ENEA ANNUAL REPORT 2012

Powering wireless broadband

ENEA ANNUAL REPORT 2012

>>> Enea in 5 mi

You have probably already used Enea technology without realizing it. Every day, millions of calls and communication processes depend on Enea software. Our operating systems are already embedded in most 3G and 4G infrastructures and in 1.7 billion mobile phones around the world.

Who are Enea's customers?

The world's leading telecom companies turn to Enea when building wireless communications infrastructure. Our solutions work in many types of communicating systems, with the result that our customers include companies in associated segments, such as medical technology, aerospace and automotive.

What does Enea offer?

Enea offers products and services for companies who develop communication-intensive products. The cornerstone of the company's product portfolio is its operating systems, which are sold as part of customized solutions. Different types of operating system are needed depending on how they are to be used. Real-time operating systems work best close to the hardware, while Linux is generally used closer to applications.

Besides operating systems, we also offer development tools, databases, middleware, communication protocols, and communication software. These products are customized as part of major undertakings in which our range of services and expert knowledge are as important as the products themselves.

What is the competetive situation?

There are only three companies in the world that can offer a combination of real-time operating systems and Linux. On the market for real-time operating systems, Enea has the third-largest market share. Since Enea only recently launched its Linux solution, we do not yet have an official share in that market.

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.

>> Enea powers wireless infrastructure <<

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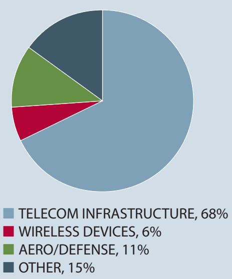
Why invest in Enea?

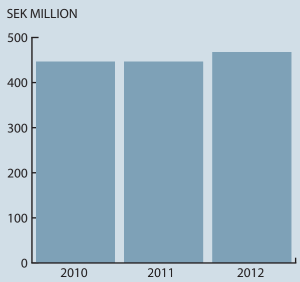
1 The market for wireless communication is expanding rapidly.
2 Enea already holds a world-leading position on this market with products that unquestionably work.
3 Enea has demonstrated good profit margins and growth since it became a focused software company.

KEY FIGURES	2012	2011
Revenue, SEK million	467.8	446.7
Growth, %	4.7	0.0
Growth, currency-adjusted, %	3.6	1.5
Operating profit, SEK million	72.5	2.2
Operating margin, %	15.5	0.5
Profit before tax, SEK million	76.7	6.0
Profit after tax, SEK million	53.6	-1.0
Earnings per share, SEK	3.18	-0.06
Cash flow from current operations, SEK million	80.1	69.6

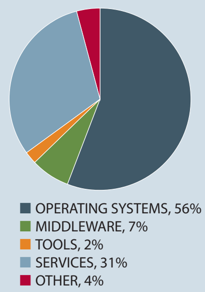
REVENUE PER SEGMENT, %



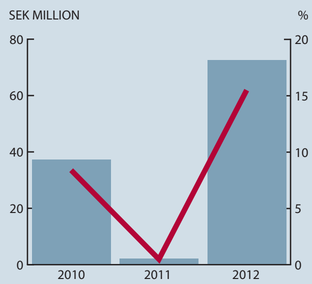
REVENUE, SEK MILLION



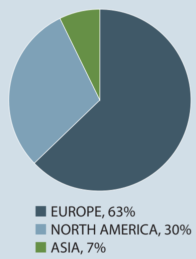
REVENUE PER PRODUCT, %



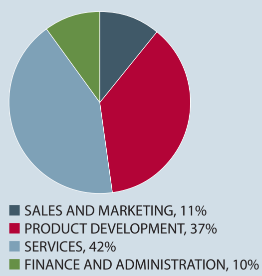
OPERATING PROFIT AND MARGIN



REVENUE PER REGION, %



EMPLOYEES PER FUNCTION, %



Comparative figures for 2010 and 2011 exclude divested business.

CONTENT

Audited annual report, pages 8-21 and 26-53.

Reviewed corporate governance report.

Our ambition is to create a large and highly profitable global software company

We operate in a market that is undergoing major changes. According to Ericsson, a world leader in the field of telecom infrastructure, mobile data traffic doubled over a 12-month period from 2011 to 2012 and there are no signs of this growth slowing. World-leading IT company Cisco predicts that mobile data traffic will increase twelvefold between 2012 and 2018. This is an incredibly exciting market on which to operate. Our technology is already embedded in market-leading mobile infrastructure products over the world. This is a very good platform on which to base future growth.

At the same time, many operators face the challenge of combining costs for network expansion with increasingly lower prices to consumers. Investing in infrastructure is costly, but telecom networks users are not prepared to pay considerably more for greater capacity. This means that many operators are choosing to upgrade their networks instead of building new ones. This in turn affects the manufacturers of telecom equipment, who are Enea's customers. A lot of our revenue comes from royalties, which are dependent on the number of new base stations and similar equipment. When operators choose to upgrade instead of investing in new base stations, the manufacturers of telecom equipment sell fewer new devices and we see delays in our royalty revenue from new technology.

Extensive use of Linux is another way to reduce costs. Linux has the advantage of a low or non-existent license cost, and there are also many talented engineers who can work with Linux.

A rapidly growing market characterized by the need for smart, cost-effective solutions creates opportunities for companies

> *"Cisco predicts that mobile data traffic will increase twelvefold between 2012 and 2018. This is an incredibly exciting market on which to operate.*

like Enea. We can see that Linux and real-time operating systems are already being used alongside one another in advanced telecom equipment. With the launch of Enea Linux in 2012, we are one of only three companies in the world that are able to offer both Linux and real-time operating systems. We are convinced that having a complete offering which combines the best of both worlds is a clear advantage.

2012 – Growth and improved profitability

In December 2011, we entered into an agreement to divest our Nordic consultancy business to Alten Group and its Swedish subsidiary Xdin. The Nordic consultancy business was significantly different to our global software business, and the divestment allowed us to focus Enea's activities on the areas in which we felt we had the best potential. The year 2012 was Enea's first as a focused software company.

It was a good year for Enea, in which the company has seen both growth and high profitability. We achieved an operating profit which was significantly better than last year. Profits have doubled, excluding non-recurring costs. Including non-recurring costs, the improvement was even greater. This resulted in our highest operating margin ever: 15.5 percent on a full-year basis. We delivered a profit per share which equaled earlier record levels, even though we have divested 35 percent of our business since then. The decision to focus on our global software business, where the opportunities for higher margins are considerably greater, in combination with effective cost control, has brought us to a level of profitability which Enea has never reported before.

Our software revenue increased and our service revenue was on par with the previous year. Our biggest product, the OSE operating system, continued to grow, due largely to a high proportion of royalty revenues.

> *Our ambition over the next five years is to create a global software company with considerably higher net sales, high profitability, good strong cash flow and a large proportion of recurring revenue.*

We increased our revenue from this product group thanks to our focused initiative on key customers. Our subsidiary on the significant US market grew. It is important for us to develop our presence in the US as the majority of our hardware partners are American and because many of the software trends relevant to us arise there.

Enea's long-term ambition

Working with the best manufacturers on the market has allowed us to find out how the best telecom systems can be built. We can also see that these systems are growing increasingly complex and that solutions are being customized to an ever greater extent. It is no longer sufficient to offer a standardized product – our solutions have to be adapted to suit customers' hardware and other systems. This is why it is strategically important for Enea to ensure that we can supply the most advanced solutions offering the best quality to a number of the world's best manufacturers.

Enea's solutions are at their best in large-scale systems where top quality is valued. Therefore, we focus on key customers who demand custom solutions. We will have the expert knowledge required to be able to work together with customers to develop the wireless infrastructure of the future. Enea will reinforce its market position as the backbone of wireless infrastructure the world over.

Our ambition during a period of five years, commencing in 2012, is to create a global software company with considerably higher revenue, high profitability, good cash flow, and a large proportion of recurring revenues. Our focus will be on organic growth, but both strategic and supplementary acquisitions will be constantly evaluated.

Growth will vary over the years and between the quarters, depending on the development of royalty flows and when individual deals take place; these 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.

For 2013, we will be continuing to strive towards our long-term profitability target. Our assessment is that we will improve both operating margin and profit per share over the full year. However, it is likely that the first quarter will not be as good as the same period in 2012.

March 2013

Anders Lidbeck
President and CEO

Continued significant growth in mobile broadband

Telecommunications continue to be the largest, most profitable segment for embedded software, and the exponential growth seen over the last few years persists.

As far as the world's telecom network traffic is concerned, voice calls have leveled out, while data traffic continues to grow. According to Ericsson's Mobility Report (November 2012), mobile data traffic doubled between the third quarter of 2011 and the third quarter of 2012, and there are no signs of this growth slowing. Quite the opposite in fact – mobile data is predicted to increase twelvefold between 2012 and 2018, with an annual growth rate of 50 percent. Much of the traffic is driven by the rapid global adoption of lifestyle products such as smartphones and tablets, but also laptops and routers. The mobile lifestyle is creating new behavioral patterns in which social media, applications and cloud services are constantly communicating, but it is videostreaming that is predicted to be responsible for most of the traffic.

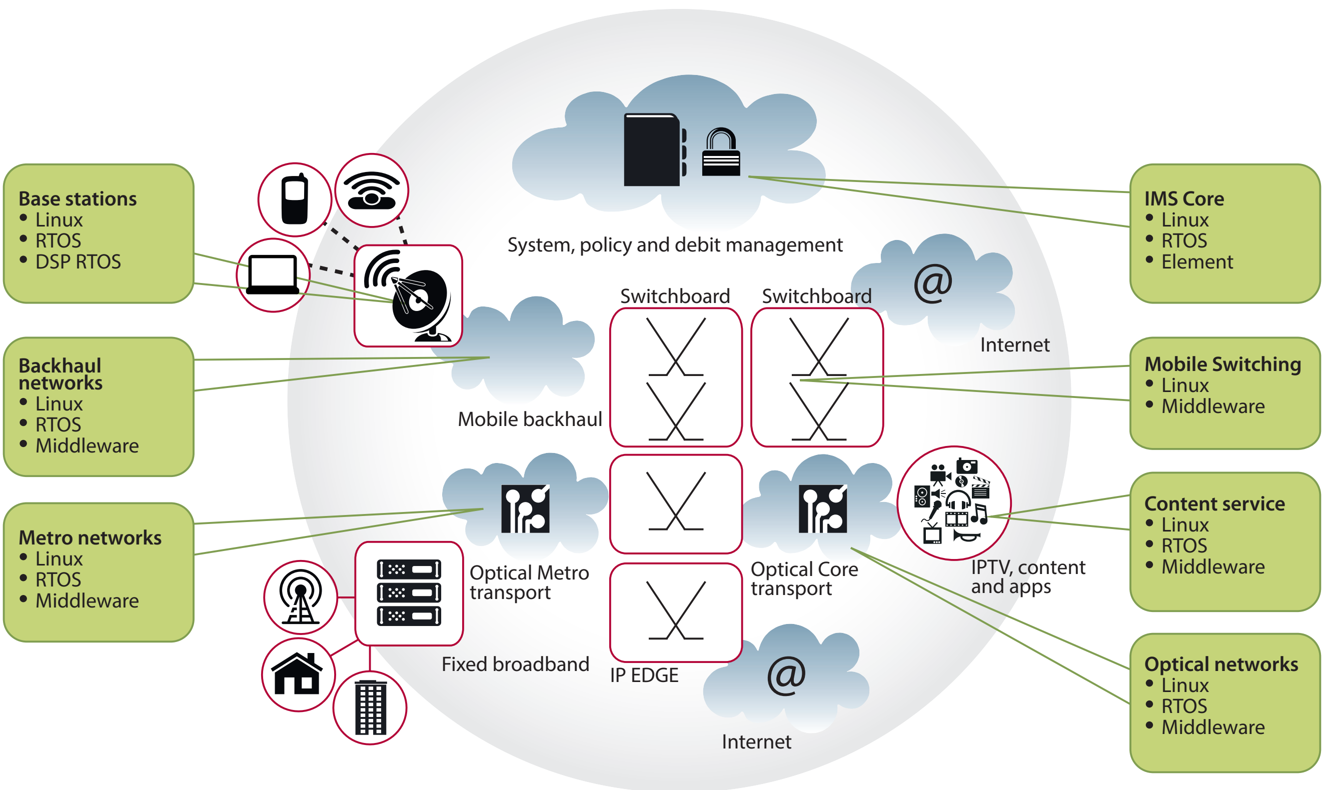
Another contributory factor to this increase in traffic is the *Internet of things*, an area which is currently in its infancy but which is predicted to increase significantly. This concept involves devices and machines communicating with one another and the cloud. It is possible to reach, control, configure or provide input to more and more devices from a computer or telephone, even if they are physically located on the other side of the world.

Thin, cheap modems are a pre-requisite for connecting to mobile networks, and the majority of all mobile connections in the future will be created by machines communicating with other machines. Ericsson, Enea's biggest customer, estimates that there will be around 50 billion communicating devices by 2020.

Trends affecting Enea

- Fast, reliable connection in all locations, 24 hours a day, has become commonplace. Today's consumers expect a high minimum data transfer level and the perceived performance becomes a crucial selection criterion. This causes ongoing high pressure on intelligent systems that optimize broadband utilization.
- The boundary between server and network is being erased with the growth of new online services. Operators are seeing

Where do Enea's products fit?



LINUX

What not so long ago was viewed as a phenomenon among enthusiasts and students and deemed never to achieve a breakthrough in the established commercial world has taken on enormous significance in the embedded software systems of today. Operating system manufacturers have seen their market shares from traditional operating systems shrink in favor of Linux, which is currently the engine in everything from consumer electronics to industrial applications, medical technology and automotive technology.

Analysts from VDC Research and UBM are seeing an ongoing wave of successes in which Linux is expanding, and there are a number of reasons for this:

- The functionality of Linux is extensive thanks to active participation from a wide range of companies and enthusiasts, who contribute source code and expertise to the Linux community. Similarly, quality assurance is being developed for an increasing number of relevant areas of application for Linux.
- Linux is free to use and distribute, which saves on royalty charges for users.
- There are plenty of talented engineers who know how to use Linux because it has become so well established and is taught at universities and colleges.

At the same time, Linux has grown in terms of codebase, and users do not always need all the code and functionality available. It is also not certain that users themselves have the skills or manpower to make the right choice of Linux software packages for their purposes, nor to create sufficient distribution.

As a response to this complexity, the Yocto Project was created in 2010 as a subgroup to the Linux Foundation. Yocto is a partnership of project members from the industry, with a view to provide templates, tools and methods for creating custom Linux-based systems for embedded products, regardless of the hardware architecture on which they are based.

fresh business opportunities due to new cloud service types. In addition, network manufacturers have introduced distributed base stations that enable new ways of handling resource management in networks.

- LTE technology (4G) is being rolled out across the world. However, it will take time to expand the LTE networks, and until then the emphasis is on 3G and measures for increasing the capacity of these networks. The base stations currently operational can handle a number of technical standards where LTE can be added later.
- The importance of open source code on the market is increasing all the time. This is particularly true of the Linux operating system with its associated tools. More and more commercial software suppliers will need to follow the flow in the open source world and also adapt their products for use together with Linux.

Where do Enea's products fit?

Enea's product portfolio can be divided into three main areas: Linux, RTOS, and Middleware. Products from the three categories all work well both individually and together, depending on the application.

Many of the next generation of system architectures are based entirely or partly on open source code such as Linux, which means that Enea's Linux solution has a given place. However, Linux does not always cover the entire range of stringent performance requirements, which creates opportunities for OSE, Enea's real-time operating system.

Telecom systems are often very complex and some parts of the network must

MIDDLEWARE

Middleware can be defined as software which provides services between an operating system and an application. Middleware bridges the gap at the point where the operating system ends and the application begins, and makes it easier for software developers to deal with communication and data management between the two.

Use of middleware has increased as systems have become more complex and required greater uptime. A middleware solution can be used to upgrade a system while it is still running, for example. Without a solution of this kind, the system would have to be taken down so that the upgrade can be executed.

Other areas managed by middleware are the ability to manage system factors such as scalability, predictability, accessibility, modularity, redundancy and error management.

always remain accessible, even when it has to be upgraded or maintained. This is where middleware products are a big help. They provide tools for developers, testers and system architects to handle the system during various phases of development and operation and to be able to see what is happening "under the hood".

Enea also offers further functionality such as software for communication between software processes, databases, and signaling protocols.

A typical telecom system is illustrated in the figure on page 4, and Enea's products are suitable for a range of applications in the system:

- In mobile broadband and base stations
- In backhaul networks which connect the mobile broadband to the backbone or the core of the network
- In mobile switchboards and optical networks
- In the infrastructure in order to supply multimedia services

Buy an operating system, or develop one?

When developing a new product, the majority still choose the hardware first, but the role and significance of the software have grown lately, particularly for organizations with a virtualized software solution (solutions which often include a number of different operating systems) in their products.

Self-developed operating systems are the biggest competitor to traditional, commercial operating systems. Many companies still have R&D departments which develop operating systems on their own, both real-time operating systems and their own variants of Linux.

Switching to a commercial operating system is far from the obvious choice. Besides license fees, the final bill for transition costs also includes pure development costs for porting applications from the old operating system to the new one. Analysts VDC Research have shown that users of commercial operating systems have the highest software costs in percentage terms, although total development costs are greatest among companies which develop their own operating systems. In other words, there is a long-term financial incentive to swapping out self-developed systems, even though this is risky and involves higher costs in the short term.

The organizations that use non-commercial operating systems were behind in their

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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 if 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 short to complete the task – an aspect that disqualifies most regular operating systems. With today's multicore processes, an RTOS must also be able to run on one or more cores simultaneously for maximum utilization of system resources.

schedules to a greater extent, which can be explained by unpredicted project complexity, or the lack of specific functionality and service that can be offered by a commercial operating system.

Similarly, the use of sophisticated development tools is more widespread in organizations which run commercial operating systems.

Market size

The market for real-time operating systems for embedded systems and associated services amounted to around USD 1,267 million for 2011. Over the year, Enea was third in the world ranking (after Wind River and Green Hills Software) with a market share of 9.7 percent.

- Anticipated general market growth of 6 percent to 2014.
- The market for real-time operating systems for embedded systems totaled USD 840 million.
- The telecom market amounted to USD 239 million in 2011, with an anticipated growth of 19 percent to USD 285 million 2013.
- Telecom was the biggest vertical in 2011, with 18.9 percent of the market.

The market for Linux in embedded systems and related services amounted to USD 115 million for 2011. Enea has launched its Linux product in 2012, so it has no official market share as yet. Monta Vista and Windriver are the biggest names in the market for Linux in embedded systems.

- Sales of Linux-related software and services are predicted to increase by 7.4 percent by 2013.

Enea's long-term market position

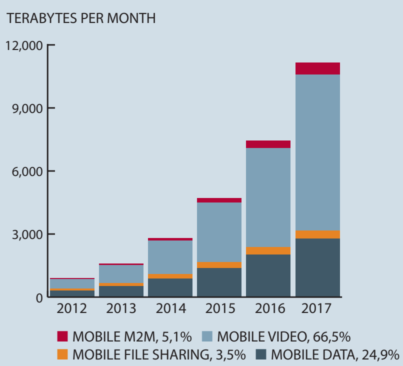
Current market trends, with new technologies and new behavioral patterns, are driving development in two different ways which together are increasing demand for Enea's products and services:

- More devices with embedded systems,
- Increased data traffic, which demands investments in infrastructure for telecom.

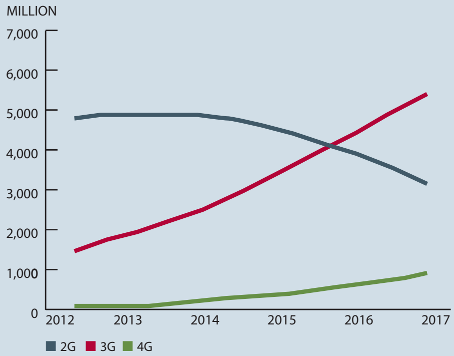
Enea is currently a world leader in the field of real-time operating systems, and with our operating system solutions we are successfully meeting the demands made by our customers. Our advantage here may be attributable to our effective Linux solutions combined with our OSE real-time operating system, system management with multicore processors, support in protocols, databases or tools, to name but a few aspects.

We are currently most successful in the telecom field, but we can also see clear synergies with other industries in which we could add substantial value. This means that Enea has plenty of potential for long-term growth.

NETWORK TRAFFIC



GLOBAL WIRELESS DEVICES AND CONNECTIONS PER GENERATION



Source: Cisco VNI Mobile Forecast, 2013

The Board and President of Enea AB (publ), company registration number 556209-7146, hereby submit the Annual Report for the parent company and the Group for the financial year January 1-December 31, 2012.

Focused strategy for strengthened market position

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

Enea is a global software company specializing in solutions for communication-intensive products. We supply products and services which aim to reduce customers' development times, reduce production costs and make systems more reliable.

Revenue

Enea's net sales in 2012 increased by 4.7 (0.0) percent to SEK 467.8 (446.7) million. Revenue for the full year, adjusted for currency effects, increased by 3.6 percent. All amounts are exclusive of capital gains.

Total license sales for the full year were on a par with last year. Sales of development licenses (perpetual) fell in favor of sales of rented licenses (time limited use), which increased. Production licenses (royalties), which are partly dependent on customers' sales volumes, increased over the year. Support and maintenance income increased, while sales of services were on a par with last year.

Earnings

Enea's operating profit amounted to SEK 72.5 (2.2) million, corresponding to an operating margin of 15.5 (0.5) percent, excluding capital gains. Costs for the full year include restructuring costs totaling SEK 8.9 million. The comparative figures for last year include a writedown of goodwill and capitalized development expenses totaling SEK 37.5 million. Currency effects on the Group's results are marginal.

The gross margin for the full year (excluding capital gains) amounted to 70.4 (59.8) percent. Expenses for sales and marketing and product development have fallen, while administrative expenses have increased slightly compared with last year.

Net financial income for the full year totaled SEK 4.2 (3.8) million. Profit after tax amounted to SEK 53.6 (-1.0) million for the full year, excluding capital gains. Earnings per share increased to SEK 3.18 (-0.06) for the full year. Without adjustment for holdings of own shares, earnings per share amounted to SEK 3.04 for the full year.

Cash flow and financial position

Cash flow from operating activities amounted to SEK 80.1 (69.6) million for the full year. Total cash flow was negative in the amount of SEK 92.9 (49.2) million. Comparative figures for the total cash flow for the previous year include divested business. On May 16, 2012, SEK 8.00 (5.00) per share, equivalent to SEK 135.2 (86.7) million, was paid out to shareholders via a redemption program. Shares with a value of SEK 22.2 million were repurchased over the year.

Cash and cash equivalents and short-term investments amounted to SEK 146.7 (127.3) million at the end of the year. In addition, the Group has an unused credit facility of SEK 92 million. Enea has a continued strong financial position, with an equity ratio of 79.9 (73.6) percent.

IMPORTANT EVENTS IN 2012

Focus on the software business

By divesting the Nordic consultancy business in late 2011, Enea began 2012 as a focused software company. The units sold saw net sales of around SEK 300 million annually and included 226 employees and around 90 subconsultants. The business was transferred to Xdin in February 2012, and therefore Enea's figures for 2012 do not include the divested business. The final purchase price amounted to SEK 148.5 million. Capital gains amounted to SEK 61.7 million. Enea's cash flow was affected positively by SEK 144 million during the first quarter of 2012.

Launch of Enea Linux

Linux, combined with real-time operating systems, is currently the widespread standard when constructing telecom equipment for infrastructure. and has become a prerequisite in order to retain our leading position among major telecom companies all over the world. 2012 saw the launch of our own version of Linux, named Enea Linux. The first commercial version of Enea Linux was available in September 2012. This made Enea the leading hardware-independent supplier of complete Linux solutions for embedded systems.

Enea Linux has been designed with an eye to the challenges faced by manufacturers of telecom equipment. Based on Enea's extensive experience of real-time aspects in embedded systems and its leading position on the telecom market, Enea offers supplementary solutions which significantly improve Linux's real-time characteristics: this is a feature which companies demand but which Linux does not normally address.

Enea Linux Base Station Platform

We have worked in close cooperation with hardware manufacturer Freescale over the year to launch Enea Linux Base Station Platform, which provides customers with flexible access to a basic platform for base station development. Enea's Linux version, which constitutes the basis for this platform, is optimized to meet the requirements of the telecom industry.

Enea Linux Base Station Platform also utilizes hardware more efficiently, which meets demands for lower costs.

This platform also includes proven Enea products such as the middleware product Enea Element, Enea LINX for inter-process communication, Enea Hypervisor for virtualization, and Enea OSEck, a real-time operating system for digital signal processors.

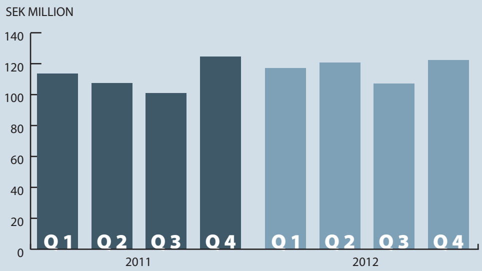
Consultancy successes

Enea's service businesses in the US and Romania were successful throughout the year, with a number of major projects. The projects were staffed by employees from the US and Romania in order to achieve maximum expertise at minimal cost.

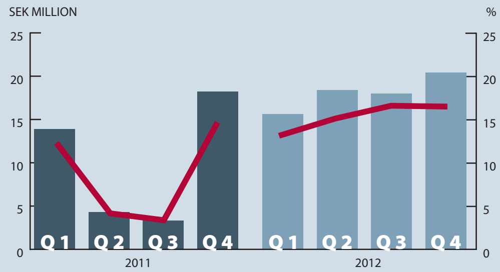
Changes to executive management team

The executive management team has undergone changes over the year, with Håkan Rippe as the new Chief Financial Officer and Adrian Leufvén as the new Head of Sales. Both Håkan and Adrian were previously employed in other positions at Enea.

REVENUE, SEK MILLION



OPERATING PROFIT



	2012	2011
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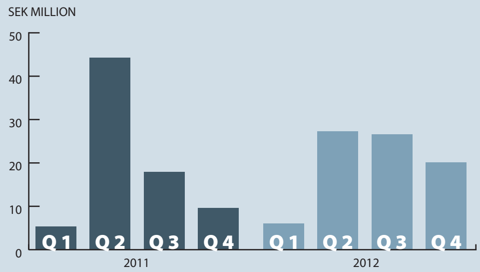
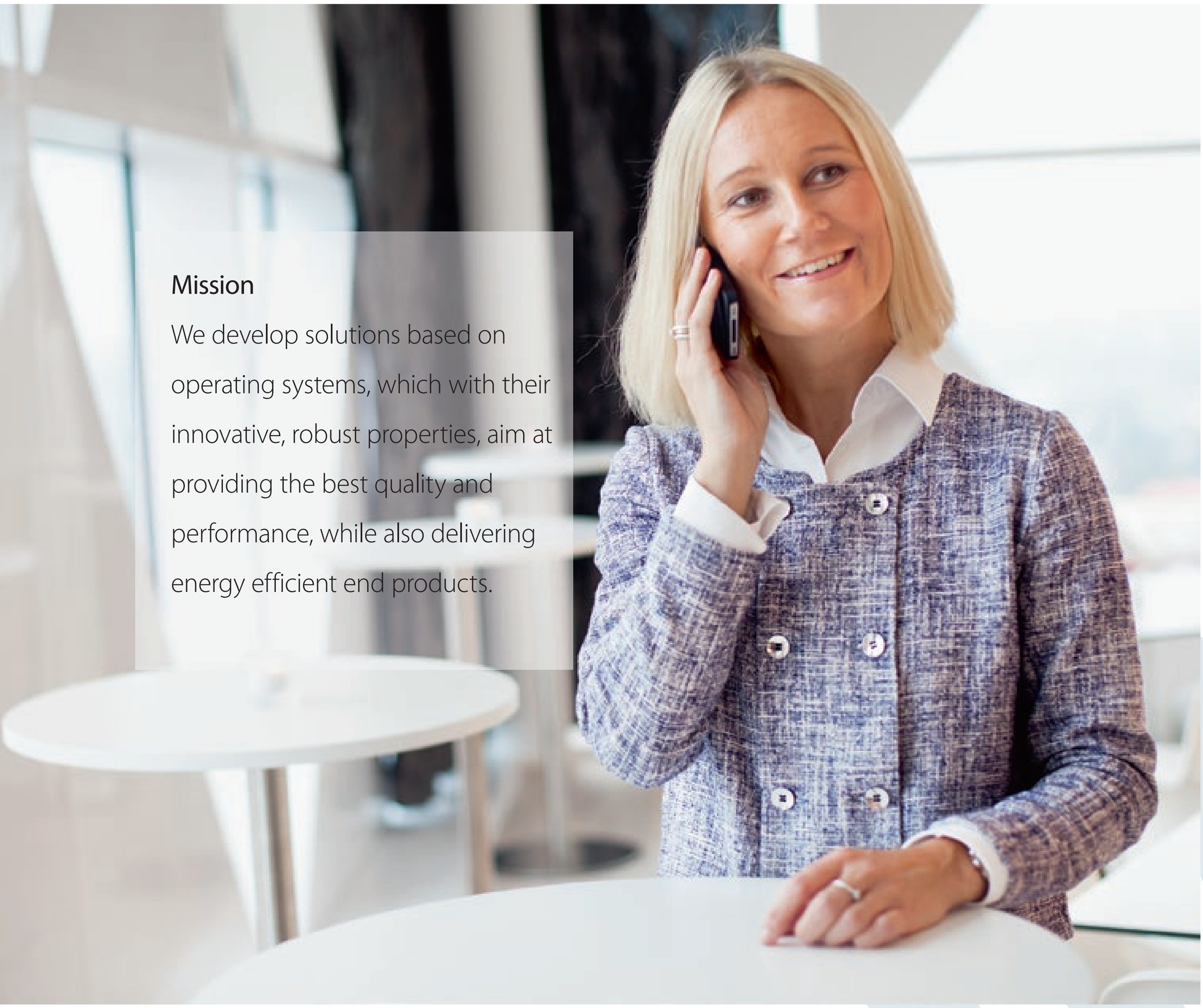
Growth, %	4,7	0,0
Growth adjusted for currency effects, %	3,6	1,5
Operating profit, SEK million	72,5	2,2
Operating margin %	15,5	0,5
Net profit before tax, SEK million	76,7	6,0
Net profit after tax, SEK million million	53,6	-1,0
Earnings per share, SEK	3,18	-0,06
Cash flow from operations, SEK million	80,1	69,6

CASH FLOW FROM OPERATIONS, SEK MILLION



The comparative figures for 2011 are excluding the divested business , except cash flow from ongoing operations that is including divested business for 2011.



Mission

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

Vision

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

Strategy

Technology and products

Enea is a world-leader in real-time operating systems, and has the third-largest market share in the world. Real-time operating systems currently work alongside Linux. For that reason our objective is to continue to improve our offering to include all types of operating system solutions for embedded systems. Most of our customers are in telecom, and this is where real-time qualities are in great demand. By improving real-time qualities in Linux, our aim is to reinforce our position in this customer group.

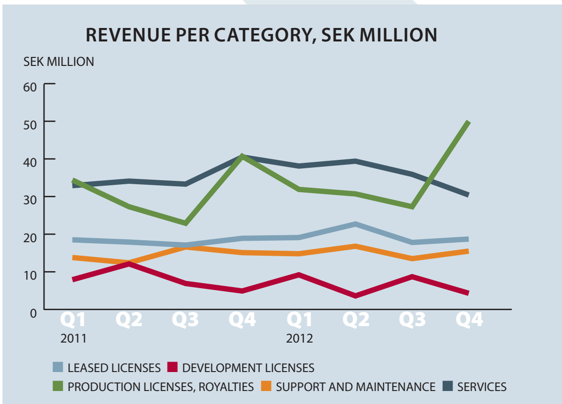
For our real-time operating systems, our primary focus is on further enhancing performance. Performance is precisely why real-time operating systems still maintain a strong position in time critical solutions. Therefore, it is important to improve this quality so that real-time operating systems can continue to form successful elements of our product range.

Most of our customers choose hardware before operating systems. Also, operating systems have to be adapted so that they can derive maximum benefit from their respective processors. This is why Enea will be continuing to develop and extend relations with hardware suppliers so that it can remain at the leading edge of technical development. In 2013, we will be focusing on enhancing our partnership with ARM, which is responsible for the processor architecture of the same name. ARM is used by hardware manufacturers such as Freescale, Cavium, Qualcomm, and TI. By its own account, ARM is the dominant processor for mobile electronics and, for that reason, it is a processor architecture commonly used by our customers.

With new cloud-based solutions and Enea's Linux offering, there is renewed focus on Enea's middleware solution. Element complements Enea Linux well. Our strategy involves extending our middleware solution to new platforms, markets and use cases to thereby enhance the market position of this product range.

Expert knowledge

With the complex challenges that our customers face, we need to do more than just sell a combination of products. The solutions must be adapted to the customers' other



Comparative figures for 2011 exclude divested business.

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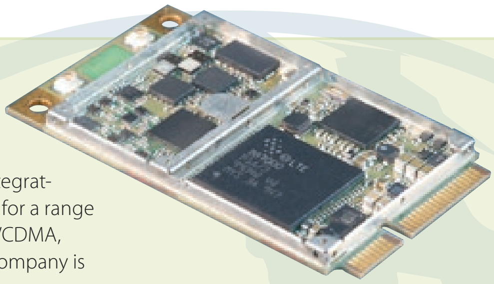
CUSTOMER CASE

ST-ERICSSON



ST-Ericsson supplies world-class platforms in a unique manner, integrating multimedia and connectivity for a range of radio standards (GSM, EDGE, WCDMA, HSPA, TD-SCDMA and LTE). The company is a leading supplier to both telephone manufacturers and other exciting industry leaders, including mobile operators and device manufacturers.

Thor™ the thin modems (LTE/HSPA+/TD)

The Thor family of mobile broadband thin modems makes ultra fast web browsing and high speed data connectivity ubiquitous. These modems combine innovation with years of proven legacy in order to provide the fastest data rates possible at the lowest power consumption. This makes Thor modems ideal for smartphones, tablets and other connected devices.

Powered by Enea's real-time operating system OSE 5.5

ST-Ericsson has taken advantage of the Enea OSE real-time operating system in its Thor modems for many years. Through a continuous roadmap alignment process, Enea and ST-Ericsson have secured stable integration with ST-Ericsson ARM Cortex processors.

"The delivery response from Enea is fast, and Enea continues to show flexibility in handling customer related issues", says Ola Nilsson, Technical Manager, Access Core SW, "Enea OSE is fit for purpose since real-time performance is of crucial importance in the fast Thor modems, and through our close technical co-operation we recently managed to improve the overall system performance significantly, much thanks to Enea's contributions."

ST-Ericsson is also using the Eclipse-based Enea Optima tool suite. Optima is an integrated development environment which has proven to be particularly useful in ST-Ericsson's CPU load and memory consumption measurements.

FINANCIAL OBJECTIVES

Fulfilment of objectives in 2012

Enea has not communicated a forecast for 2012, but instead made reference to the company's long-term ambition to create a company with higher net sales and profitability and good cash flows. Enea's full year result for 2012 was a step towards this ambition, with organic growth of 4.7 percent, an operating margin of 15.5 percent – the highest ever – and a cash flow from operating activities of SEK 80.1 million.

Outlook for 2013

For 2013, we will be continuing to strive towards our long-term profitability target of 20 percent. Our assessment is that we will improve both our operating margin and our profit per share over the full year. However, it is likely that the first quarter will not be as good as the same period in 2012.

Long-term Ambition

Enea's long-term ambition during a period of five years, commencing in 2012, is to create a global software company with considerably higher net sales, high profitability, good cash flows, and a large proportion of recurring revenue. The company will be focusing on organic growth, but both strategic and supplementary acquisitions will be evaluated regularly. This growth will vary over the years and between the quarters, depending on how individual deals take place and the development of royalty flows; these are dependent on customers' sales volumes. The operating margin will vary in line with growth over the various quarters of the period. Enea's objective during this period is to achieve an operating margin of 20 percent.

systems and hardware. With our experience of being part of the leading 3G and 4G solutions, Enea has the expertise required to create the telecom solutions of the future. We are taking this knowledge of communicating systems to other related industries such as medical technology and aero/defense, where we are currently running a number of major service projects with leading organizations.

Most of our service revenue comes from large-scale global projects. Having the right skills to be able to run this kind of project efficiently is crucial. To be able to offer cost-effective solutions we staff our projects with consultants from different countries so that we can achieve outstanding skills at the best price.

Customers

Enea already has a strong position with a number of key customers. In customer projects a prerequisite for success is knowing the customer well and being involved in future discussions early on. These kinds of projects require customized solutions, which in turn require an organization that can effectively handle custom product development and follow-up support. Enea is working towards enhancing and expanding cooperation with all key customers, and Enea Linux will play a central part in these discussions in 2013.

Enea Linux is paving the way for new opportunities to reach new customer groups. We will initially be approaching existing customer with whom we have good relationships and mutual trust. We will take advantage of our extensive telecom experience and primarily address new customers within communication-intense industries.

Employees

Enea will be continually developing its position as an attractive employer and creating stimulating work environments in which people can develop. Our innovative, talented staff are the people who drive the company and its solutions forward. We want to continue to attract and develop individuals with outstanding attitudes and expertise.

Business model

Enea's revenues are based on a number of revenue types:

Development licenses

Development licenses are used when the customer's product is still under development and is not available as a complete version. The development license is normally charged per developer and the license rights are not time-limited. Development licenses are recognized as income as soon as the customer buys the license.

Support and maintenance

Besides the cost of the license, the customer pays for support and maintenance. This normally amounts to about a fifth of the license price. Support and maintenance income is recognized as income over the relevant period.

Rented licenses

Rented licenses are also used when the customer's product is still under development. The difference between these and development licenses is that these are time-limited, so the customer pays a periodically recurring amount to be able to use the licenses. Rented licenses are recognized as income during the lease period.

Production licenses

The production license is paid for when the customer's product has gone on sale to end users. One part is charged as the price per developer so that the software from Enea can continue to be used, and one part is charged in the form of royalties on products sold and is dependent on customers' sales volumes. Customers usually report sales quarterly, and they are then charged for the royalty costs, meaning that Enea invoices royalties and recognizes them as income with a delay of one quarter for its biggest customers.

Services

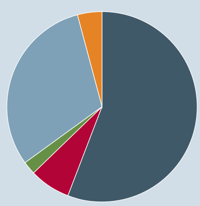
For consultancy assignments, customers are charged either by the hour or at a set price once a preset result has been achieved. Service income is recognized as income during the period in which the commission is implemented.

Products and services

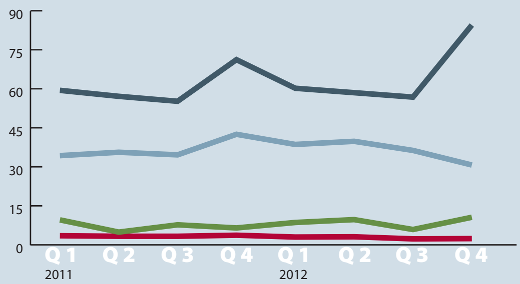
The operating systems OSE and Linux form the cornerstone of Enea's product portfolio. In addition, Enea supplies a range of complementary products which are usually combined into a customized solution and supplemented with consultancy services.

- **Enea OSE** – a real-time operating system to be used for embedded systems. The operating system is the software that is closest to the hardware and that operates 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 Linux** – an open source-based operating system. Enea Linux is a distribution specially targeting the the telecom market and is based on packages from the Yocto Project. Enea offers extensive services and hardware support and provides quality assurance of its solutions.
- **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 systems.
- **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 ensures, among other things, that the system is uninterruptible, predictable, and scalable.
- **Enea Linx** – software for managing communication between different cores on the hardware chip. These cores can also run various operating systems.
- **Services** – Enea has capacity for complex projects of various sizes and in different geographical locations, including design and development, project management, offshoring and quality assurance.

REVENUE PER PRODUCT, 2012



REVENUE PER PRODUCT



Comparative figures for 2011 exclude divested business.

How Enea products can be combined to resolve customers' problems

ENEA'S LINUX-BASED BASE STATION PLATFORM

Enea's products can be combined in various ways to handle challenges faced by customers. To make life easier when developing base stations, Enea has combined a base station platform which provides customers with a good foundation for their ongoing development.

Background

The LTE networks, being expanded at an ever-increasing pace the world over, are based on the 3GPP standard, which has been produced by a number of telecom organizations working together. This standard describes how signaling and traffic are to be managed and covers scenarios for the radio access network, which manages communication from telephones and other devices containing LTE modems, as well as for the core network, which transports data on to the Internet, the cloud or the voice traffic infrastructure.

Multiple radio technology generations in today's networks

Several different radio standards are implemented simultaneously in most base stations, and it is not uncommon for one and the same base station to manage 2G, 3G and 4G traffic at the same time. Most data traffic and IP telephony passes via LTE, but if this is insufficient the 3G and 2G standards cover the shortfall.
When referring to different types of base station or different standards, we are mostly referring to the following three:

- Evolved NodeB (eNB) – LTE base station
- Evolved High Speed Packet Access (HSPA+) NodeB (NB) – WCDMA wireless base station for 3G
- Base Transceiver Station (BTS) – GSM/EDGE and CDMA2000 base station

Although LTE is the main name of the latest and fastest radio standard, it has already taken a step further in its evolution. The latest addition is called 3GPP LTE Release 10, or LTE Advanced, and further streamlines capacity and the available bandwidth, partly thanks to enhanced support for multiple antennas in the base station, but also due to heterogeneous networks (HetNet) which improve coverage as well as the return traffic from the base stations to the core network.

There are various philosophies on how best to optimize networks. Some companies are leaning towards establishing high density networks using the smallest base station types (known as picocells and femtocells) with extended help from WiFi hotspots, while the biggest organizations instead recommend optimizing macrocell capacity and supplementing it with microcells to give the best possible data rate and coverage for the most challenging geographical areas and urban centers.

Enea adds value to wireless infrastructure

More than half the world's macro base stations are based on software from Enea, and more than half of the world's LTE users can communicate with the help of the same software. With all this experience, expertise and customer confidence behind it, Enea has produced a Linux-based software platform for base station development.

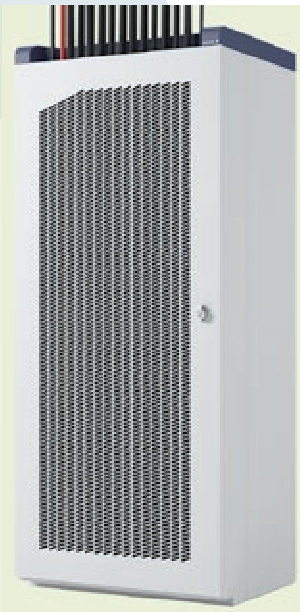
The aim of this platform is to utilize system resources efficiently. High performance and economical use of the system's processor cores help to bring down material costs. Proven software components are helping to minimize risks and reduce lead times.

The main component in the base station platform is Enea Linux distribution, which is integrated together with interprocess communication, tools and middleware to meet demands for 3G and 4G.

A platform for the lower protocol layers in the LTE standard

A standard for radio communication has a number of "layers". The lower ones describe how the aspects closest to the hardware are to be managed, while the upper layers describe the application-specific elements.

- The lowest layer is layer 1, the physical layer also known as PHY. This is regarded as being the most complex layer. Layer 1 defines how the ones and zeroes are to be transferred via a link between different nodes in a network.
- Above this is layer 2, the layer which describes how a data link is to be established between two end points. Layer 2 also has two sublayers; Logical Link Control (LLC), which controls the data link, and Media Access Control (MAC), which determines who is allowed to use it.
- Then comes layer 3, the network layer, which defines how data of different lengths can be transported from a sender to an addressee over one or more networks.



This is an RBS 6000 from Ericsson. This base station is very advanced and manages several communication standards in parallel. The illustration has no direct link with Enea's base station platform, but serves merely to show what a base station might look like.

The platform includes the following components for layers 2 and 3:

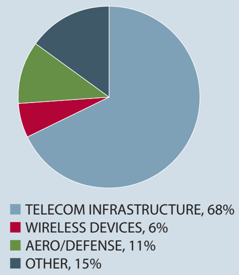
- *Enea Linux*, a complete distribution for embedded systems, developed especially for telecom. Linux has become the most commonly used, most widespread operating system in the field of telecom infrastructure in which you do not have the most stringent demands for real-time performance determinism. Linux has the advantage of being standardized, and the rapid growth in functionality is based on active participation from professionals who are investing expertise together for the common good.
- The interprocess communication solution LINX, for communication between processor cores or within the base station as a whole and with the radio device, and
- *LightWeight RunTime (LWRT)*, which combines the best of two worlds – Linux and real time – and gives Linux real time-like terministic qualities and faster execution times.

The platform includes the following components for layer 1:

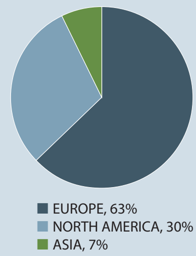
- The real-time operating system OSEck, with strictly prioritized scheduling and integration with Linux,
- the interprocess communication solution LINX for communication within layer 1 or between layers 1 and 2,
- the Eclipse-based system development tool Optima, which also includes analysis and error correction
- *dSPEED*, a middleware product for digital signal processors.

The base station platform is offered together with service and maintenance agreements. Customers normally need to customize the solution to existing hardware and software.

REVENUE PER SEGMENT, %



REVENUE PER GEOGRAPHY, %



Geographical development

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

Europe

The company's European operations includes customers such as Ericsson, NSN and Alcatel-Lucent. Operations are run via offices in Sweden, Germany, France and Romania. On a full year basis, revenue from Europe has fallen slightly compared with the same period in the previous year. Profitability has improved at the same time. Sales to key customers were on a par with net sales last year. Romania, which mainly sells services, also has revenue on a par with the same period last year.

Over the year, profits for Europe were affected by restructuring expenses of SEK 5.6 million related to changes at the product and finance function in Kista, and SEK 1.2 million related to development of the Netbricks product.

North America

The North American business includes major customers such as Motorola, Fujitsu, Boeing, Honeywell and Hospira. Two offices handle sales, software deliveries and consultancy assignments.

Total sales in North America increased over the year. Sales of services increased, while sales of software were on a par with last year.

MAJOR CUSTOMER DEALS IN 2012

First quarter

- No major deals were entered into over the first quarter, but a number of smaller deals were signed for instance with a global company based in Europe which manufactures network equipment for 3G and 4G. This contract extends over three years, and its primary product is Enea's operating system OSE. Another example is a contract which included Enea Element which was signed with a manufacturer of telecom equipment.

Second quarter

- In Europe, a contract was signed with a global telecom company for a 3G project worth SEK 5 million.
- The biggest licensing deal in North America over the quarter related to Enea Element and was signed with a manufacturer of satellite equipment, This contract was worth SEK 4 million over three years, with about SEK 1.5 million being recognized as income over the quarter. As far as services were concerned, one of Enea's major service contracts with a medical equipment company was renewed.
- The biggest deal over the quarter was entered into with a key telecom customer in Asia. This customer invested in Enea's multicore version of the OSE operating system. Of the total value of SEK 8 million, SEK 7 million was recognized as income in the second quarter.

Third quarter

- In Europe, a contract was signed with a global telecom company which was worth SEK 3 million and included licenses for the Enea OSE operating system.
- In North America, a manufacturer of communication solutions invested SEK 660,000 per year in the Enea OSEck operating system.

Fourth quarter

- A contract was signed with a leading telecom supplier. This was worth SEK 15 million over five years, of which SEK 13.6 million was recognized as income in the fourth quarter. The customer has invested in production licenses related to Enea's OSE real-time operating system.
- A royalty contract was signed with an existing American telecom customer operating in the field of saftey communication solutions for the general public. This contract, which is worth SEK 9 million, is an extension of an earlier royalty contract for the Enea OSE operating system. SEK 2.9 million was recognized as income in the fourth quarter.

Profitability in both business areas is up compared with last year.

Asia

Asian operations include major customers such as Fujitsu and Yamaha, along with a number of service assignments for Ericsson and NSN. The company has its own offices in China and Japan.

Sales in Asia have declined over the year. Japan continued to develop well and demonstrated growth while at the same time improving its profitability. In China, the major service assignments from Nordic customers have gradually subsided, resulting in reduced sales and poorer margins. Downsizing of the number of consultants in Beijing began in the fourth quarter, resulting in restructuring expenses of SEK 2.1 million. Operations in Shanghai remain unchanged.

CUSTOMER CASE

GENERAL DYNAMICS

General Dynamics is a pioneer in the design and development of LTE broadband solutions, from components and devices to complete networks. These solutions provide the security, reliability, and frequency spectrum flexibility required to build the next generation of wireless networks.

The LTE base station from General Dynamics Broadband

The General Dynamics Broadband LTE platform is aimed at authorities that want to build flexible, scalable, high performance broadband networks. These systems are tried and tested and form the backbone of some of the biggest networks in the world. Enea has a presence in General Dynamics LTE base stations which support Release 8 and can be upgraded to Release 9. This base station is compact and hardwearing, and perfect for both outdoor and indoor use, but it is also suitable for ad hoc networks in connection with disaster relief initiatives or military operations.

Enea's real-time operating system OSE 5.5 multicore edition

General Dynamics has a multi-year license for Enea's real-time operating systems OSE 5.5 Multicore edition. The base station is a multicore solution based on Freescale Semiconductor QorIQ e500mc and the P240x family, where Enea OSE contributes real-time characteristics and advanced networking and security functions.
General Dynamics will also be using Enea's middleware platform Element for its LTE Enhanced Packet Core (EPC) product, where Element will provide a foundation on which to build and manage complex, distributed, error-tolerant, high performance applications

Customers

Most of our customers are in the telecom industry. Of our total sales, 68 percent are made to customers working in the field of telecoms, and 6 percent to customers working with wireless devices. Customers in the defense industry represent 11 percent of net sales. Three individual customers stand out due to their major percentage of sales. Combined, Ericsson, ST-Ericsson and Nokia Siemens Networks represent more than half of the company's sales.

Competitors

There are lots of smaller companies that can compete in partial areas, but only a few that can compete on a broad scale. One thing all of these have in common is the fact that they have operating systems as a central part of their offerings. The company's largest competitor is the American company Wind River, which has been part of Intel since 2009, followed by Green Hills and Mentor Graphics, which are also based in the US. A company which can compete on Linux but not with real-time operating systems is American company MontaVista, which has been owned by Cavium Networks since 2009.

Investments and depreciation

The Group's investments for the full year amounted to SEK 16.2 (27.5) million. Depreciation of investments amounted to SEK 18.5 (23.8) million. Capitalized product development expenses were SEK 10.5 (16.1) million over the year. Depreciation for capitalized product development expenses amounted to SEK 12.2 (13.8) million over the year.

Parent company

The business of the parent company, Enea AB (publ), focuses mainly on Groupwide management. The company provides and sells services to other Group companies in respect of management, economy and finance, administration, and IT.

The parent company's net sales over the year amounted to SEK 53.8 (55.4) million and profit before tax amounted to SEK 6.9 (7.9) million. Net financial items in the parent company amounted to SEK 8.5 (11.8) million, and cash and cash equivalents at the end of the year amounted to SEK 122.0 (86.0) million. The parent company's investments totaled SEK 1.7 (3.9) million. Thirteen (11) people were employed at the parent company at the end of the year. The parent company does not operate any business and its risks are primarily attributable to the activities of the subsidiaries.

Transfer to shareholders

The Board proposes to the Annual General Meeting that a share split of 2:1 be combined with an obligatory redemption procedure. The procedure entails each share being split into an ordinary share and a redemption share. No transfer is made for shares bought back by the company. It is proposed that the redemption shares be redeemed for SEK 3.00 per share, corresponding to a transfer of a maximum of SEK 52,977,273 (SEK 49,442,445 excluding shares in its own custody as at March 11, 2013) to the company's shareholders. The Board proposes that the entire transfer should take place through reduction of the reserve fund for refund to shareholders. The transfer is conditional upon the permission of the Swedish Companies Registration Office, or a general court of law in the event of disputes.

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 36,542,000 and SEK 286,085,000 respectively.

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 90 percent to 88.4 percent and the Group's equity ratio from 79.9 percent to 77.5 percent. The equity ratio is reassuring, given that the operations of the company and the Group's business still show a profit

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.

For information on the company's results 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 parent company's Board on 11 March 2013.

Proposal for distribution of earnings

The following funds are available to the parent company (SEK):	2012
Share premium reserve	2,082,854
Retained earnings	29,038,051
Profit/loss for the year	5,440,779
Total	**36,561,684**

The Board proposes that the earnings are appropriated so that SEK 36,561,684 is carried forward.

Sustainable solutions by innovative employees

With around 400 employees all over the world, we have a major responsibility for how our operations affect health, safety and social development. This is why we work actively to promote sustainable development in terms of finance, society and the environment. To achieve this, we allow our values to guide us in our day-to-day work, and we have a number of Groupwide policies and directives which control our business.

Values

We view values as a basic platform for our everyday actions. Our values unite us, creating a sense of commitment and togetherness. At Enea, we want our values to be visible in everything we do.

We focus on customer success

To be successful for us, 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 delivers 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.

Employees

Our 400 or so employees are based in eight countries, and almost half of the Group's staff work in Romania. Sweden and the US are the next two countries in terms of size. Our smallest offices, based on the number of employees, are in China, Japan, France, Germany and the United Kingdom.

The majority of our staff has academic degrees, most of them within engineering. 21 percent of the Group's employees are women.

Health initiatives

Enea has low levels of sick leave. In Sweden, total sick leave in 2012 amounted to around 1 percent of regular working hours. We are working constantly to maintain this low level by offering fitness and health initiatives to encourage staff to get moving, and by organizing events that promote health, such as our annual volleyball event.

Diversity

Enea encourages development towards greater diversity. Staff who dared to think along new – and different – lines are what made us who we are today. Different backgrounds and experiences are a positive aspect which we want to promote. Enea's equal treatment policy does not permit discrimination against employees in terms of their employment or work tasks on account of their sex, religion, age, disability, sexual orientation, nationality, political opinions or social or ethnic origin.

Participation

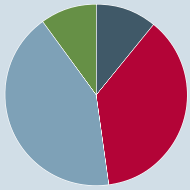
Each unit at Enea is responsible for regularly providing employees with information on both their own work and other work within the Group. Information meetings are held globally by means of online conferences and locally at each office. Once a month, Enea's management invites staff to attend information meetings where questions and answers to the management are one of the most important items on the agenda.

Enea's intranet is a well developed tool used by most staff every day. Besides information and news, the intranet includes interviews and articles which are designed to enhance knowledge and reinforce the sense of community within the company. The launch of Enea Linux was one example of a successful activity for reinforcing participation in 2012. A global launch activity was arranged for this, and Enea's offices shared celebration photos and comments with one another in real time. As the time zones overlap one another, this became an information flow which continued without a break over a 24-hour period. Note only did this reinforce the sense of togetherness, but also the sense of being part of a global company.

Ethics and responsibilities

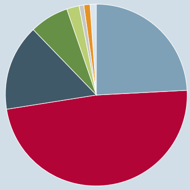
Enea's code of conduct summarizes the Group's ethical guidelines. Among other aspects, the code of conduct includes guidelines on compliance with regulations and legislation, the rights of the individual, as well as rules regarding ethical business practices and regulation against corruption. The purpose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

EMPLOYEES PER FUNCTION



- SALES AND MARKETING, 11%
- PRODUCT DEVELOPMENT, 37%
- SERVICES, 42%
- FINANCE AND ADMINISTRATION, 10%

EMPLOYEES PER COUNTRY



- SWEDEN, 24%
- ROMANIA, 48%
- US, 15%
- CHINA, 7%
- FRANCE, 2%
- UNITED KINGDOM, 1%
- JAPAN, 1%
- GERMANY, 1%

At the end of the year, Enea employed 415 (426) people. The average number of employees over the year was 417.

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.

Social responsibility

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

Enea also seeks to contribute to various social projects, particularly in Romania, where the company has its largest office. In Bucharest, we have 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. In 2012, we donated money to Unicef for the purchase of medical equipment, school materials and vaccines.

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 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 salary, provide opportunities for advancement, promote open and honest communications and provide a safe and healthy working environment.

Environment

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. There are many examples in telecom of products that enhance communication, thus reducing the need for face-to-face meetings. Enea also helps customers build products that use less energy and use resources more effectively. Creating innovative 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.
- Deal with the waste we produce and reuse and recycle 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.

Efficient distribution

To be able to optimize deliveries as far as possible, our software is supplied mainly as downloadable files. This means that there is no environmental impact from delivery and distribution. Invoices are also sent electronically.

Minimized travel

Enea is a global company operating in a number of countries all over the world. We have invested in an internal system for chat and videoconferencing in order to reduce the need for travel. This allows us to hold our teams together and have regular meetings regardless of geographical distances, and with no adverse environmental impact. Sustainable development involves reviewing our activities from a global perspective and reassessing ingrained ideas and approaches. We have to look after our staff and unleash the power of innovation which our employees have in order to create products and services which promote sustainable development, and to find better solutions for everyday application.

SEK 3.00 Proposed transfer to shareholders

Shares and shareholders

Enea issued its IPO in 1989 and has since 1 July 2007 been listed on the Nasdaq OMX Nordic Exchange in Stockholm for Swedish shares – Small Cap (Enea).

Share price

The share price fluctuated over the year between SEK 29.00 at its lowest and SEK 48.30 at its highest. The closing price at year-end was SEK 40.20. Enea's share price has increased by 40 percent over the year, compared with a 15 percent increase of the broad SIX General Index and a 2 percent decline of the IT index. Enea's total market capitalization amounted to SEK 715 million as of 31 December 2012.

Trade volume

A total of around 3.6 million shares were traded at a total value of SEK 147 million. On average, 14,321 shares were traded every trading day over the year.

Ownership

The number of company shareholders was 9,161 as of 31 December 2012. The holdings of the ten largest shareholders amounted to 61.8 percent of capital and votes. The principal shareholders are of Per Lindberg and DnB Nor. Foreign ownership amounted to 57.7 percent.

Number of shares

The number of shares amounted to 17,659,091 as at 31 December 2012.

Every share has a quotient 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.

Long-term dividend policy

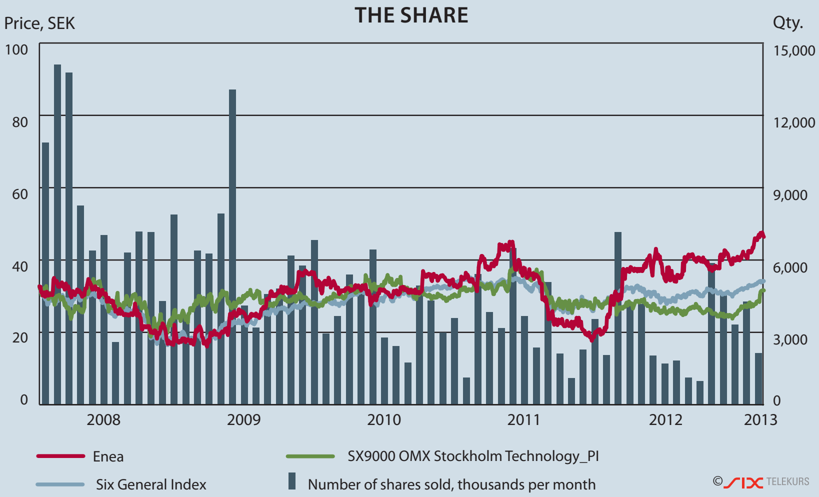
Enea's long-term dividend policy is that at least 30 percent of the profit before non-recurring items and after flat rate tax are to be distributed to shareholders.

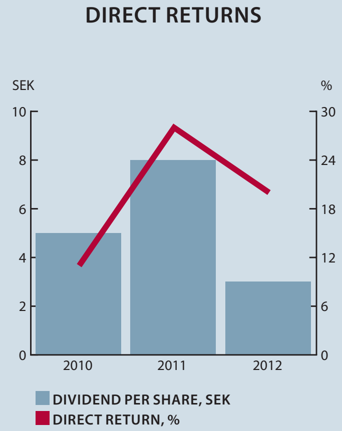
Capital structure

To enable Enea to continue its development including 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.

Enea's Board of Directors proposes 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 3.00 per share. This corresponds to a transfer of SEK 49.7 million.

Authorizations

The 2012 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 exchange 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 a total of 1,076,752 of the shares in the company, equivalent to 6.1 percent of the share capital. In 2012, Enea AB bought back 528,018 of its own shares, for which SEK 22.2 million was paid.

The 2012 Annual General Meeting authorized the Board to pass resolutions, for the period until the 2013 Annual General Meeting, on one or more occasions, on the issue of new shares without preferential rights for shareholders, 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 2012.

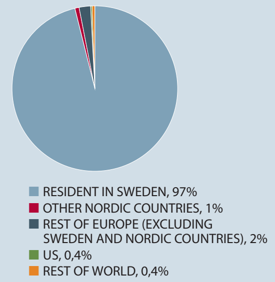
Investor relations

Investor relations at Enea are characterized by open, relevant and correct information to shareholders, investors, and analysts in order to enhance awareness of the Group's business and shares.

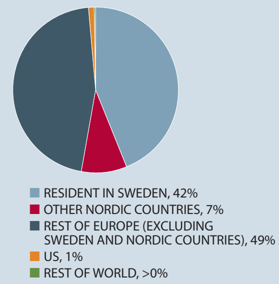
Enea submits information in the form of quarterly reports, annual reports, and relevant press releases, and provides detailed information on the company's IR pages on the website. Shareholders and other stakeholders can subscribe to press releases and financial reports by e-mail.

Enea also organized a capital market day in 2012, with presentations to analysts and investors.

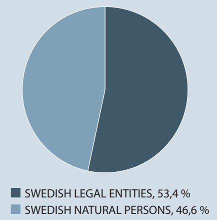
NUMBER OF SHAREHOLDERS



% OF VOTES AND CAPITAL



% OF VOTES AND CAPITAL



OWNERSHIP BY GEOGRAPHICAL REGION

Region	Shareholders, %	% of votes and capital
Resident in Sweden	96.55	42.41
Other Nordic countries	0.96	7.49
Rest of Europe (excl. Sweden and Nordic countries)	1.64	49.07
US	0.44	0.87
Rest of world	0.41	0.16
Total	**100.0**	**100.0**

TEN LARGEST SHAREHOLDERS, GROUPED BY OWNER

DECEMBER 28, 2012

Owner	Number of shares	% of votes and capital
SIX SIS AG	4,198,626	23.8
Per Lindberg	3,124,585	17.7
DnB Nor	850,905	4.8
Limhamn Förvaltning AB	613,677	3.5
Handelsbanken Fonder AB	564,021	3.2
DNB Norden	294,645	1.7
Försäkrings AB Skandia	272,613	1.5
Caceis Bank Luxembourg	214,154	1.2
Skandia Norden	167,903	1.0
Försäkringsaktiebolaget, Avanza Pension	159,588	0.9
Total, ten largest shareholders	**10,460,717**	**59.3**
Enea AB (PUBL)	1,072,152	6.1
Other shareholders	6,126,222	34.6
	17,659,091	**100.0**

DISTRIBUTION BY SIZE CLASS

DECEMBER 28, 2012

Holding	Number of shareholders	Number of shares	% of votes and capital
1 – 500	7,593	957,113	5.42
501 – 1000	717	586,161	3.32
1001 – 5000	684	1,548,942	8.77
5001 – 10000	76	555,126	3.14
10001 – 15000	26	328,112	1.86
15001 – 20000	15	251,180	1.42
20001 –	50	13,432,784	76.07
Total	**9,161**	**17,659,091**	**100.0**

SHARE-RELATED KEY FIGURES [1]

SEK	2012	2011	2010	2009	2008
Net value per share	22.14	24.31	29.55	29.53	30.43
Earnings per share	6.85	-0.37	2.65	0.24	4.90
Earnings per share after full dilution	6.85	-0.37	2.65	0.24	4.90
Cash flow per share from operating activities	4.83	4.51	4.39	4.02	4.54
Dividend per share [2]	3.00[1]	8.00	5.00	1.50	0

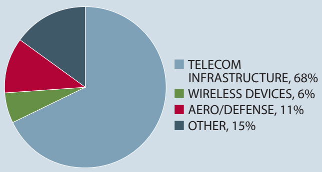
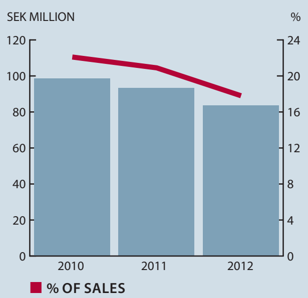
[1] Including divested business

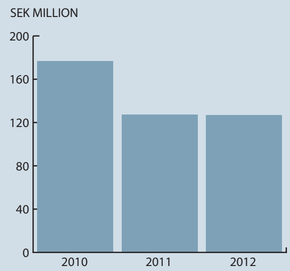
[2] Board's proposals to the Annual General Meeting

BOARD OF DIRECTORS' REPORT – RISKS AND RISK MANAGEMENT

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 its 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, ST-Ericsson and Nokia Siemens Networks 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 development of future royalty income. The development of these customers' production volumes is largely crucial for the size of the royalty income. However, the costs incurred are limited in connection with the simultaneous income flows.	Repetitive income is roughly two-thirds of the annual software income.
Competence supply Enea's success is very much linked to its ability to employ, develop, motivate, and retain 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 is deemed to be in line with the industry average.
Product responsibility, intellectual property rights, and legal disputes Enea's products are a key component in 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 other circumstances that could lead to a dispute or that could subsequently damage Enea's financial position to any significant extent.

Market-related risks	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 customers' product sales, which in turn will affect 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.	Of Enea's remaining sales, 74 percent emanate from the telecom segment. 
Products and technology Enea's competitiveness and market position are largely dependent on the company's ability to manufacture innovative products, often in close cooperation with both customers and hardware manufacturers.	Close cooperation with the largest customers concerning product development is of major importance. The increasing presence of open source software entails a risk of Enea's customers choosing 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 its 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 may 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. However, 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 9.7 percent.

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 is 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 2012, a total of EUR 11 (1) million was currency hedged. There were outstanding derivatives valued at EUR 2 million at an average exchange rate of 9.23 at year-end 2012. 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 2012 would have been SEK 4 million higher or lower. Equivalent conditions against the USD would have entailed an income effect of SEK 8 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 126.7 (127.3) million. The Group has no interest-bearing debts. **LIQUID ASSETS** 
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 credits of SEK 100 million, of which SEK 92 million was unutilized on 31 December 2012. 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, 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 2012, SEK 0.8 (4.3) was reserved for a doubtful account receivable.

Corporate Governance Report 2012

Enea AB 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

This description of the Corporate Governance Report has been prepared in accordance with the Swedish Code of Corporate Governance. Over the financial year, Enea complied with the Code with no exceptions.

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 9,161 shareholders as at 31 December 2012. On 31 December 2012, 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 1,076,752 shares in the Company, corresponding to 6.1 percent of the total shares outstanding. On 31 December 2012, the largest shareholders were SIX SIS AG, with 23.8 percent, and Per Lindberg, with 17.7 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 2012 Annual General Meeting of Enea AB took place on 11 April 2012 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.

The Annual General Meeting resolved to adopt the income statement and balance sheet for the company and the Group to discharge the board members and CEO from liability to remunerate the Board and auditors guidelines for remuneration to senior executives to introduce an automatic redemption program involving a share split, the redemption of shares and a bonus issue. The redemption program involved a transfer of SEK 135.1 million authorization to the Board to pass resolutions on acquisitions and transfers of treasury shares corresponding to no more than 10 percent of all shares in the company.

Authorization to the Board to pass resolutions on the new issue of shares for share or business acquisitions corresponding to an increase of no more than 10 percent of the share capital to adopt the Board's proposal for a share savings plans for 132 employees. The maximum number of shares in Enea covered by the program amounts to around 667 000 shares, which is equivalent to around 3.9 percent of the number of outstanding shares and votes.

Appointment of Board members. Åsa Landén Ericsson, Mats Lindoff, Anders Skarin, and Kjell Duveblad were reappointed, and Torbjörn Nilsson and Robert Andersson were as appointed as new Board members. Anders Skarin was appointed as Chairman of the Board. Anders Lidbeck declined reappointment.

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 2013 Annual General Meeting shall be appointed from at least two and no more than four of the largest shareholders, in descending order from the list of shareholders as at August 31, 2013. If more than two of the four largest registered 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 registered shareholders in terms of number of votes at the end of August 2012 to ask them to appoint one member each to the nomination committee. Three of these appointed a representative, but the fourth declined.

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)
- the adoption of principles for the appointment of a nomination committee

The nomination committee for the 2013 Annual General Meeting consists of Per Lindberg, Sverre Bergland (DnB Nor), Robert Andersson (Limhamn Förvaltning), and Anders Skarin (Chairman of Enea AB). The nomination committee has appointed Per Lindberg as its Chairman.

The work of the Board

The Board shall manage the company's interests and the interests 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.

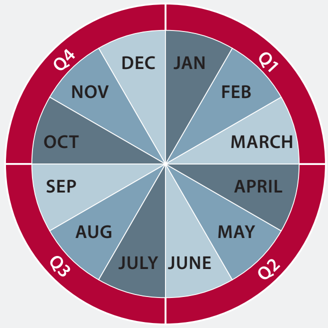
The CEO participates in every Board meeting and reports on the company's business situation, future prospects, financial position and events of essential significance, as well as the management's budget proposals and action for the coming financial year. Other officers of the company also take part in 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 and other senior executives is evaluated at least once a year. The Board members' shareholdings are detailed in the presentation of the Board, see page 24.

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 include 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.

In 2012, the Board dealt with the Enea Group's strategy and business, a share savings program, remuneration to senior executives, ongoing follow-ups of the business and forecasts, quarterly reports, budget and business plan for 2013, and a buy-back of treasury shares. The work of the Board was evaluated at the end of the year.

The Board held seven meetings and a statutory Board meeting in 2012. In addition to the regular Board work, some members are also members of the company's audit committee and remunerations committee. The Board received remuneration of SEK 1,460 000, to be distributed to the Chairman of the Board (SEK 380,000) and to other members appointed by the Annual General Meeting (SEK 180,000 each), as well as SEK 180,000 to be divided among Board members according to their efforts and participation in committee work. Details of

IMPORTANT DECISION-MAKING POINTS AT BOARD MEETINGS



Q1
Annual statement
Dividend proposal
Share savings program

Q2
Statutory meeting after Annual General Meeting
Quarterly report

Q3
Strategy
Organization
Quarterly report

Q4
Business plan
Budget
Evaluation of management
Quarterly report

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 24-25.

AUDIT COMMITTEE

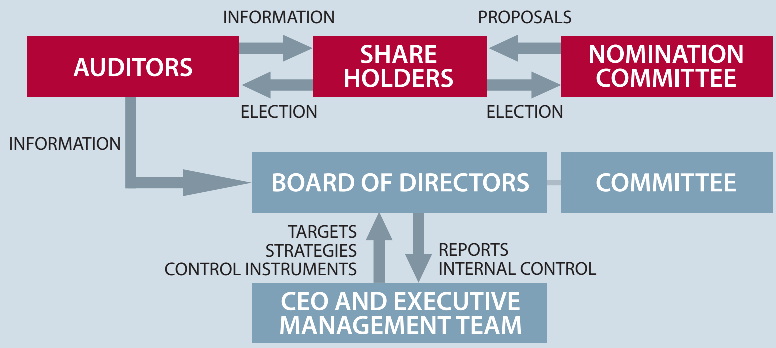
The audit committee is a committee of the Board that consisted of Åsa Landén Ericsson (Chairman), Torbjörn Nilsson, and Robert Andersson. Enea's CFO and the company's auditor are co-opted to the meetings, which are normally held once a quarter. The work of the audit committee is minuted and reported to the Board. The audit committee is responsible for the preparation of the Board's work on quality assurance 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 2012, all in connection with the closing of the quarterly accounts All members were present at every audit committee meeting planned 2012. 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.

REMUNERATIONS COMMITTEE

The overall responsibilities of the Board cannot be delegated, but the Board has established a remunerations committee tasked with discussing issues relating to salaries, remuneration, and other terms of employment for the CEO and other members of the executive management team. In 2012, the committee consisted of Board members Anders Skarin (Chairman) and Kjell Duveblad. The remunerations committee is convened as required and reports on its work to the Board. The remunerations committee held a number of working meetings in 2012,

SUMMARY OF THE BOARD OF DIRECTORS



of which three were minuted. The table on page 24 shows the attendance of each Board member.

ATTENDANCE AT BOARD MEETINGS

Meeting nr 4 was statutory.

Board member	Title	Elected	1	2	3	4	5	6	7	8
Anders Skarin	Chairman		X	X	X	X	X	X	X	X
Robert W. Andersson		from meeting 4				X	X	X	X	X
Kjell Duveblad			X	X	X	-	X	X	X	X
Åsa Landén Ericsson			X	X	X	X	X	X	X	X
Mats Lindoff			X	X	X	X	X	X	X	X
Torbjörn Nilsson		from meeting 4				-	-	X	X	X
Ewa Swedberg			X	X	X	X	X	X	X	X

The CEO

CEO Anders Lidbeck has been the CEO since 9 September 2011. 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.

Internal review and risk management related to 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. This description is limited to the internal review related to financial reporting.

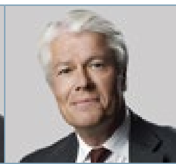
REVIEW ENVIRONMENT

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 a statutory Board meeting following the Annual General Meeting, Enea's Board adopts rules of procedure for the Board, the audit

BOARD OF DIRECTORS

							
Name	**Anders Skarin**	**Robert W. Andersson**	**Kjell Duveblad**	**Åsa Landén Ericsson**	**Mats Lindoff**	**Torbjörn Nilsson**	**Eva Swedberg**
Born	1948	1960	1954	1965	1961	1953	1968
Appointed	2005	2012	2008	2003	2010	2012	2012
Board duties	Chairman of the Board since September 2011.	Board member.	Board member.	Board member.	Board member.	Board member.	Employee representative for SI.
Education	Bachelor of Science.	Master of Science (Finland) and MBA (US).	Bachelor of Business Administration, Stockholm School of Economics.	Master of Science and MBA.	Master of Science, EE.	Bachelor of Science (Econ).	Master of Science, Machine Technology.
Other Board assignments	Chairman of Pocketmobile Communications AB, Vendator and Infobric. Board member of Acando AB and WSP Europe AB.	Board member of FiCom (IT and Telco trade organization in Finland) and PALTA (employer organization, Finland).	Chariman of Remium Nordic AB and Framsteg AB. Board member of a number of unlisted companies.	Board member of Reijlerkoncernen AB.	Board member of Multiq Free2move and a number of unlisted companies.	Board member of Transmode Holding AB, Flexenclosure AB and a number of unlisted companies.	
Own and related parties' shareholding 2012 (2011)	15,000 (15,000)	0	10,000 (10,000)	2,500 (2,500)	990 (990)	0	2,250
Committee work	Remunerations committee.	Audit committee.	Remunerations committee.	Audit committee.		Audit committee.	
Primary occupation	Management consulting and board work.	President and Chief Executive Officer of Sonera in Finland.	Consultant.	CEO of Enfo Pointer AB.	Partner in EMA Technology and Consulting.	Strategy consultant and board work.	Team Manager, OSE.

Enea's Board as at 31 December 2012. All shareholdings, including those of related parties, as at 31 December 2012.

committee, and the remunerations committee. In addition, the instruction to the CEO, authorization 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, 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 frameworks and guidelines 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, authorization policy, IT policy, environmental 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.

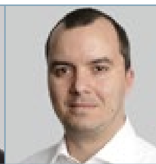
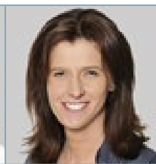
REVIEW ACTIVITIES

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 fortnight in 2012 to review the business and business situation, the financial outcome compared with the budget and preceding periods, to establish forward-facing 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.

In 2012, 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 2012, as well as a review of the annual accounts, for which they submitted their auditors' report in the company's Annual Report for 2012.

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.

EXECUTIVE MANAGEMENT TEAM

								
Name	**Anders Lidbeck**	**Håkan Rippe**	**Tobias Lindquist**	**Karl Mörner**	**Adrian Leufvén**	**Bogdan Putinica**	**Catharina Paulcén**	**Jessica Joelsson**
Born	1962	1968	1972	1975	1972	1977	1973	1976
Employed since	2011	2009	2011	1998	1998	2007	2009	2012
Member of the management team since	September 2011	2009	April 2011	December 2011	2012	December 2011	2009	2012
Position	CEO and President since September 2011.	CFO. Previously Senior Vice President of Corporate Development until October 2012.	Chief Technology Officer.	Senior Vice President Products.	Senior Vice President Sales.	Senior Vice President Global Services.	Senior Vice President, Marketing and Communications.	HR Manager.
Education	Bachelor Business Administration, Lund University.	Master of Science, Chalmers University of Technology, Gothenburg.	Master of Science, Electronics, Lund University.	Graduate engineer, Skövde.	Master of Science, Mechatronics, Royal Institute of Technology Stockholm.	International Finance and Banking, Academy of Economic Studies Bucharest, Romania.	International Business Administration, Universities of Lund and Mannheim.	Master of Arts, majoring in Sociology, specializing in Personnel, Labor and organization, Stockholm University.
Previous positions	President and CEO of Telelogic. Several sales and marketing positions at Nokia, ICL and Telia Megacom, including CEO and ICL Direct in the Benelux countries and Vice President of Sales and Marketing for ICL Industry systems Europe.	Senior Vice President Nordic Consulting at Enea, Business Development Executive at IBM Rational Software and Executive Vice President Corporate Development at Telelogic.	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.	Head of R&D at Enea, VP Strategic Outsourcing at Enea, VP Marketing at Enea, Director Asian Sales at Enea.	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.	SHR Business Partner Scania Motor, HR manger at 3 Technology and Customer Services.
Own and related parties' shareholding 2012 (2011)	50,000 (through endowment assurance) (50,000)	50,000 (through endowment assurance)(45,000)	3,500 (0)	500 (0)	14,500	3,500	12,500 (12,500)	0

Enea's executive management team as at 31 December 2012. All shareholdings, including those of related parties, as at 31 December 2012.

GROUP REPORT ON TOTAL PROFIT/LOSS

SEK thousand (1 January-31 December)	Note	2012	2011 Remaining business	2011 Divested business	2011 Total
Net sales	2	**529,517**	**446,714**	**274,799**	**721,513**
Operating expenses					
Cost of sold products and services		-138,479	-179,449	-239,172	-418,621
Gross profit/loss		**391,038**	**267,265**	**35,627**	**302,892**
Sales and marketing expenses		-102,143	-104,439	-35,326	-139,765
Product development expenses		-85,150	-93,212	-	-93,212
Administration expenses		-69,502	-67,394	-11	-67,405
Operating profit/loss	3, 4, 5, 6, 7, 10, 11	**134,243**	**2,220**	**290**	**2,510**
Financial income		8,090	8,232	438	8,670
Financial expenses		-3,889	-4,412	-444	-4,856
Net financial items	8	**4,201**	**3,820**	**-6**	**3,814**
Profit before tax		**138,444**	**6,040**	**284**	**6,324**
Tax	9	-23,104	-7,020	-5,746	-12,766
Profit/loss for the year		**115,340**	**-980**	**-5,462**	**-6,442**
Other total profit/loss					
Translation rate differences		-7,894	688	-	688
Cash flow hedging, profit before tax		-1,051	1,795	-	1,795
Cash flow hedging, tax effect		308	-472	-	-472
Total profit/loss for the year, net after tax		**106,703**	**1,031**	**-5,462**	**-4,431**
Profit/loss for the period attributable to parent company shareholders		**115,340**	**-980**	**-5,462**	**-6,442**
Total profit for the period attributable to parent company shareholders		**106,703**	**1,031**	**-5,462**	**-4,431**
Earnings per share, SEK	17	6.85	-0.06	-0.31	-0.37
Profit per share, full dilution, SEK		6.85	-0.06	-0.31	-0.37

BALANCE SHEET – GROUP

SEK thousand (31 December)	Note	2012	2011
Assets			
Intangible assets	10	121,479	127,163
Equipment, tools, fixtures and fittings	11	13,678	14,862
Financial investments		28,960	1,466
Deferred tax assets	9	5,677	9,965
Total fixed assets		**169,794**	**153,456**
Accounts receivable	12	112,159	126,538
Tax assets		2,338	4,415
Prepaid expenses and accrued income	13	25,019	14,199
Other receivables		2,254	1,221
Derivative instruments	14	1,409	670
Cash and cash equivalents		146,747	127,302
Current assets, total		**289,926**	**274,345**
Assets held for sale	15	-	137,267
Total assets		**459,720**	**565,068**
Shareholders' equity	16		
Share capital		18,356	18,356
Other paid-in capital		713,992	713,992
Reserves		-26,548	-17,911
Retained earnings, including profit/loss for the year		-338,586	-298,526
Total shareholders' equity		**367,214**	**415,911**
Provisions			
Deferred tax liabilities	9	6,625	3,636
Other provisions		131	-
Total provisions		**6,756**	**3,636**
Current liabilities			
Current provisions		-	145
Accounts payable		11,784	13,152
Tax liabilities		7,156	1,187
Other liabilities		11,091	20 801
Accrued expenses and deferred income	18	55,719	54,934
Total current liabilities		**85,750**	**90,219**
Liabilities held for sale	15	-	55,302
Total shareholders' equity and liabilities		**459,720**	**565,068**
Pledged assets		None	None
Contingent liabilities		-	5,000

SUMMARY OF CHANGES IN CONSOLIDATED EQUITY

CHANGES IN CONSOLIDATED EQUITY

SEK thousand	Share capital	Other capital contributions	Reserves: Cash flow hedging	Reserves: Translation reserve	Profit/loss brought forward including profit/loss for the year	Total equity
Opening equity, 1 January 2011	**18,356**	**713,564**	**-**	**-19,922**	**-199,448**	**512,550**
Total profit/loss						
Profit/loss for the year					-6,442	-6,442
Other total profit/loss						
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				-
Bonus issue	9,606				-9,606	-
Stock option programs					1,221	1,221
Buy-back of own shares					-6,784	-6,784
Total transactions with shareholders	**-**	**428**			**-92,636**	**-92,208**
Closing equity, 31 December 2011	**18,356**	**713,992**	**1,323**	**-19,234**	**-298,526**	**415,911**
Opening equity, 1 January 2012	**18,356**	**713,992**	**1,323**	**-19,234**	**-298,526**	**415,911**
Total profit/loss						
Profit/loss for the year					115,340	115,340
Other total profit/loss						
Cash flow hedging, profit before tax			-1,051			-1,051
Cash flow hedging, tax effect			308			308
Translation difference				-7,894		-7,894
Other total profit/loss, total			**-743**	**-7,894**		**-8,637**
Total profit/loss			**-743**	**-7,894**	**115,340**	**106,703**
Transactions with shareholders						
Dividend	-9,178				-125,898	-135,076
Bonus issue	9,178				-9,178	-
Stock option programs					1,828	1,828
Buy-back of own shares					-22,152	-22,152
Total transactions with shareholders	**-**	**-**			**-155,400**	**-155,400**
Closing equity, 31 December 2012	**18,356**	**713,992**	**580**	**-27,128**	**-338,586**	**367,214**

CONSOLIDATED CASH FLOW STATEMENT

SEK thousand (1 January-31 December)	Note 20	2012	2011
Operating activities			
Profit before tax [1]		138,444	6,324
Adjustment for items not included in cash flow		-54,883	85,079
		83,561	91,403
Tax paid		-8,100	-13,302
Cash flow from operating activities before change in working capital		**75,461**	**78,101**
Cash flow from change in working capital			
Change in operating receivables		9,240	-5,386
Change in operating liabilities		-4,601	4,502
Cash flow from change in working capital		**4,639**	**-884**
Capital cash flow from current operations [2]		**80,100**	**77,217**
Investing activities			
Acquisition of intangible assets		-10,450	-16,144
Acquisition of tangible fixed assets		-4,676	-11,331
Acquisition of financial assets		-637	-5,557
Divestment of business		115,387	-
Cash flow from investing activities [3]		**99,624**	**-33,032**
Financing activities			
Dividend		-135,076	-86,645
Buy-back of own shares		-22,152	-6,784
Cash flow from financing activities [4]		**-157,228**	**-93,429**
Cash flow for the year		**22,496**	**-49,244**
Cash and cash equivalents at start of year		127,302	176,467
Exchange rate differences in cash and cash equivalents		-3,051	79
Cash and cash equivalents at end of year		**146,747**	**127,302**

1) Profit before tax for the Enea Group's remaining business amounted to SEK 138,444 (6,040) thousand and to SEK 0 (284) thousand for the divested business.
2) Cash flow from operating activities for the Enea Group's remaining business amounted to SEK 80,100 (69,584) thousand and to SEK 0 (7,633) thousand for the divested business.
3) Cash flow from investing activities for the Enea Group's remaining business amounted to SEK 99,624 (-32,155) thousand and to SEK 0 (-480) thousand for the divested business.
4) Cash flow from financing activities for the Enea Group's remaining business amounted to SEK -157,228 (-93,308) thousand and to SEK 0 (-121) thousand for the divested business.

INCOME STATEMENT – PARENT COMPANY

SEK thousand (1 January - 31 December)	Not	2012	2011
Net sales	2	**53,787**	**55,384**
Operating expenses			
Administration expenses		-53,664	-55,385
Operating income	3, 4, 5, 6, 7, 10, 11	**123**	**-1**
Interest income and similar income items	8	8,807	12,863
Interest expenses and similar expense items	8	-294	-1,036
Net financial income/expense		**8,513**	**11,827**
Profit/loss after financial items		**8,636**	**11,826**
Appropriations		-1,719	-3,922
Profit/loss before tax		**6,917**	**7,904**
Tax	9	-1,476	-2,073
Profit/loss for the year		**5,441**	**5,831**

PARENT COMPANY'S BALANCE SHEET

SEK thousand (31 December)	Note	2012	2011
Assets			
Intangible assets	10	483	1,233
Equipment, tools, fixtures and fittings	11	5,324	5,962
Participation in Group companies	19	172,034	317,739
Financial investments		28,000	-
Total fixed assets		**205,841**	**324,934**
Receivables from Group companies	21	67,071	102,403
Tax assets		206	-
Prepaid expenses and accrued income	13	5,820	6,761
Other receivables		2	16
Cash and bank equivalents		94,034	86,017
Current assets, total		**167,133**	**195,197**
Total assets		**372,974**	**520,131**
Shareholders' equity	16		
Restricted equity			
Share capital		18,356	18,356
Reserve fund		280,610	289,788
Non-restricted equity			
Share premium reserve		2,082	2,082
Accumulated profit/loss		29,039	169,430
Profit/loss for the year		5,441	5,831
Total shareholders' equity		**335,528**	**485,487**
Provisions			
Untaxed reserves		5,762	4,043
Total provisions		**5,762**	**4,043**
Liabilities			
Accounts payable		5,565	6,071
Tax liabilities		-	401
Liabilities to Group companies	21	12,134	11,138
Other liabilities		1,927	579
Accrued expenses and deferred income	18	12,058	12,412
Total current liabilities		**31,684**	**30,601**
Total shareholders' equity and liabilities		**372,974**	**520,131**
Pledged assets		None	None
Contingent liabilities		-	5 000

SUMMARY OF CHANGE IN PARENT COMPANY'S EQUITY

CHANGE IN PARENT COMPANY'S EQUITY

	Restricted equity		Non-restricted equity			
SEK thousand (1 January-31 December)	**Share capital**	**Reserve fund**	**Share premium reserve**	**Accumulated profit/loss**	**Profit/loss for the year**	**Total shareholders' equity**
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			-
Bonus issue	9,606	-9,606				-
Stock option programs				1,221		1 221
Buy-back of own shares				-6,784		-6,784
Profit for the year					5 831	5,831
Closing equity, 31 December 2011	**18,356**	**289 788**	**2 082**	**169,430**	**5,831**	**485,487**
Opening equity, 1 January 2012	**18,356**	**289,788**	**2,082**	**175,261**		**485,487**
Redemption program	-9,178			-125,898		-135,076
Writedown						-
Bonus issue	9,178	-9,178				-
Stock option programs				1,828		1 828
Buy-back of own shares				-22,152		-22,152
Profit for the year					5,441	5,441
Closing equity, 31 December 2012	**18,356**	**280,610**	**2,082**	**29,039**	**5,441**	**335,528**

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CASH FLOW STATEMENT – PARENT COMPANY

SEK thousand (1 January-31 December)	Note 20	2012	2011
Operating activities			
Profit/loss before tax		6,917	7 904
Adjustment for items not included in cash flow		8,950	8,407
		15,867	16,311
Tax paid		-2,083	-715
Cash flow from operating activities before change in working capital		**13,784**	**15,596**
Cash flow from change in working capital			
Change in operating receivables		36,229	31,507
Change in operating liabilities		1,542	2,350
Cash flow from change in working capital		**37,771**	**33,857**
Cash flow from current operations		**51,555**	**49,453**
Investing activities			
Acquisition of tangible fixed assets		-1,689	-3,856
Sale of subsidiaries		115,379	-
Cash flow from investing activities		**113,690**	**-3,856**
Financing activities			
Dividend		-135,076	-86,645
Group contributions		-	5,322
Received/provided Buy-back of own shares		-22,152	-6,784
Cash flow from financing activities		**-157,228**	**-88,107**
Cash flow for the year		**36,017**	**-42,510**
Cash and cash equivalents at start of year		86,017	128,527
Cash and cash equivalents at end of year		**94,034**	**86,017**

NOTE 1

Amounts are in thousands of Swedish kronor unless otherwise indicated.

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 interpretations from the International Financial Reporting Interpretations Committee (IFRIC) as assumed by the EU. In addition, Swedish Financial Reporting Board's recommendation RFR 1 Supplementary accounting rules for groups has 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 policies stem from the limited opportunities for applying the IFRS to the parent company as a consequence of the Swedish Company 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 valued at historical acquisition cost, apart from certain financial assets and liabilities that are valued at fair value.

Preparation of the financial statements as per IFRS requires that the company's 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 company management when applying the IFRS which have a significant impact on the financial reports and assessments made 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.

Amendments to accounting principles and information

NEW AND AMENDED STANDARDS AND INTERPRETATIONS OF EXISTING STANDARDS APPLIED BY THE GROUP

None of the IFRS or IFRIC interpretations which are mandatory for the financial year beginning 1 January 2012 for the first time have had any significant impact on the Group.

NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS OF EXISTING STANDARDS NOT APPLIED IN ADVANCE BY THE GROUP

A number of new standards and amendments of interpretations and existing standards will come into force for the financial year beginning after 1 January 2012 and have not been applied in advance by the Group. Below is a description of future new and amended standards which are considered to be relevant to and may affect the Group's future financial reports:

IFRS 7 (amendment), "Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities"
This amendment is applicable to information related to net reporting of assets and liabilities with requirements for new information in order to facilitate comparison between companies which compile their financial reports in accordance IFRS and companies which compile their financial reports in accordance with US GAAP. Information must be submitted on the financial assets and liabilities offset, as well as on financial assets and liabilities covered by various types of contract which permit offsetting. This amendment is not expected to have any significant impact on the Group's financial reports. The amendment will come into force on 1 January 2013.

IFRS 9, "Financial Instruments"
This standard retains but simplifies the model with multiple evaluation criteria based on two primary evaluation categories: accrued acquisition value and fair value. This may affect the Group's reporting of financial assets, but the Group has not yet evaluated the full effect on its financial reports. This standard will come into force on 1 January 2015. The standard has not yet been adopted by the EU.

IFRS 10, "Consolidated Financial Statements"
This standard is based on existing principles as it identifies control as the crucial factor for determining whether a company is to be included in the consolidated accounts and provides further guidance on how to determine whether control exists when this may be difficult to assess. This standard also specifies how the consolidated accounts are to be compiled. This standard is not expected to have any significant impact on the Group's financial reports. The standard will come into force on 1 January 2014.

IFRS 12, "Disclosures of Interests in Other Entities"
This standard includes disclosure requirements for subsidiaries, joint arrangements, stakeholder companies, and non-consolidated "structured entities". The Group has not yet evaluated the effect of IFRS 12 on the financial reports. The standard will come into force on 1 January 2014.

IFRS 13, "Fair Value Measurement"
This standard provides a precise definition and a collective source in IFRS for fair value evaluations and associated information. The Group has not yet evaluated the effect of IFRS 13 on the financial reports. The standard will come into force on 1 January 2013.

IAS 1 (amendment), "Presentation of Financial Statements" (Presentation of other total profit/loss)
This amendment involves a requirement stating that the items reported in "Other total profit/loss" should be presented in two groups, items which may be reclassified for the income statement and items which it will not be possible to reclassify for the income statement. This amendment is not expected to have any significant impact on the Group's financial reports. The amendment will come into force on 1 July 2012.

IAS 27 (amendment 2011), "Separate Financial Statements"
When IAS 27 is replaced by IFRS 10 in respect of rules for consolidated accounts, IAS 27 will only include rules for accounting and information on subsidiaries, stakeholder companies, and joint venture in separate financial reports. The rules on this in IAS 27 will remain unchanged, with just a few clarifications. This amendment is not expected to have any significant impact on the Group's financial reports. The standard will come into force on 1 January 2014.

IAS 32 (amendment), "Financial Instruments: Classification – Offsetting Financial Assets and Financial Liabilities"
Financial assets and liabilities may only be offset if there is a legal entitlement to offset the amounts and the intention is to regulate the items with a net amount, or if the intention is to sell the asset and regulate the liability at the same time. The amendment clarifies what is meant by the said reasons for offsetting. This amendment is not expected to have any significant impact on the Group's financial reports. The standard will come into force on 1 January 2014.

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 has applied IFRS 8 Operating segments as of 1 January 2009. The business was reported over two segments until 2011. With the focusing of Enea's business on software and product-related services due to divestment of the Swedish consultancy business in December 2011, Enea will report its remaining business as one segment as of 1 January 2012.

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. Decisive influence means that the Group has the right to determine, directly or indirectly, financial and operational strategies for the purpose of obtaining financial benefit. 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 acquisition value is calculated in an acquisition analysis in conjunction with the acquisition. The analysis establishes the acquisition value of the participations or the business, the fair value of acquired identifiable assets and liabilities on the acquisition date and contingent liabilities taken over. The cost of the holdings 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 acquisitions where the acquisition cost exceeds the net value of the acquired assets and assumed liabilities, as well as 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 the decisive influence is transferred to the Group 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 profits or 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 are 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 the Swedish krona (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 to 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 LICENSE 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.
- 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 receivables and interest-bearing 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 the Group's development projects do not extend over a period of more than one year.

Financial instruments

Financial Instruments recognized in the balance sheet include, on the asset side, cash and cash equivalents and accounts receivable, while liabilities and equity include accounts payable and long-term and 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 receivable 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. Acquisition and divestment on the spot market of financial assets and are recognized on the settlement date, which is the date on which the asset is delivered. 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.

Fair value on listed financial assets is equivalent to the listed purchase price of the asset at the balance sheet date. If this is not available, a valuation is performed by generally accepted methods such as discounting of future cash flows to listed market interest rates for the applicable term.

For short-term loans and investments, the fair value is deemed to match the book value, given the fact that a change in the market interest rate has no material effect on the market value.

Financial assets and liabilities are offset and posted as a net amount in the balance sheet where there is a legal right to offset and the intention is to offset the items with a net amount or to simultaneously realize the asset and settle the liability. Financial assets and liabilities are divided into the following categories as specified in IAS 39.

LOANS AND RECEIVABLES

This category includes 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 arise when companies provide funds, goods or services directly to another party with no intention of trading the receivables. Assets in this category are valued at the accrued acquisition value, less any provision for depreciation. The category includes accounts receivable and cash and cash equivalents.

Accounts receivable

When the anticipated term of accounts receivable is short, reporting takes place at the amount expected to be received, based on an individual assessment of doubtful receivables without discounting in accordance with the accrued acquisition value method. Any writedown of accounts receivable will affect the operating profit/loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash at financial institutes and short-term investments with original maturity periods of less than three months. Cash and cash equivalents are recognized at a nominal amount.

FINANCIAL ASSETS VALUED AT FAIR VALUE VIA THE INCOME STATEMENT

This category includes assets with the intention of selling in the short term. Derivative instruments with positive market values are included if they are not used for hedge accounting. Assets in this category are valued continuously at fair value, and the changes in value are reported in the income statement. Only financial derivative instruments have been classified in this category over the year.

FINANCIAL LIABILITIES VALUED AT FAIR VALUE VIA THE INCOME STATEMENT

This category includes derivative instruments with negative market values if they are not used for hedge accounting. Financial liabilities held for trading are also included. The liabilities in this category are valued continuously at fair value, and the changes in value are reported in the income statement. Only financial derivative instruments have been classified in this category over the year.

REPORTING OF DERIVATIVES USED FOR HEDGING

All derivatives are reported initially and continuously at fair value in the balance sheet. The profit/loss when revaluing derivatives used for hedging is reported as follows. Changes in value relating to cash flow hedges are reported in other total profit/loss and recognized in the income statement as the hedged cash flow affects the income statement. Any ineffective element of the change in value is reported directly in the income statement. Profit/loss on revaluation of derivatives relating to hedges of fair value are reported in the income statement together with changes in fair value for the receivable or liability exposed to the hedged risk.

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.

FINANCIAL LIABILITIES AT ACCRUED ACQUISITION VALUE

This category includes financial liabilities not held for trading, such as bank loans and accounts payable. These are initially reported at fair value,

	Loans and accounts receivable [1]	Assets valued at fair value via the income statement	Derivatives used for hedging purposes	Financial assets which may be sold	Total
31 December 2012					
Assets in the balance sheet	-	-	1,409	-	1,409
Derivative instruments	116,751	-	-	-	116,751
Accounts receivable and other receivables, excluding interim receivables	146,747	-	-	-	146,747
Cash and cash equivalents	**263,498**	**-**	**1,409**	**-**	**264,907**
31 December 2011					
Assets in the balance sheet					
Derivative instruments	-	-	670	-	670
Accounts receivable and other receivables, excluding interim receivables	269,441	-	-	-	269,441
Cash and cash equivalents	127,302	-	-	-	127,302
	396,743	**-**	**670**	**-**	**397,413**

	Liabilities valued at fair value via the income statement	Derivative used for hedging purposes	Other Financial liabilities [1]	Total
31 December 2012				
Liabilities in the balance sheet				
Accounts payable and other liabilities, excluding financial liabilities	-	-	30,031	30,031
	-	-	**30,031**	**30,031**
31 December 2011				
Liabilities in the balance sheet				
Accounts payable and other liabilities, excluding financial liabilities	-	-	90,442	90,442
	-	**-**	**90,442**	**90,442**

1) The figures for 2011 include assets of SEK 137,267 thousand and liabilities of SEK 55,302 thousand which were valued at fair value via the income statement on 1 January 2012 due to the sale of Nordic Consulting.

net after transaction costs, and then at accrued acquisition value with application of the effective interest rate method.

Accounts payable

Accrued acquisition value is the valuation principle applied for accounts payable. The expected term of accounts payable is short, which is why these liabilities are reported at nominal amount without discounting.

Intangible assets

GOODWILL

Goodwill represents the difference between the acquisition value 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.

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 acquisition value 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.

Tangible fixed assets

OWNED ASSETS

Tangible fixed assets are posted as assets in the balance sheet if it is probable that the future financial benefits will accrue to the company and the acquisition value of the asset can be calculated in a reliable way. Tangible fixed assets are recognized in the Group at acquisition value less accumulated depreciation and any writedowns. The acquisition value 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 as either finance or operational 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 straight-line basis over the useful life.

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.

Impairment

The reported values for Group assets, with the exception of deferred tax assets and financial assets, are tested for impairment on every balance sheet date in order to assess whether there is any indication of impairment. If there is any such indication, the recoverable value 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 flows (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 other assets is reversed if a change has occurred in the assumptions that formed the basis of calculation of the recoverable value. 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

PENSIONS

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 201s 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 employment 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 employment, a detailed plan is created which, at the very least, contains workplace, positions and the 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

The Group has two outstanding option programs where regulation takes place with shares and where the company receives services from employees as payment for the Group's equity instruments (shares). The fair value of the service which entitled employees to allocation of equity instruments (shares) is recognized as an expense over the qualification period. Valuation of share programs is based on accepted models. For more information on share saving programs, see note 22.

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 onerous contracts 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 assets 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 assets 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 cash 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.

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 entities. Under RFR 2, the parent company must, in 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 acquisition value 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 are 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.

NOTE 2

OPERATING SEGMENT REPORTING

The Swedish consultancy business was divested in December 2011 so as to focus Enea's operations on software and product-related services. Due to this divestment, as of 1 January 2012 Enea is accounting for its remaining business as one segment.

NOTE 3

EXCHANGE RATE GAINS AND EXCHANGE RATE LOSSES

	2012	2011
GROUP		
Exchange rate gains on receivables/liabilities operational in nature	5,664	3,719
Exchange rate losses on receivables/liabilities operational in nature	-4,534	-6,302

	2012	2011
PARENT COMPANY		
Exchange rate gains on receivables/liabilities operational in nature	2	32
Exchange rate losses on receivables/liabilities operational in nature	-1	-1

NOTE 4

EMPLOYEES AND OTHER SENIOR EXECUTIVES

	2012		2011	
Average number of employees	**Total**	**of which men, %**	**Total**	**of which men, %**
Parent company	12	68	13	64
Subsidiaries	405	80	600	81
Group total	**417**	**79**	**613**	**80**
Of which:				
Sweden	101	81	348	84
US	64	81	58	80
Romania	202	77	148	71
China	30	82	29	86
Japan	4	100	4	96
France	7	85	15	87
Germany	4	75	4	75
United Kingdom	5	100	5	100
Israel	-	-	2	60
Group total	**417**	**79**	**613**	**80**
Gender breakdown in Group executive				
Board of Directors	6	83	5	80
Other senior executives	8	75	10	90

Salaries, other remuneration, and payroll overheads	**2012**	**2011**
GROUP		
Salaries and remuneration	191,834	291,322
of which to the Board, CEO and other senior executives [1)]	21,292	16,837
Pension expenses [2)]	16,455	37,330
of which defined benefit pension plans	-	-
of which defined contribution pension plans	16,455	37,330
Other payroll overheads	42,170	79,248
Total	**250,459**	**407,900**

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Cont. Note 4

Salaries, other remuneration, and payroll overheads	2012	2011
PARENT COMPANY		
Salaries and remuneration	17,396	12,950
of which Board, CEO and other senior executives [3]	11,604	4,125
Pension expenses [4]	3,212	3,159
of which defined benefit pension plans	-	-
of which defined contribution pension plans	3,212	3,159
Other payroll overheads	4,923	4,069
Total	**25,531**	**20,178**

1) Of the parent company's salaries and remuneration, SEK 1,939 (1,948) thousand relates to performance-based remuneration to the Board and CEO. Salaries and remuneration for 2012 include compensation of SEK 2,052 thousand upon termination of employment relating to other senior executives.
2) Of the Group's pension expenses, SEK 1,783 (2,346) thousand relates to the Board and CEO.
3) Of the parent company's salaries and remuneration, SEK 425 (0) thousand relates to performance-based remuneration to the Board and CEO. Salaries and remuneration for 2012 include compensation of SEK 2,052 thousand upon termination of employment relating to other senior executives.
4) Of the parent company's pension expenses, SEK 1,187 (1,172) thousand relates to the Board and CEO.

Board members appointed by the Annual General Meeting who are not employed by the company received the following remuneration in 2012, in accordance with the resolution by the Annual General Meeting.

	Remuneration	Remuneration to the audit committee	Remuneration to the remuneration committee	Extraordinary initiatives	Total
Anders Skarin (chairman)	380	-	40	-	420
Kjell Duveblad	180	-	20	-	200
Åsa Landén Ericsson	180	60	-	-	240
Mats Lindoff	180	-	-	-	180
Robert W Andersson	180	30	-	-	210
Torbjörn Nilsson	180	30	-	-	210
Total 2012	**1,280**	**120**	**60**	**-**	**1,460**
Total 2011	**980**	**95**	**30**	**222**	**1,327**

Summary of remuneration and other benefits over the year

	Fixed salary	Performance-based remuneration	Other benefits	Other remune-ration	Severance pay	Total	Pension expense
Anders Lidbeck, CEO	1,920	425	-	1,260	-	3,555	1,024
Other senior executives (7)	9,362	3,496	348	-	1,507	14,795	3,540
Total 2012	**11,282**	**3,921**	**348**	**1,260**	**1,507**	**18,350**	**4,564**
Total 2011	**12,211**	**3,214**	**324**	**980**	**1,183**	**17,912**	**3,143**

Individuals included in the group of other senior executives varied in 2012.
Other remuneration includes consultancy fees of SEK 1,260 (980) thousand to Anders Lidbeck.

REMUNERATION TO SENIOR EXECUTIVES

Principles

The Chairman of the Board and the Board members receive 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, 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.

Pensions 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

Upon termination of the employment of the CEO, the company must observe a notice period of six months, and the CEO must observe a notice period of six months. In addition, severance pay equivalent to six months' fixed salary is payable if the Board terminates the employment. If ownership conditions change such that there are new majority owners in the company, the CEO will be entitled to severance pay equal to six months' salary. All notice period pay and severance pay will be offset against any other income. Other senior executives are subject to a notice period of three to twelve months.

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NOTE 5

EMOLUMENTS AND COSTS FOR 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.

	2012	2011
GROUP		
PricewaterhouseCoopers		
Auditing engagement	806	798
Auditing activities other than the audit engagement	50	144
Tax advisory services	57	69
Other engagements	527	242
Övriga revisorer		
Auditing engagement	386	383
Tax advisory services	113	156
Other engagements	81	10
	2,020	**1,802**

	2012	2011
PARENT COMPANY		
PricewaterhouseCoopers		
Auditing engagement	726	709
Auditing activities other than the audit engagement	50	144
Tax advisory services	57	69
Other engagements	527	242
	1,360	**1,164**

NOTE 6

OPERATING EXPENSES, BY COST TYPE

	2012	2011
GROUP		
Consumables and subconsultants	25,516	101,329
Other external costs	64,479	75,319
Payroll expenses	286,790	458,812
Depreciations and writedowns	18,489	83,543
	395,274	**719,003**

Depreciation and writedowns for the year is divided between Cost of sold products and services at SEK 13.3 (76.8) million, Sales and marketing expenses at SEK 0.4 (1.6) million, Product development expenses at SEK 1.5 (1.6) million, and Administration expenses at SEK 3.3 (3.5) million.

NOTE 7

LEASING FEES RELATED TO OPERATING LEASES

Operating leasing relates mainly to cars and rents on premises.

	2012	2011
GROUP		
Leasing charges, current year	11,194	17,712
Contractually agreed future minimum leasing fees within 1 year	10,153	16,094
Contractually agreed future minimum leasing fees within 2-5 years	27,520	38,588

	2012	2011
PARENT COMPANY		
Leasing charges, current year	7,520	8,052
Contractually agreed future minimum leasing fees within 1 year	6,668	7,344
Contractually agreed future minimum leasing fees within 2-5 years	25,300	25,141

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NOTE 8

NET FINANCIAL INCOME/EXPENSE

	2012	2011
GROUP		
Interest income	3,521	2,497
Currency gains	4,569	6,173
Financial income	**8,090**	**8,670**
Interest expenses	-64	-225
Currency losses	-3,825	-4,631
Financial expenses	**-3,889**	**-4,856**
Net financial income/expense	**4,201**	**3,814**

	2012	2011
PARENT COMPANY		
Sale/liquidation of Group companies	1,569	-
Income from participations in Group companies	**1,569**	**-**
Interest income, other	3,299	2,186
Interest income, Group companies	3,583	10,270
Group contributions received	-	121
Currency gains	356	286
Interest income and similar income items	**7,238**	**12,863**
Interest expenses, other	-63	-218
Interest expenses, Group companies	-	-577
Currency losses	-231	-241
Interest expenses and similar expense items	**-294**	**-1,036**
Net financial income/expense	**8,513**	**11,827**

NOTE 9

TAXES

	2012	2011
GROUP		
Current tax expense		
Tax expense for period	-16,074	-5,751
	-16,074	**-5,751**
Deferred tax		
- tax income in loss carryforwards capitalized during the year	-	1,405
- tax expense in loss carryforwards utilized during the year	-3,141	-4,834
- tax expense/income relating to temporary differences	-3,659	-3,586
- change in deferred tax due to amended tax rate	-230	-
	-7,030	**-7,015**
Total tax expense recognized, Group	**-23,104**	**-12,766**

Cont. Note 9

Reconciliation of effective tax	2012	2011
GROUP		
Profit/loss before tax	138,444	6,324
Flat rate tax 26.3 %	-36,411	-1,663
Tax effect of		
- other tax rates in foreign subsidiaries	-1,297	-394
- utilization of previously capitalized loss carryforwards	-17	147
- utilization of previously non-capitalized loss carryforwards	-	78
- valuation of future loss carryforwards	-	-265
- non-deductible costs	-6,299	-14,604
- non-taxable income	21,383	2,963
- amended future tax rate	1,233	-
Other taxes	-475	667
Adjustment of tax for previous years	-1,221	305
Total tax expense recognized, Group	**-23,104**	**-12,766**
	17%	-202%

	2012	2011
PARENT COMPANY		
Current tax		
Tax for the period	-1,476	-2,073
	-1,476	**-2,073**

Reconciliation of effective tax	2012	2011
PARENT COMPANY		
Profit before tax	6,917	7,904
Tax 26.3 %	-1,819	-2,079
Tax effect of		
- non-deductible costs	-54	-14
- non-taxable income	413	20
Other taxes	-8	-
Adjustment of tax for previous years	-8	-
Total tax recognized, parent company	**-1,476**	**-2,073**
	21%	26%

Deferred tax receivables and tax liabilities	2012	2011
GROUP		
The following components are included in deferred tax receivables and tax liabilities		
Deferred tax receivables:		
- loss carryforwards	3,840	7,100
- other temporary differences	1,837	2,865
Total deferred tax receivables	**5,677**	**9,965**
Deferred tax liabilities:		
-temporary differences on intangible assets	6,625	3,636
Total deferred tax liabilities	**6,625**	**3,636**

Deferred tax receivables for loss carryforwards refer to subsidiaries in the US, Germany, and Sweden. In the management's assessment, the capitalized loss carryforwards may be utilized within the next few years. Non-capitalized deferred tax receivables for unutilized deficits total SEK 0.7 million and concern the UK.

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NOTE 10

INTANGIBLE ASSETS

2011	Goodwill	Capitalized development expenditure	Other intangible assets	Total
GROUP				
Accumulated acquisition value				
Opening balance, 1 Jan 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, 31 Dec 2011	**103,328**	**138,338**	**23,862**	**265,528**
Accumulated depreciations and writedowns				
Opening balance, 1 Jan 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, 31 Dec 2011	**-18,337**	**-97,399**	**-22,629**	**-138,365**
Recognized value as at 31 Dec 2011	**84,991**	**40,939**	**1,233**	**127,163**

2012	Goodwill	Capitalized development expenditure	Other intangible assets	Total
GROUP				
Accumulated acquisition value				
Opening balance, 1 Jan 2012	103,328	138,338	23,862	265,528
Acquisition for the year	1,087	10,450	-	11,537
Translation difference for the year	-4 925	-	-673	-5,598
Closing balance, 31 Dec 2012	**99,490**	**148,788**	**23,189**	**271,467**
Accumulated depreciations and writedowns				
Opening balance, 1 Jan 2012	-18,337	-97,399	-22,629	-138,365
Depreciations and writedowns for the year	-	-12,219	-750	-12,969
Translation difference for the year	673	-	673	1,346
Closing balance, 31 Dec 2012	**-17,664**	**-109,618**	**-22,706**	**-149,988**
Recognized value as at 31 Dec 2012	**81,826**	**39,170**	**483**	**121,479**

Cont. Note 10

Other intangible assets	2012	2011
PARENT COMPANY		
Accumulated acquisition value		
Opening balance, 1 Jan	6,260	6,260
Closing balance, 31 Dec	**6,260**	**6,260**
Opening balance, 1 Jan	-5,027	-3,775
Depreciation for the year	-750	-1,252
Closing balance, 31 Dec	**-5,777**	**-5,027**
Recognized value as at 31 Dec	**483**	**1,233**

Capitalized development expenses within Enea Software primarily refer to internal work on the development of new products. The depreciation time for capitalized 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 Group bases its valuation on a cash-generating unit. The impairment tests are based on calculations of the utility value. The estimates are based on the value of estimated future cash flows on the basis of financial forecasts 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 the Group of 2-4 (5) percent. Cost development for the Group is forecast at 3 (5) percent. The forecast cash flows have been assessed at current value using a discount interest rate of 15 (12) percent before tax. 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	2-6 %	(3-5 %)
Cost trends	3 %	(3-5 %)
Discount rate	15 %	(12-14 %)
Long-term stable growth	2 %	(2 %)

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NOTE 11

EQUIPMENT, TOOLS, FIXTURES AND FITTINGS

	Group		Parent Company	
	2012	**2011**	**2012**	**2011**
Accumulated acquisition value				
At start of year	61,830	69,291	20,423	19,676
Acquisition for year	4,676	11,331	1,689	3,856
Divestments/scrapping	-6,091	-9,756	-4,522	-3,109
Reclassification of assets held for sale (Note 15)	-	-9,194	-	-
Translation reserve of the year	-1,385	158	-	-
	59,030	**61,830**	**17,590**	**20,423**
Accumulated depreciation according to plan				
At start of year	-46,968	-56,213	-14,461	-15,558
Divestments/scrapping	5,991	9,567	4,485	3,109
Depreciation for the year according to plan	-5,520	-6,095	-2,290	-2,012
Reclassification of assets held for sale (Note 15)	-	5,978	-	-
Translation reserve of the year	1,145	-205	-	-
	-45,352	**-46,968**	**-12,266**	**-14,461**
Recognized value at year-end	**13,678**	**14,862**	**5,324**	**5,962**

Depreciations are attributable to the cost of sold products and services, sales and marketing expenses, production development expenses, and administration expenses.

NOTE 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 0.8 (4.3) 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	2012	Remaining	Divested	2011
GROUP				
Not due	78,675	108,991	75,672	184,663
Due 1–60 days	33,262	13,796	14,707	28,503
Due 61–90 days	78	3,166	-	3,166
Due 90 days	144	585	-	585
Total	**112,159**	**126,538**	**90,379**	**216,917**

NOTE 13

PREPAID EXPENSES AND ACCRUED INCOME

	2012	2011
GROUP		
Prepaid expenses	338	1,166
Prepaid rents	1,696	3,515
Other prepaid expenses	7,715	7,420
Accrued income	15,270	10,938
Assets held for sale (Note 15)	-	-8,840
	25,019	**14,199**

	2012	2011
PARENT COMPANY		
Prepaid expenses	87	505
Prepaid rents	1,453	2,879
Other prepaid expenses	3,746	3,291
Accrued income	534	86
	5,820	**6,761**

NOTE 14

DERIVATIVE INSTRUMENTS

	2012		2011	
	Assets	Liabilities	Assets	Liabilities
Long-term				
Foreign exchange forwards – cash flow hedging	-	-	294	-
Current				
Foreign exchange forwards – cash flow hedging	1,409	-	670	-

NOTE 15

ASSETS AND LIABILITIES HELD FOR SALE

	2012	2011
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
Current provisions	-	513
Other liabilities	-	8,883
Accrued expenses and deferred income	-	18,099
Total liabilities held for sale	-	**55,302**

NOTE 16

SHAREHOLDERS' EQUITY

GROUP

Share capital

At the 2012 Annual General Meeting, a decision was made to hold an automatic redemption procedure for shares in Enea AB, meaning that each Enea share would be divided up into two shares (known as a 2:1 share split), of which one of the shares would be designated a redemption share. The redemption shares were automatically redeemed at a redemption price of SEK 8.00 per redemption share, and payment was made in May 2012. The share capital was then reduced by SEK 9,177,857 through the withdrawal of the redemption shares, i.e. a total of 17 659 091 shares for paying back to shareholders. A payment of SEK 8 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.
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 528 018 (235 616) of its own shares and sold 0 (0) of its own shares.

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.

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Cont. Note 16

RESERVES

Hedging reserve

	2012	2011
Opening hedging reserve	1,323	-
Cash flow hedging:		
- fair value gains over the year	445	1,959
- tax on fair value gains	-98	-515
- adjustment opening balance deferred tax due to amended tax rate from 2013 22%	84	-
- transfers to the income statement	-1,496	-164
- tax on transfers to the income statement	329	43
- adjustment opening balance deferred tax due to amended tax rate from 2013 22%	-7	-
Utgående säkringsreserv	580	1,323

Translation reserve

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

	2012	2011
Opening translation reserve	-19,234	-19,922
Translation differences for the year	-7,894	688
Closing translation reserve	-27,128	-19,234

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 10 February and 11 December 2012, the parent company bought back 528,018 shares on the Nasdaq OMX Nordic Exchange in Stockholm at an average market price of SEK 41.95 per share. A total of SEK 22,152 thousand was paid for the shares, which reduced the retained earnings. The total holding of own shares as at 31 December 2012 amounted to 1,072,752. The shares are held as "own" or "treasury" shares and were fully paid on 31 December 2012.

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

See also the Summary of changes in consolidated equity on page 28 and the Summary of changes in the parent company's equity on page 32.

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NOTE 17

EARNINGS PER SHARE

	2012	Remaining	Divested	2011
Earnings per share before dilution				
Profit/loss for the year after tax	115,340	-980	-5,462	-6,442
Average number of shares, thousands	16,844	17,263	17,263	17,263
Earnings per share before dilution SEK	6.85	-0.06	-0.31	-0.37
Earnings per share after dilution				
Profit/loss for the year after tax	115,340	-980	-5,462	-6,442
Average number of shares, thousands	16,844	17,263	17,263	17,263
Earnings per share after dilution, SEK	6.85	-0.06	-0.31	-0.37

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 from 2008 to 2011.

The average number of shares was reduced by the average number of own shares and was weighted in relation to the time they were outstanding. As of 31 December 2011, the share option program did not result in any dilution.

NOTE 18

ACCRUED EXPENSES AND DEFERRED INCOME

	2012	2011
GROUP		
Support income	10,263	12,343
Accrued payroll expenses	29,787	38,913
Other	15,669	21,777
Liabilities held for sale (Note 15)	-	-18,099
	55,719	**54,934**

	2012	2011
PARENT COMPANY		
Accrued payroll expenses	8,705	8,225
Other	3,353	4,187
	12,058	**12,412**

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NOTE 19

GROUP COMPANIES

Parent company holdings in Group companies	Country	Holding, %
Enea Software AB	Sweden	100
Enea Zealcore AB	Sweden	100
Enea Software & Services, Inc	US	100
Enea Netbricks SAS	France	100
Enea Netbricks Ltd	Israel	100
Enea GmbH	Germany	100
Enea Software (Beijing) Co., Ltd.	China	100
Enea KK	Japan	100
Enea Polyhedra Ltd	United Kingdom	100
Enea Romania SRL	Romania	100

	2012	2011
Accumulated acquisition value		
At start of year	476,335	391,130
Subsidiaries sold	-145,705	-
Shareholders' contribution provided	-	85,205
Closing balance, 31 December	330,630	476,335
Accumulated writedowns		
At start of year	-158,596	-158,596
Closing balance, 31 December	-158,596	-158,596
Recognized value at year-end	**172,034**	**317,739**

Specification of the parent company's holdings of shares in subsidiaries	Number of shares	Share in %	Recognized value 2012	2011
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
			172,034	**317,739**

NOTE 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	**2012**	**2011**	**2012**	**2011**
Interest received over the period amounts to	3,521	2,497	6,882	2,186
Interest paid over the period amounts to	-64	-225	-63	-218

	Group		Parent Company	
Adjustment for items not included in cash low	**2012**	**2011**	**2012**	**2011**
Depreciation and writedowns	18,489	83,543	3,040	3,264
Gain/loss on divestment and liquidation of subsidiaries	-61,304	188	2,326	-
Gain/loss on scrapping of fixed assets	-	-	37	-
Accrued income	-13,636	-	-	-
Share savings plan	1,828	1,221	1,828	1,221
Appropriations	-	-	1,719	3,922
Provisions	-9	341	-	-
Exchange rate differences, net	-251	-214	-	-
Total	**-54,883**	**85,079**	**8,950**	**8,407**

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NOTE 21

RELATED PARTIES

List of transactions with related parties

GROUP

Related party	Year	Sale of goods and services to related parties	Purchase of goods and services from related parties	Additional purchase price for purchase of subsidiaries from related parties	Liabilities to related parties as at 31 Dec	Receivables from related parties as at 31 Dec
Key people in senior posts	2012	-	1,260	3,656	-	-
Key people in senior posts	2011	-	980	-	-	-
Other related parties	2012	-	-	-	-	-
Other related parties	2011	-	-	-	-	-

PARENT COMPANY

Related party	Year	Sale of goods and services to related parties	Purchase of goods and services from related parties	Additional purchase price for purchase of subsidiaries from related parties	Liabilities to related parties as at 31 Dec	Receivables from related parties as at 31 Dec
Subsidiaries	2012	52,316	-	-	12,134	67,071
Subsidiaries	2011	51,377	-	-	11,138	102,403
Key people in senior posts	2012	-	1,260	-	-	-
Key people in senior posts	2011	-	980	-	-	-
Other related parties	2012	-	-	-	-	-
Other related parties	2011	-	-	-	-	-

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.

The parent company has its subsidiaries (see Note 19) and senior executives (see Note 4) as related parties.

NOTE 22

PENSIONS AND SHARE-RELATED REMUNERATION

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 2012 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 4,152 (10,342) thousand. Alecta's surplus can be distributed to the policyholders and/or the insured persons.
At year-end 2012, Alecta's surplus in the form of the collective funding level amounted to 129 (113) 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	
	2012	2011	2012	2011
Cost of defined contribution plans	16,455	37,330	3,212	3 159

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Cont. Note 22

SHARE-BASED PAYMENTS

Share savings program 2012

In April 2012, the Annual General Meeting resolved to offer key employees the opportunity to participate in a share savings program. 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 business and profits, to increase motivation, and to enhance the sense of belonging to the company. The program involves 33 senior executives, key individuals, and certain other employees.

By 8 June 2012, employees had invested in 65 335 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 further 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 accumulated EBIT margin between 2012 and 2014. The performance requirement for the performance shares is linked to an accumulated EBIT margin in the interval of SEK 180-220 million.

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.

The share savings program involves financial exposure for the company as a consequence of changes in the Enea share price and anticipated allocation of matching shares and performance shares. To safeguard the program, a decision has been made concerning the transfer of treasury shares already acquired under the program. A maximum of

541,500 shares in the form of matching shares and performance shares, including dividend compensation, may be transferred to participants in the program. Divestment of 126,000 shares may take place via the share market or to a third party in order to cover costs relating to social security contributions and similar.

Share savings program 2010

In April 2010, the Annual General Meeting resolved to offer key employees the opportunity to participate in a share savings program. 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 business and profits, to increase motivation, and to enhance the sense of belonging to the company. The program involves 17 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.

The share savings program involves financial exposure for the company as a consequence of changes in the Enea share price and anticipated allocation of matching shares To safeguard the program, a decision has been made concerning the transfer of treasury shares already acquired under the program.
A maximum of 465,000 shares in the form of matching shares, performance shares and extra performance shares may be transferred to participants in the program. Divestment of 150,000 shares may take place via the share market or to a third party in order to cover costs relating to payroll expenses and similar.

Share savings program 2010	2012	2011
Number of matching shares at beginning of period	56,163	96,163
Forfeited over period	-8,300	-40,000
Outstanding at end of period	47,863	56,163
Number of participants, 31 Dec	17	22

Share savings program 2012	2012	2011
Number of matching shares at beginning of period	-	-
Allocated over period	65,335	-
Forfeited over period	-2,500	-
Outstanding at end of period	62,835	-
Number of participants, 31 Dec	33	-

Payroll expenses for share-related remuneration

Group	2012	2011
Share savings program. (For share savings programs, payroll expenses include social security contributions.)	2,948	1,221

NOTE 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	
Valuta	**2012**	**2011**	**2012**	**2011**
EUR	8,6166	8,9447	8,7053	9,0335
USD	6,5156	6,9234	6,7754	6,4969
GBP	10,4914	10,6768	10,7340	10,4115
JPY	0,0756	0,0892	0,0851	0,0817
RON	1,9435	2,0657	1,9523	2,1255
CNY	1,0456	1,0998	1,0738	1,0057
ILS	1,7417	1,8040	1,7550	1,8047

When translating foreign subsidiaries' balance sheets to Swedish kronor, the Group is exposed to exchange rate fluctuations. The effect on shareholders' equity in 2012 for the translation of foreign subsidiaries' accounts to Swedish kronor was SEK -7,894 (688) thousand. The Group's exposure in shareholders' equity to currency exchange rate fluctuations on the balance sheet date was as follows:

	2012		2011	
Currency	**Amount**	**Translated into SEK according to rate at balance sheet date**	**Amount**	**Translated into SEK according to rate at balance sheet date**
EUR	-138	-1,189	298	2,666
USD	4,424	28,825	5,288	36,611
GBP	267	2,801	250	2,669
JPY	40,396	3,054	38,293	3,415
RON	16,756	32,565	13,079	27,017
CNY	2,846	2,976	4,791	5,269
ILS	782	1,362	826	1,490

NOTE 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 PRINCIPLES

The corporate executive has discussed with the audit committee the development of, the choice of, and information on the Group's important accounting principles 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 carryforwards, and any need to make writedowns. Some important account-related estimates made on application of the Group's accounting principles 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 regarding future conditions and estimates of parameters have been made. 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 2012. An account of these can be found in Note 10.

Impairment testing of capitalized development expenses

When calculating the recoverable amount of cash-generating units for assessment of any necessary impairment of capitalized development expenses, a number of assumptions regarding future conditions and estimates of parameters have been made. 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 2012.

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BOARD DECLARATION

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

Stockholm, 11 March 2013
Enea AB (556209-7146)

Anders Skarin
Chairman of the Board

Robert Andersson
Board member

Kjell Duveblad
Board member

Åsa Landén Ericsson
Board member

Mats Lindoff
Board member

Torbjörn Nilsson
Board member

Eva Swedberg
Employee representative

Anders Lidbeck
President and CEO

The Annual Report and Consolidated Accounts have, as stated above, been approved for issue by the Board on 11 March 2013. 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 10 April 2013.

Our audit report was issued on 12 March 2013.
PricewaterhouseCoopers AB

Niklas Renström
Authorized Public Accountant

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

Annual Report and Consolidated Accounts

We have examined the Annual Report and Consolidated Accounts for Enea AB (publ.) for 2012 with the exception of the Corporate Governance Report on pages 22-25. The company's Annual Report and Consolidated Accounts are included in the printed version of this document on pages 8-53.

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 Financial Reporting 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 to 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 and 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 plausibility of the Board's and the 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 compiled 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 2012 and of its financial results and cash flow for the year in accordance with the Annual Accounts Act. The Consolidated Accounts have been compiled in accordance with the Annual Accounts Act and give a true and fair reflection in all significant respects of the Group's financial position as of 31 December

2012 and of its financial results and cash flow in accordance with International Financial Reporting Standards, as adopted by the EU and the Annual Accounts Act. Our statement does not include the Corporate Governance Report on pages 22-25. 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 consolidated report on total profit/loss and the consolidated balance sheet.

Report on other legal and statutory requirements

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

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

Responsibilities of the Board and CEO

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 for ensuring that the Corporate Governance Report on pages 22-25 is compiled 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, the Annual Accounts Act or the 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 significantly 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 to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year. A corporate governance statement has been prepared, and its statutory content is consistent with the other parts of the annual accounts and consolidated accounts.

Stockholm 12 March 2013
PricewaterhouseCoopers AB

Niklas Renström
Authorized Public Accountant

FIVE-YEAR SUMMARY

INCOME STATEMENT, SEK million	2012	2011	2010	2009	2008
Net sales	529.5	721.5	726.1	777.7	917.6
Operating expenses	-395.3	-719.0	-658.7	-781.8	-844.5
Operating profit/loss	134.2	2.5	67.4	-4.1	73.1
Net financial items	4.2	3.8	0.7	3.3	7.9
Profit/loss before tax	138.4	6.3	68.1	-0.8	81.0
Profit/loss for the period	**115.3**	**-6.4**	**46.0**	**4.2**	**88.3**

BALANCE SHEET, SEK MILLION	2012	2011	2010	2009	2008
Intangible assets	121.5	127.1	216.7	237.2	273.5
Other fixed assets	48.3	26.4	30.9	46.8	46.0
Current receivables	143.2	147.0	236.6	258.7	325.4
Cash and cash equivalents	146.7	127.3	176.5	153.9	122.1
Assets held for sale	-	137.3	-	-	-
Total assets	**459.7**	**565.1**	**660.7**	**696.6**	**767.0**
Shareholders' equity	367.2	415.9	512.6	516.0	548.4
Allocations, long-term liabilities and minority shareholdings	6.8	3.6	12.7	31.9	31.5
Current liabilities	85.8	90.0	135.4	148.7	187.1
Liabilities held for sale	-	55.6	-	-	-
Total shareholders' equity and liabilities	**459.7**	**565.1**	**660.7**	**696.6**	**767.0**

CASH FLOW, SEK MILLION	2012	2011	2010	2009	2008
From operating activities	80.1	77.2	76.1	70.3	81.8
From investing activities	99.7	-33.0	-19.0	-13.2	-121.6
From financing activities	-157.3	-93.4	-31.7	-21.8	-1.8
Cash flow for the period	**22.5**	**-49.2**	**25.4**	**35.3**	**-41.6**

KEY FIGURES	2012	2011	2010	2009	2008
Change in sales, %	-26.6	-0.6	-6.6	-15.2	11.8
Operating margin, %	25.4	0.3	9.3	-0.5	8.0
Profit margin, %	26.1	0.9	9.4	-0.1	8.8
Return on capital employed, %	33.9	4.5	13.9	1.7	17.3
Return on equity, %	29.5	2.5	8.9	0.8	18.0
Return on total capital, %	27.8	3.6	10.6	1.3	12.2
Interest coverage ratio, multiple	36.5	7.3	19.5	0.9	20.7
Equity ratio, %	79.9	73.6	77.6	74.1	71.5
Liquidity, %	338.1	304.8	305.1	277.5	239.2
Average number of employees	417	613	621	666	688
Net sales per employee	1,269,8	1,177,0	1,169,2	1,167,7	1,333,7
Net worth per share, SEK	22.14	24.31	29.55	29.53	30.43
Earnings per share, SEK	6.85	-0.37	2.65	0.24	4.90
Dividend per share, SEK	3.00*	8.00	5.00	1.50	-

**Dividend proposed to the 2012 Annual General Meeting. For definitions see page 57.*

2013 Annual General Meeting

The Annual General Meeting will be held at 4:00pm CET on 10 April 2013 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 4 April 2012.

Participants must also register with Enea AB by 5:00pm CET on 4 April 2013 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 by email: arsstamma@enea.com.

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

Reporting dates in 2013

Q1 report – January-March, 25 April
Q2 report – April-June, 23 July
Q3 report – July-September, 24 October
Annual statement – 11 February 2014

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 email: ir@enea.com.

Definitions

OPERATING MARGIN
Operating profit in relation to net sales.

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

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.

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.

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.

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

Enea AB is a public company, company registration number 5562097146. Registered office Kista, Sweden. This Annual Report is also available in English.
All values are expressed in Swedish kronor. Swedish kronor is abbreviated SEK, while thousands of kronor is abbreviated SEK thousand and millions of kronor is abbreviated SEK million. Figures in brackets relate to 2011 unless specified otherwise. All figures relate to remaining business unless specified otherwise.
Data on the market and competitive situation indicates Enea's own assessments unless a specific source is stated. These assessments are based on the best and most recent data available.
The audited annual report can be found on pages 8-21 and 26-53.

This annual report has been produced by Enea in cooperation with Grayling in Malmö.
Photographers: Alexander Ruas and Patrik Engström.

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

SWEDEN
Head Office
STOCKHOLM
Box 1033
Jan Stenbecks torg 17
SE-164 21 Kista
Tel. +46 8 507 140 00

FRANCE
PARIS
Bâtiment Mac Kinley
1, avenue de l'Atlantique
F-91940 Les Ulis
Tel. +33 1 76 91 58 20

JAPAN
TOKYO
142 Kanda ogawamachi
Chiyodaku
Tokyo 1010052
Tel. +81 3 5207 6167

CHINA
SHANGHAI
REPRESENTATIVE OFFICE
room 1203, Silver Tower
no. 218 South Xizang Road
Shanghai 200021
Tel. +86 21 6334 3406

BEIJING
RM1706, Block A,
Reward Building,
No. 203, 2nd Section of
WangJing LiZe ZhongYuan,
ChaoYang District
Beijing, 100102
Tel. +86 010 6439 8390

ROMANIA
BUCHAREST
Splaiul Independentei 319 C,
Trust Center, 060044
Bucharest
Tel. +40 21 305 15 00

UNITED KINGDOM
SHEPTON MALLET
Charlton Barn
Lower Charlton Trading Estate
Shepton Mallet
BA4 5QE
Tel. +44 1749 346784

GERMANY
MUNICH
Schlosserstrasse 4
80336 München
Tel. +49 89 544 6760

USA
BOSTON
Nashua Office Park
One Tara Blvd, Ste 404
Nashua, NH 03062
Tel. +1 603 888 7575

PHOENIX
1711 W. Greentree Drive
Suite 108
Tempe, AZ 85284
Tel. +1 480 753 9200

ENEA
www.enea.com