

NET INSIGHT

INTERIM REPORT JANUARY - SEPTEMBER 2011

Net Insight AB [publ] Corporate Reg. No 556533-4397

Third Quarter 2011

- Net Sales of SEK 75.4 million (67.6) corresponding to a growth of 11.5 % compared with the same period previous year. The growth rate in comparable currencies amounts to 2 %.
- Operating earnings of SEK 15.5 million (9.2), corresponding to an operating margin of 20.6 % (13.7).
- Earnings per share of SEK 0.04 (0.03).
- Total cash flow of SEK 4.8 million (-4.2).

January - September 2011

- Net sales of SEK 214.2 million (199.6) corresponding to a growth of 7.3 % compared with the same period previous year. The growth rate in comparable currencies amounts to 8 %.
- Operating earnings of SEK 26.7 million (27.4), corresponding to an operating margin of 12.5 % (13.7).
- Earnings per share of SEK 0.07 (0.21), decrease is related to a positive one time effect in 2010.
- Total cash flow of SEK -40.5 million (52.3), the cash flow in 2010 included a SEK 60 million positive one time effect.

Net Insight AB discloses the information provided herein pursuant to the Securities Market Act and/or the Financial Instruments Trading Act. The information was submitted for publication on October 25, 2011 at 08.30 am CET.



STRONG REPEAT BUSINESS, NEW IMPORTANT WINS AND GOOD PROFITABILITY

Our third quarter revenue reached SEK 75.4 million (67.6) which is 11 % above same quarter previous year. Currency adjusted the revenue growth amounted to 2%. The gross margin was strong at 65.8 % (61.1) and also the operating margin was higher and reached 20,6 % (13,7). Stronger margins and improved finance net produced a net income before tax of SEK 17 million (9,6). The increased profitability is driven by good underlying margins, cost control and a positive currency effect of SEK 2.4 million. The cash flow was positive and our net cash position increased by SEK 4.8 million to SEK 195.4 million.

On top of steady and profitable repeat business during the quarter we also had some important new customer wins. We won a contract exceeding SEK 20 million with a member of the German ARD Group of Broadcasters for a strategically important extension of their contribution network. Following a successful event related project in Asia we secured a contract for the build out of a contribution network with a major operator in China. Via a new partner in Italy we won a project with Telecom Italia Media Broadcasting (TIMB), which is a major terrestrial television network operator in Italy, including our video compression solution.

Our EMEA region has contributed with 69 % (84) of the total revenues. The Americas contributed 22 % (10) and APAC 9 % (6). Both Americas and APAC are performing better than last year which is a step in the right direction.

Our partner network is a strategic pillar for our market expansion and an increasingly important business generator. Our focus going forward is increased revenue generated per partner before possibly adding new ones. Indirect sales through partners will vary over time and during the quarter reached the highest level so far 65 % (46).

We have recently expanded our product portfolio. With the new product releases we strengthen our access portfolio so that customers can use the Nimbra platform from the core all the way to the network access. In front of customers it is important to have a sufficiently large product span and we have now increased that span significantly and thereby expanded our addressable market. At the same time this is a new attractive offering and facilitates new entry point business for our partners.

Net Insight has also been awarded "Best HDTV Technology Project" by Cable and Satellite International for our successful Digital Terrestrial (DVB-T2) project with Teracom in Sweden.

As regards the period January to September revenues, gross margin and net income are up compared with previous year.



Stockholm, October 25, 2011
Fredrik Trägårdh
CEO

BUSINESS ACTIVITIES DURING THE THIRD QUARTER

Net Insight had a steady repeat business during the quarter and the Business Area Broadcast and Media represented 89% of total revenue. The Business Area Digital Terrestrial TV represented 9% and CATV/IPTV 2%. The DTT-business is dependent on DTT-roll-outs and will therefore fluctuate over time.

Net Insight received one of our most important orders this year from a major new German customer investing in a contribution network. This new customer has purchased Net Insight's Nimbra Platform for contribution of video, radio and data between its headquarters and to more than 15 sites in Germany. This order confirms our position in the European market. Net insight has a long history of success in live contribution for sporting events and recently Net Insight's Nimbra platform was chosen for live production feeds for IAAF Athletic World Championships in Korea. Earlier this year Net Insight's Nimbra platform supported the 2011 FIS Alpine World Ski Championship in Germany, the FINA World Championships in China as well as the Rugby World Cup in New Zealand.

The Net Insight ambition is to grow our business in China and in the beginning of September an order from a major Chinese cable operator was announced and won in partnership with Times Sage Technology (TST), member of the CSS group. This order is of importance to Net Insight since it is the second phase of deployment to provide inter-regional media transport.

An increasing part of Net Insight's revenues comes from Service Providers entering the media-rich segment to sell services and Net Insight's focus on the Service Providers will give Net Insight the opportunity to reach the low-end media access market in an efficient way, and to expand into new market segments. An Italian service provider and a new customer of Net Insight, Telecom Italia Media Broadcasting (TIMB), has chosen the Nimbra platform. The company is a major terrestrial television network operator who operates, manages and develops transmission networks through which group-owned and third parties' digital and analog television channels are broadcasted all over the Italian territory.

PARTNERSHIP

Two new solution partnerships were announced during the third quarter of 2011 related to network management. Net Insight's partnership with Dimetis brings considerable value to the Net Insight offering and to our customers by enabling scheduling and booking of Nimbra network resources for on-demand services. The Skyline partnership provides Net Insight customers with additional support of advanced applications for automation, scheduling, event correlation and reporting. In regards to our Global Partner Network one new reseller, Brilliantel, South Africa, was signed during the third quarter and at the end of the quarter Net Insight had 49 partners.

MARKETING ACTIVITIES

During the third quarter our key marketing focus has been our participation at the IBC Show 2011 in Amsterdam, Netherlands. IBC is a leading exhibition for professionals engaged in the creation, management and delivery of entertainment and media content worldwide. In conjunction with the IBC 2011 Net Insight launched several new products and received much publicity around our live demonstration of next generation remote production significantly reducing cost of event production. Net Insight demonstrated a remote production solution together with TeliaSonera International Carrier exemplifying how real-time media networks can be utilized to revolutionize the outside broadcasting. Net Insight also received the CSI Award for the Best HDTV Technology project based on the Teracom (Sweden) project announced in May 2010. Net Insight launched our value proposition around Service Aware Media Networks and the Nimbra platform with its unique MSR (Media Switch Router) functionality enabling network owners to deliver 100% Quality of Service and service integrity in IP media networks as well as enhancing the performance of the IP networks. All these activities generated good media coverage in media and broadcast trade magazines.

Net Insight also participated in SET Broadcast and Cable in Sao Paulo, Brazil. The exhibition is the major event for Television, Radio and Telecommunications Engineering in Latin America. Together with our sales partners we have also participated in trade shows in South Africa, Australia and China.

NEW PRODUCT INTRODUCTION

New series of the Nimbra platform were launched in conjunction with IBC 2011 aimed for the network access market. The Nimbra 140 series provides optical solutions for studios, play-out centers, remote production facilities and affiliates. The Nimbra 230 was also launched and is the first all Ethernet switch solution from Net Insight enabling network operators to further expand their network into the Ethernet access segment, in a very cost efficient way, and with access to a large toolbox of advanced Ethernet functionality. The Nimbra 320 is a compact one-box access solution for true multi-service transport of media and data services, targeting the increasing demands for transport of real-time sensitive media and data applications with guaranteed QoS. Net Insight also launched the 10GE Trunk Module for Nimbra 600 which enables multiservice QoS transport of native video, audio and IP services over high capacity IP/MPLS/Ethernet infrastructure, for demanding media and broadcasting applications.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

No significant events have occurred after the end of the period.

SALES AND EARNINGS

Third Quarter

Net Sales for the third quarter amounted to SEK 75.4 million (67.6), which represents a growth of 11.5%. Revaluation of accounts receivables in foreign currencies had a positive effect on Net Sales of SEK 2.4 million compared to SEK -5.9 million for the same period last year.

In comparable currencies the growth amounts to 2%.

The EMEA region accounted for SEK 51.8 million (56.6) of total sales. The Americas showed growth of SEK 9.8 million to SEK 16.8 million (7.0) and APAC is up compared with previous year to SEK 6.8 million (4.0).

NET SALES PER REGION

	Q3	Q3	Q4	Q1	Q2	Q4'10 -	Full year
Amount in SEK million	2011	2010	2010	2011	2011	- Q3'11	2010
EMEA	51,8	56,6	80,1	50,3	45,1	227,3	229,2
Americas	16,8	7	6,2	13,2	21,8	58,0	43,8
APAC	6,8	4,0	1,8	3,1	5,3	17,0	14,7
Totalt	75,4	67,6	88,1	66,6	72,2	302,3	287,7

Sales in the Broadcast & Media business area made up 89% (68) of total sales due to temporary changes in business. DTT & Mobile TV accounted for 9% (30) and IPTV/CATV for 2% (2).

Hardware revenue is slightly down to SEK 55.0 million (56.9). Sales of software licenses are stable on SEK 6.5 million (6.6) whereas support and service revenue has increased compared to previous year to SEK 10.2 million (9.8).

As shown in the condensed income statement on page 11, the gross margin is 65.9% (61.1). The strong gross margin is primarily connected to strengthened foreign currencies.

Total operating expenses for the third quarter is slightly up to SEK 34.1 million (32.1). Sales and marketing expenses are stable at SEK 22.5 million. Administrative expenses are higher mainly as more external services have been engaged in the period, SEK 7.2 (4.8) million. R&D expenses show a decrease of SEK 0.5 million compared to last.

Operating earnings for the third quarter amounted to SEK 15.5 million (9.2), which corresponds to an Operating Margin of 20.6% (13.7)

The financial net amounted to SEK 1.5 million (0.3) as a result of increased interest rates.

Earnings before tax amounted to SEK 17.0 million (9.6), which corresponds to a profit margin of 22.6% (14.2).

Net Income amounted to SEK 14.3 million (11.1) resulting in a Net Profit margin of 19.0% (16.4).

Nine Months

Net Sales for the nine months period ending September 30th, amounted to SEK 214.2 million (199.6), which is an improvement of 7.3% over last year. Revaluation of the accounts receivables stock had a positive effect on Net Sales for the first nine months of SEK 2.5 million (-7.3).

In comparable currencies the growth amounts to 8%.

The EMEA region accounted for SEK 147.2 million (148.9), Americas SEK 51.8 million (38.0) and APAC SEK 15.2 million (12.7).

Sales by business area are distributed between Broadcast & Media 73% (70), DTT & Mobile TV 22% (28) and IPTV/CATV 5% (2).

Hardware sales amounted to SEK 150.8 million (152.7), software licenses SEK 20.2 million (21.0) and support and services revenue SEK 32.6 million (30.2).

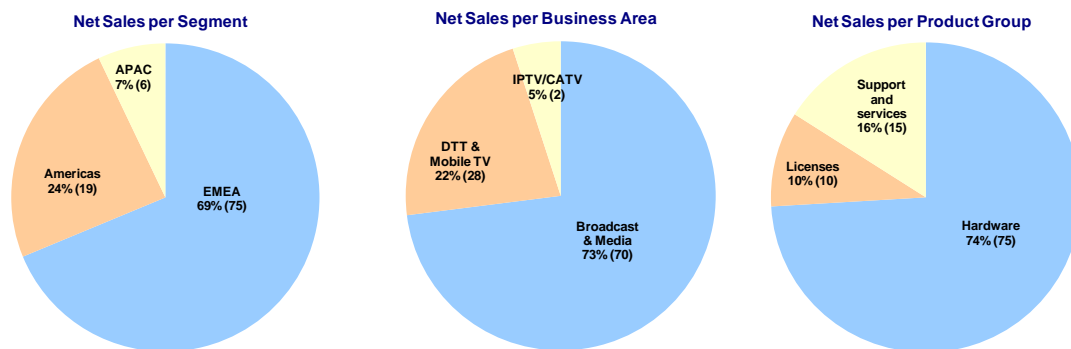
As shown in the condensed income statement on page 11, the Gross margin is 61.8% (64.4).

Operating earnings amounted to SEK 26.7 million (27.4), which correspond to an Operating Margin of 12.5% (13.7).

The financial net was positive at SEK 3.8 million (-0.1).

Earnings before tax amounted to SEK 30.6 million (27.3) and the corresponding profit margin amount to 14.3% (13.7)

Net Income amounted to SEK 28.4 million (83.8). The transaction, announced in Q1 2010, whereby Net Insights intellectual property rights are moved to a new wholly owned limited liability company gave a positive tax and cash effect of approximately SEK 60 million during 2010.



CASH FLOW AND FINANCIAL POSITION

Cash flow from ongoing operations in the third quarter amounted to SEK 20.9 million (8.5). Cash flow from ongoing operations before changes in working capital was positive, SEK 24.5 million (15.0). Changes in working capital affected cash flow negative, SEK -3.7 million (-6.5). Also the investment activity was negative, SEK -16.1 million (-12.6) due to increased capitalization of development. Third quarter cash flow amount to SEK 4.8 million (-4.2) and liquid funds at the end of the period totaled SEK 195.4 million (204.3).

Cash flow from ongoing operations for the nine month period amounted to SEK 8.0 million (31.2). The cash flow from ongoing operations before changes in working capital was 51.9, SEK million (46.8). Changes in working capital affected cash flow negative for the period SEK, -43.8 million (-15.6). The investment activity was negative SEK -48.5 million (21.1). Last year's positive cash flow was generated from the first quarter IPR transaction which gave a cash surplus of around SEK 60 million. Total cash flow for the nine month period amounted to SEK -40.5 million (52.3).

Shareholders' equity amounted to SEK 469.9 million (420.8) with a resulting equity ratio of 86.8% (84.2).

INVESTMENTS

Third quarter investments in tangible assets amounted to SEK 1.8 million (0.0) and depreciation of tangible assets amounted to SEK 0.3 million (0.2). Capitalization of development expenditures totaled SEK 14.2 million (12.4). Depreciation of capitalized development expenditures totaled SEK 6.7 million (6.1).

Investments in tangible assets for the nine months period amounted to SEK 2.8 million (0.2) and depreciation of tangible assets amounted to SEK 0.7 million (0.8). Capitalization of development expenditures totaled SEK 45.7 million (37.8). Depreciation of capitalized development expenditures totaled SEK 19.9 million (17.2).

At the end of the period, net book value of capitalized development expenditures amounted to SEK 147.5 million (115.9).

EMPLOYEES

At the end of the period Net Insight had 146 (133) employees. The parent company Net Insight AB had 137 (124) employees, Net Insight Intellectual Property AB had 4 (4) employee and the US subsidiary Net Insight Inc. had 5 (5) employees.

PARENT COMPANY

The parent company's net sales during the third quarter were SEK 94.5 million (87.1). Net income amounted to SEK 15.1 million (21.4).

For the nine month period ending September 30th, the net sales were SEK 277.7 (243.1) and the Net income amounted to 36.9 (213.0). Liquid funds amounted to SEK 130.6 million (135.1).

Remaining tax losses carried forward amount to SEK 163 million.

RISK AND SENSITIVITY ANALYSIS

Net Insight's operation and results are impacted by a number of external and internal factors. A continuous process identifies existing risks and assesses how each risk shall be managed and mitigated.

The risks to which, the company are exposed are divided into market related risks (including competition, technology development, political risks), operational risks (including product reliability, intellectual property rights, litigation, and customer dependence) and financial risks (including predominately currency exposure).

No additional significant risks or uncertainties than those described in the annual report 2010 have developed in the third quarter.

For a complete description of the Company's risk analysis and risk management, see page 26 and 44 in the 2010 Annual report.

CONSOLIDATED INCOME STATEMENT

Amount in SEK thousands	Q3 2011	Q3 2010	Jan-Sep 2011	Jan-Sep 2010	Q4'10-Q3'11 12 months	Fully year 2010
Net sales	75 367	67 644	214 221	199 638	302 281	287 698
Cost of goods & service sold	-25 760	-26 323	-81 855	-71 099	-117 924	-107 168
Gross earnings	49 607	41 321	132 366	128 539	188 816	180 530
Sales and marketing expenses	-22 452	-22 344	-66 787	-70 480	-91 350	-95 043
Administration expenses	-7 234	-4 827	-22 462	-15 105	-27 614	-20 257
Development expenses	-4 424	-4 914	-16 391	-15 594	-22 943	-22 146
Operating earnings	15 497	9 236	26 726	27 360	42 450	43 084
Net financial items	1 511	344	3 842	-95	4 411	474
Earnings before tax	17 008	9 580	30 568	27 265	46 861	43 558
Tax	-2 659	1 490	-2 148	56 531	566	59 245
Net income	14 349	11 070	28 420	83 796	47 427	102 803
Net income for the period attributable to the stockholders of the parent company	14 349	11 070	28 420	83 796	47 427	102 803

Earnings/loss per share, based on net profit attributable to the parent company's shareholders during the period (in SEK per share)

Earnings per share before dilution	0,04	0,03	0,07	0,21	0,11	0,26
Earnings per share after dilution	0,04	0,03	0,07	0,21	0,11	0,26
Average number of shares in thousands before dilution	389 933	389 933	389 933	389 933	389 933	389 933
Average number of shares in thousands after dilution	389 933	389 933	389 933	389 933	389 933	389 933

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amount in SEK thousands						
Net income	14 349	11 070	28 420	83 796	47 427	102 803
Other comprehensive income						
Exchange rate differences	60	-1 024	69	-476	134	-411
Total other comprehensive income, net after tax	60	-1 024	69	-476	134	-411
Total comprehensive income for the period	14 409	10 046	28 489	83 320	47 561	102 392
Total comprehensive income for the period attributable to the stockholders of the parent company	14 409	10 046	28 489	83 320	47 561	102 392

KEY FIGURES

	Q3 2011	Q3 2010	Jan - Sept 2011	Jan - Sept 2010	Full year 2010
Return on equity before tax (%)	3,6	2,3	6,5	6,5	9,9
Equity per share (SEK)			1,2	1,1	1,1
Cash flow from ongoing operations per share (SEK)	0,06	0,04	0,20	0,12	0,19

CONSOLIDATED CASH FLOW STATEMENT

Amount in SEK thousands	Q3 2011	Q3 2010	Jan-Sep 2011	Jan-Sep 2010	Q4'10-Q3'11 12 mths	Full year 2010
Ongoing operations						
Net income before tax	17 008	9 580	30 568	27 265	46 861	43 558
Depreciation	7 213	6 555	21 260	18 688	27 737	25 165
Other items not affecting liquidity	320	-1 124	45	798	3 538	4 291
Cash flow from ongoing operations before change in working capital	24 541	15 011	51 873	46 751	78 136	73 014
Change in working capital						
Increase-/decrease+ in inventories	4 014	-25	-8 499	1 775	-11 832	-1 558
Increase-/decrease+ in receivables	-6 703	-5 420	-13 788	-24 130	-2 055	-12 397
Increase+/decrease- in current liabilities	-993	-1 075	-21 558	6 761	-9 620	18 699
Cash flow from ongoing operations	20 859	8 491	8 028	31 157	54 629	77 758
Investment activity						
Acquisitions of intangible fixed assets	-14 260	-12 671	-45 724	-38 523	-60 490	-53 289
Acquisitions of tangible fixed assets	-1 779	0	-2 796	-236	-3 056	-496
Acquisition of net assets	0	0	0	59 990	0	59 990
Increase-/decrease+ in long-term receivables	-11	28	13	-117	25	-105
Cash flow from investment activity	-16 050	-12 643	-48 507	21 114	-63 521	6 100
Increase/decrease in liquid funds	4 809	-4 152	-40 479	52 271	-8 892	83 858
Liquid funds, opening balance	190 569	208 422	235 857	151 999	208 422	151 999
Liquid funds, closing balance	195 378	204 270	195 378	204 270	199 530	235 857

CONSOLIDATED BALANCE SHEET

Amount in SEK thousands	Sep 30 2011	Sep 30 2010	Dec 31 2010
ASSETS			
Intangible assets			
Capitalized expenditure for development	147 457	115 893	121 600
Goodwill	4 354	4 354	4 354
Other intangible assets	1 507	2 372	2 156
Tangible fixed assets			
Equipment	3 754	1 702	1 702
Equipment for leasing	0	238	0
Financial assets			
Deferred tax asset	26 926	26 361	29 075
Deposits paid, long-term	340	365	353
Total fixed assets	184 338	151 285	159 239
Current assets			
Inventory	37 123	24 894	28 228
Customer receivables	111 166	109 046	98 430
Other receivables	11 719	10 151	9 034
Cash and bank balances	195 378	204 270	235 857
Total current assets	355 386	348 361	371 549
Total assets	539 724	499 646	530 788
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Restricted shareholders' equity			
Share capital	15 597	15 597	15 597
Other contributed capital	1 192 727	1 192 727	1 192 727
Translation difference	-1 590	-1 724	-1 659
Accumulated deficit	-736 865	-785 778	-766 091
Total shareholders' equity	469 869	420 822	440 574
Long-term liabilities			
Long-term liabilities	0	229	0
Provisions	6 202	6 856	5 001
Total long-term liabilities	6 202	7 085	5 001
Current liabilities			
Accounts payable	14 878	26 258	32 719
Other liabilities	48 775	45 481	52 494
Total current liabilities	63 653	71 739	85 213
Total liabilities and equity	539 724	499 646	530 788

CHANGES IN GROUP SHAREHOLDERS' EQUITY

Amount in SEK thousands	Share capital	Other contributed capital	Translation difference	Accumulated deficit	Total shareholders' equity
2010-01-01	15 597	1 192 727	-1 248	-871 843	335 233
Total comprehensive income	0	0	-476	83 796	83 320
Employee stock option program:					
Value of employees' services	0	0	0	2 268	2 268
2010-09-30	15 597	1 192 727	-1 724	-785 779	420 821
2010-10-01					
Total comprehensive income	0	0	65	19 007	19 072
Employee stock option program:					
Value of employees' services	0	0	0	681	681
2010-12-31	15 597	1 192 727	-1 659	-766 091	440 574
2011-01-01	15 597	1 192 727	-1 659	-766 091	440 574
Total comprehensive income	0	0	69	28 420	28 489
Employee stock option program:					
Value of employees' services	0	0	0	806	806
2011-09-30	15 597	1 192 727	-1 590	-736 865	469 869

SEGMENT REPORT

Amount in SEK million	Q3 2011				Q3 2010			
	EMEA	APAC	AM	Total	EMEA	APAC	AM	Total
Net Sales	52	7	17	75	57	4	7	68
Regional Contribution	20	0	8	27	17	0	2	19
Regional Contribution (%)	38%	-7%	49%	36%	31%	-6%	25%	28%
Adjusted for R&D Depreciation	5	1	1	7	5	0	1	6
Adjusted Regional Contribution	25	1	9	34	23	0	2	25
Adjusted Regional Contribution (%)	47%	8%	55%	46%	40%	3%	34%	37%

Regional Contribution is defined as Gross earnings less Sales and Marketing expenses. AM is short for Americas.

CONDENSED CONSOLIDATED INCOME STATEMENT

Amount in SEK, millions						Jan-Sep	Jan-Sep
	Q3 2011	Q3 2010	Q4 2010	Q1 2011	Q2 2011	2011	2010
Net Sales	75,4	67,6	88,1	66,6	72,2	214,2	199,6
Gross earnings	49,6	41,3	52,0	38,5	44,2	132,3	128,5
Gross margin	65,9%	61,1%	59,0%	57,8%	61,2%	61,8%	64,4%
Operating earnings	15,5	9,2	15,7	2,9	8,3	26,7	27,4
Operating margin	20,6%	13,6%	17,8%	4,4%	11,5%	12,5%	13,7%
Pretax profit	17,0	9,6	16,3	3,8	9,7	30,5	27,3
Net income	14,3	11,1	19,0	4,7	9,3	28,3	83,8
Net margin	19,0%	16,4%	21,6%	7,1%	12,9%	13,2%	42,0%

PARENT COMPANY INCOME STATEMENT

	Q3	Q3	Jan-Sep	Jan-Sep	Q4'10-Q3'11	Full Year
Amount in SEK thousands	2011	2010	2011	2010	12 months	2010
Net Sales	94 468	87 089	277 692	243 069	384 482	349 859
Cost of goods & services sold	-44 585	-45 495	-136 187	-118 292	-195 126	-177 231
Gross earnings	49 883	41 594	141 505	124 777	189 356	172 628
Sales and marketing expenses	-19 030	-21 339	-56 744	-69 626	-79 992	-92 874
Administration expenses	-9 495	-4 826	-29 081	-15 105	-34 233	-20 257
Development expenses	-4 422	-4 914	-16 390	-15 594	-22 942	-22 146
Operating earnings	16 936	10 515	39 290	24 452	52 188	37 350
Net financial items	1 148	240	2 868	-249	-212 191	-215 308
Earnings before tax	18 084	10 755	42 158	24 203	-160 003	-177 958
Tax	-2 959	10 614	-5 241	188 753	-1 749	192 245
Net income	15 125	21 369	36 917	212 956	-161 752	14 286

PARENT COMPANY BALANCE SHEET

Amount in SEK thousands	Sep 30, 2011	Sep 30, 2010	Dec 31, 2010
ASSETS			
Intangible assets			
Capitalized expenditure for development	147 457	115 893	121 600
Other intangible assets	1 507	2 372	2 156
Tangible fixed assets			
Equipment	3 754	1 702	1 702
Equipment for leasing	0	238	0
Financial assets			
Shares in group companies	18 398	18 398	18 398
Deferred tax asset	216 824	218 573	25 580
Deposits paid, long-term	340	365	339
Total fixed assets	388 280	357 541	169 774
Current assets			
Inventory	37 123	24 894	28 228
Customer receivables	111 166	109 046	98 430
receivables, subsidiaries	613 194	56 199	533 937
Other receivables	12 071	10 054	11 501
Cash and bank balances	130 559	135 141	167 650
Total current assets	904 113	335 334	839 746
Total assets	1 292 393	692 875	1 009 520
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Restricted shareholders' equity			
Share capital	15 597	15 597	15 597
Other contributed capital	112 822	302 888	112 822
Non-restricted equity/Accumulated deficit	802 174	221 767	764 449
Total shareholders' equity	930 593	540 252	892 868
Long-term liabilities			
Long-term liabilities	0	229	0
Other provisions	5 511	6 468	4 509
Total long-term liabilities	5 511	6 697	4 509
Current liabilities			
Current tax	196 485	0	0
Accounts payable	14 646	26 258	32 640
Liabilities, subsidiaries	98 483	77 831	29 398
Other liabilities	46 675	41 837	50 105
Total current liabilities	356 289	145 926	112 143
Total liabilities and equity	1 292 393	692 875	1 009 520

ADDITIONAL INFORMATION

This interim report has been prepared in accordance with IAS 34 Interim financial Reporting and applicable rules in the Annual Accounting Act. The interim report for the parent company was prepared in accordance with Chapter 9 of the Annual Accounts Act, interim report. The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2010, as described in those annual financial statements.

NOMINATION COMMITTEE

In accordance with the decision on the Annual General Meeting held on April 28th, 2011 the members of the nomination committee shall be nominated by the four largest shareholders (voting rights). In addition, the company's Chairman of the board shall be part of the nomination committee.

Net Insight's nomination committee for the 2012 Annual General Meeting consists of Lars Bergkvist (Lannebo Fonder), Clifford H. Friedman (Constellation Growth Capital), Åsa Nisell (Swedbank Robur fonds), Ramsay Brufer (Alecta) and Lars Berg (Chairman of the Net Insight Board and European Venture Partner for Constellation Growth Capital). The nomination committee appointed Lars Bergkvist (Lannebo Fonder) to serve as Chairman of the Committee.

The nomination committee's task is to present proposals to the Annual General Meeting for Chairman of the Annual General Meeting, Chairman of the Board of Directors, members of the Board of Directors and auditors, as well as fees and other remuneration to each member of the board and any remuneration for committee work and audit fees. Furthermore, the nomination committee shall make a proposal regarding the composition of the nomination committee and its tasks for the Annual General Meeting 2012.

REPORTING DATES

Year-end report for 2011	17 February 2012
Interim report January – March	4 May 2012

Stockholm, October 25, 2011

Fredrik Trägårdh
Chief Executive Officer

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REVIEW REPORT

We have reviewed this report for the period 1 January 2011 to 30 September 2011 for Net Insight AB (publ). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

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

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

Stockholm, October 25, 2011

ÖhrlingsPricewaterhouseCoopers

Sten Håkansson
Auditor in charge

Net Insight delivers the world's most efficient and scalable transport solution for Broadcast and IP Media, Digital Terrestrial TV, Mobile TV and IPTV/CATV networks. Net Insight products truly deliver 100 percent Quality of Service with three times improvement in utilization of bandwidth for a converged transport infrastructure. Net Insights Nimbra™ platform is the industry solution for video, voice and data, reducing operational costs by 50 percent and enhancing competitiveness in delivery of existing and new media services.

More than 130 world class customers run mission critical video services over Net Insight products in over 50 countries. Net Insight is quoted on the NASDAQ OMX, Stockholm.

For more information, visit www.netinsight.net

