Board

Åsa Landén Ericsson
Board member

Mats Lindoff
Board member

Kjell Duveblad
Board member

Anders Lidbeck
Board member

Anders Dahlenborg
Employee representative

Mattias Östholm
Employee representative

Frans Roselius
Employee representative

The Annual Report and Consolidated Accounts have, as stated above, been approved for issue by the Board on 6 March 2012. The consolidated income statement and balance sheet and the parent company's income statement and balance sheet will be subject to ratification at the Annual General Meeting on 11 April 2012.

Our audit report was issued on 7 March 2012
PricewaterhouseCoopers AB

Michael Bengtsson
Authorized Public Accountant

Auditors' Report

To the Annual General Meeting of Enea AB (publ.), Co. Reg. No 556209-7146

Annual Report and Consolidate Accounts

We have examined the Annual Report and Consolidated Accounts for Enea AB (publ.) for 2011 with the exception of the corporate governance report on pages 26-31. The company's Annual Report and Consolidated Accounts are included in the printed version of this document on pages 22-57.

The Board and CEO's responsibilities for the Annual Report and Consolidated Accounts

The Board and CEO are responsible for drawing up an Annual Report that gives a true and fair reflection of the company in accordance with the Annual Accounts Act and a Consolidated Report that gives a true and fair reflection of the group in accordance with international accounting standards, as adopted by the EU, and the Annual Accounts Act, and for the internal review that the Board and CEO deem necessary for drawing up the Annual Report and Consolidated Accounts, with no significant material misstatement, whether due to impropriety or mistakes.

Auditors' responsibilities

We are responsible for expressing our opinions about the Annual Report and the Consolidated Accounts based on our audit. We have carried out our audit in accordance with the International Standards on Auditing and good auditing practices in Sweden. These standards require us to follow professionally ethical demands and plan and perform our audit in order to be reasonably assured that the Annual Report and Consolidated Accounts contain no material misstatement.

An audit includes, by taking various measures, obtaining auditing evidence concerning amounts and other information in the Annual Report and Consolidated Accounts. The auditor chooses what measures to take, including assessing risks for significant material misstatements in the Annual Report and Consolidated Accounts, whether due to impropriety or mistakes. In this risk assessment the auditor considers the parts of the internal review deemed relevant for how the company draws up its Annual Report and Consolidated Accounts in order to give a true, fair reflection of the company, in order to come up with audit procedures that are appropriate in terms of circumstances, but not to express opinions concerning the effectiveness of the company's internal reviews. An audit also includes evaluating the appropriateness of the accounting principles used and the reasonability of the Board's and CEO's estimates in the report, plus an evaluation of the overall presentation of the Annual Report and Consolidated Accounts.

We consider that the auditing evidence obtained is sufficient and appropriate as a basis for our statement.

Opinion

In our opinion the Annual Report has been drawn up in accordance with the Annual Reports Act and gives a true and fair reflection in all significant respects to the parent company's position as of 31 December 2011 and of its financial results and cash flow for the year in accordance with the Annual Accounts Act, and the Consolidated Accounts have been drawn up in accordance with the Annual Accounts Act and give a true and fair reflection of the Group's financial position as of 31 December 2011 and of its financial results and cash flow in accordance with international accounting standards, as adopted by the EU and the Annual Accounts Act. Our statement does not include the Corporate Governance Report on pages 26-31. The Board of Directors' Report is consistent with the other sections of the Annual Report and Consolidated Accounts.

We therefore recommend that the Annual General Meeting adopt the parent company's income statement and balance sheet and the Group's Report on total profit/loss and the Group's Balance sheet.

Report on other legal and statutory requirements

In addition to our audit of the Annual Report and Consolidated Accounts we have also audited the company's proposed allocation of profit or loss, and the Board and CEO's management of Enea AB (publ.) for 2011. We have also carried out a statutory audit of the Corporate Governance Report.

The Board's and CEO's responsibilities

The Board is responsible for submitting profit or loss allocation proposals and the Board and CEO are responsible for the administration of the company in accordance with the Companies Act and that the Corporate Governance Report on pages 26-31 is drawn up in accordance with the Annual Accounts Act.

Auditors' responsibilities

Our responsibility is, with reasonable assurance, to express our opinions about the proposed allocations of the company's profit or loss and about its management, based on our audit. We have carried out our audit in accordance with good auditing practices in Sweden. As a basis for our opinion about the Board's proposed allocation of profit or loss we have examined the Board's motivated comments and a selection of these comments as a basis for this in order to assess if the proposal is consistent with the Companies Act.

As a basis for our opinion about discharge from liability, in addition to our audit of the Annual Report and Consolidated Accounts, we have examined significant decisions, measures and relationships in the company in order to assess if any Board member or the CEO is liable for damages towards the company. We have also examined whether any Board member or the CEO have in any other way contravened the Companies Act, Annual Accounts Act or Articles of Association.

We believe that the audit evidence we have obtained, in accordance with the above, is sufficient and appropriate as a basis for our opinion.

In addition, we have read the Corporate Governance report and based on its content and our knowledge of the company and Group believe we have sufficient information for our opinion. This means that our statutory review of the Corporate Governance report is differently aligned and of less scope than the alignment and scope of an audit according to the International Standards on Auditing and good auditing practices in Sweden.

Opinion

We recommend that the Annual General Meeting allocates the profit according to the proposal in the Board of Directors' Report and discharge the Board members and the CEO from liability for the financial year.

A Corporate Governance report has been drawn up and its statutory information is consistent with other sections of the Annual Report and Consolidated Accounts.

Stockholm 7 March 2012
PricewaterhouseCoopers AB

Michael Bengtsson
Authorized Public Accountant

Five year summary

INCOME STATEMENT, SEK million	2011	2010	2009	2008	2007
Net sales	721.5	726.1	777.7	917.6	820.6
Operating costs	-719.0	-658.7	-781.8	-844.5	-748.5
Operating profit/loss	2.5	67.4	-4.1	73.1	72.1
Net financial items	3.8	0.7	3.3	7.9	4.8
Profit/loss before tax	6.3	68.1	-0.8	81.0	76.9
Profit/loss for the period	**-6.4**	**46.0**	**4.2**	**88.3**	**71.2**
BALANCE SHEET, SEK million					
Intangible assets	127.1	216.7	237.2	273.5	175.1
Other fixed assets	26.4	30.9	46.7	46.0	24.9
Current receivables	147.0	236.6	258.7	325.4	268.3
Cash and cash equivalents	127.3	176.5	153.9	122.1	156.0
Assets held for sale	137.3	-	-	-	-
Total assets	**565.1**	**660.7**	**696.6**	**767.0**	**624.3**
Shareholders' equity	415.9	512.6	516.0	548.4	434.6
Allocations, long-term liabilities and minority shareholdings	3.6	12.7	31.9	31.5	8.9
Current liabilities	90.0	135.4	148.7	187.1	180.8
Liabilities held for sale	55.6	-	-	-	-
Total shareholders' equity and liabilities	**565.1**	**660.7**	**696.6**	**767.0**	**624.3**
CASH FLOW, SEK million					
From current activities	77.2	76.1	70.3	81.8	66.4
From investment activities	-33.0	-19.0	-13.2	-121.6	-42.7
From financing activities	-93.4	-31.7	-21.8	-1.8	-12.8
Cash flow for the period	**-49.2**	**25.4**	**35.4**	**-41.6**	**10.9**
KEY FIGURES					
Change in sales, %	-0.6	-6.6	-15.2	11.8	9.4
Operating margin, %	0.3	9.3	-0.5	8.0	8.8
Profit margin, %	0.0	9.4	-0.1	8.8	9.4
Return on capital employed, %	6.6	13.9	1.7	17.3	19.5
Return on equity, %	-1.4	8.9	0.8	18.0	17.5
Return on total capital, %	5.3	10.6	1.3	12.2	13.4
Interest coverage ratio, multiple	7.3	19.5	0.9	20.7	30.1
Equity ratio, %	73.6	77.6	74.0	71.0	70.0
Liquidity, %	304.8	305.0	278.0	239.0	235.0
Average number of employees	613.0	621.0	666.0	688.0	547.0
Net sales per employee	1107.0	1169.0	1168.0	1334.0	1500.0
Net worth per share, SEK	30.16	29.55	29.53	30.43	23.71
Earnings per share, SEK	-0.37	2.65	0.24	4.90	3.88
Dividend per share, SEK	8.00*	5.00	1.50	0.00	0.00

**Dividend proposed to the 2012 Annual General Meeting. For definitions see page 63.*

Shareholder information

2012 Annual General Meeting

The Annual General Meeting will be held at 4:00 p.m. CET on 11 April 2012 at the Kista Science Tower, Färögatan 33, Kista. Shareholders wishing to participate at the AGM must be entered in the register of shareholders kept by Euroclear Sweden AB (name changed from VPC AB) no later than 3 April 2012.

Participants must also register with Enea AB by 5:00 p.m. CET on 3 April 2012 at the latest.

Registrations can be posted to

Enea AB (publ), Box 1033, SE-164 21 Kista,
by telephone: +46 8 507 140 34,
or via e-mail: arsstamma@enea.com.

Registrations must include name, personal ID number or company registration number, shareholding, address, telephone numbers and details of accompanying assistant (if applicable).

Reporting dates in 2012

Q1 report – January-March, 26 April
Q2 report – April-June, 20 July
Q3 report – July-September, 24 October
Financial statement – 7 February 2013

All financial information is published on the Enea website: www.enea.com

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

Definitions

Margins

OPERATING MARGIN
Operating profit in relation to net sales.

PROFIT MARGIN
Profit after financial items in relation to net sales.

Return

RETURN ON EQUITY
Profit/loss after tax in relation to average equity.

RETURN ON CAPITAL EMPLOYED
Operating profit items plus financial income in relation to average capital employed.

RETURN ON TOTAL CAPITAL
Profit after financial items plus financial costs in relation to average total assets.

Capital structure

EQUITY RATIO
Equity including minority interests in relation to total assets.

INTEREST COVERAGE RATIO
Profit after financial items plus financial costs in relation to financial costs.

CAPITAL EMPLOYED
Total assets less non-interest-bearing liabilities including deferred tax liabilities. Average capital employed has been calculated as opening capital employed plus closing capital employed divided by two.

PROPORTION RISK-BEARING CAPITAL
Total of equity and deferred tax liabilities as a percentage of total assets.

Per share data

EARNINGS PER SHARE
Profit after tax in relation to the average number of shares.

NET WORTH PER SHARE
Net worth, equivalent to equity, in relation to the total number of shares outstanding.

DIVIDEND PER SHARE
Dividend for the current financial year divided by the number of shares as per the balance sheet date.

CASH FLOW PER SHARE FROM OPERATING ACTIVITIES
Cash flow from operating activities in relation to the average number of shares.

LIQUIDITY
Cash and equivalents, including current investments and receivables, in relation to current liabilities.

Other

NET SALES PER EMPLOYEE
Net sales in relation to the average number of employees.

This annual report was produced by Enea in cooperation with RHR/CC.
Photographer: Alexander Ruas.

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Enea provides products and services for companies who develop communication-intensive products. Enea's operating system is the cornerstone of the company's product portfolio and is sold as part of customized solutions for the major global telecom companies.

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