

# NET INSIGHT

## INTERIM REPORT JANUARY - MARCH 2013

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

### First Quarter 2013

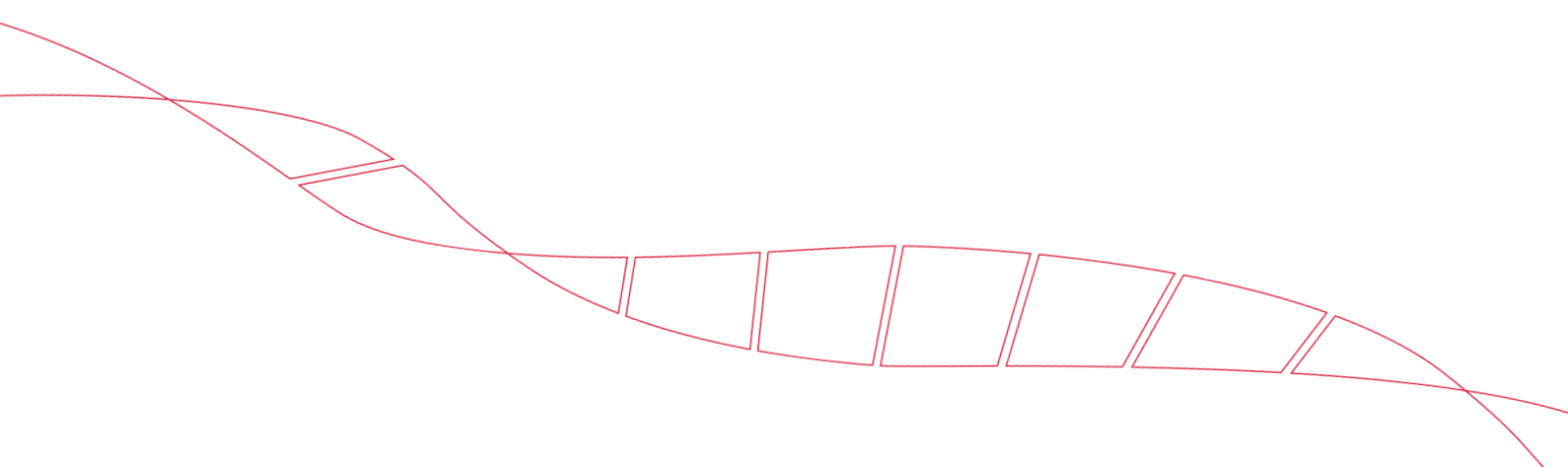
- Net Sales of SEK 62.4 million (76.6) corresponding to a decrease of 18.6% compared to the same period previous year. The decrease in comparable currencies amounts to 14.0%.
- Operating earnings of SEK -5.0 million (5.2), corresponding to an operating margin of -8.0% (6.7).
- Earnings per share of SEK -0.01 (0.01).
- Total cash flow of SEK -7.6 million (-11.0).

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 May 3, 2013 at 08.45 CET.

Net Insight delivers the world's most efficient and scalable transport solution for Broadcast and IP Media, Digital Terrestrial 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 Insight's 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 175 world class customers run mission critical video services over Net Insight products in over 60 countries. Net Insight is quoted on the NASDAQ OMX, Stockholm.



## STABLE REPEAT BUSINESS BUT A LACK OF LARGER ORDERS

Unlike the first quarter 2012 we invoiced no large projects in the first quarter of this year. Revenues reached 62,4 MSEK (76,6 MSEK). In comparable currencies that means revenues 14 % below the same period in previous year. Operating earnings were negative -5,0 MSEK (5,2) and the cash flow was negative -7,6 MSEK (-11,0).

The current market situation, explained in our annual report and in previous interim reports, with project delays and declining average order size, is still affecting our revenues negatively. The first quarter was again affected by project slippages in the EMEA region, causing deviation from previous year. We continued to win a larger number of projects but for the moment, at lower revenues per project. At the same time as I am disappointed with the level of revenues and our financial performance during the last three quarters, I do see a large number of business opportunities that would change that picture.

Our repeat business was stable during the first quarter. We also won further DTT business in Western Europe, Eastern Europe and in Latin America. Revenues are down at the moment but the gross margin remains strong at 55,8 % (61,1). The decrease in the gross margin compared with previous year, is only a function of increased depreciations on R&D, reported under cost of goods sold and therefore affecting the gross margin. The underlying project margin (the gross margin and adding back R&D depreciation) remains very strong at over 70%.

During the NAB exhibition in Las Vegas in April we demonstrated new products e.g. the Nimbra VA 210 which attracted significant interest. The Nimbra VA 210 is a product that significantly enhances the picture quality and thereby the user experience for video transported over the public internet.

Looking ahead, we now have new products coming to market that will help us and our partners do more business with existing as well as new customers.



Stockholm, May 3, 2013  
Fredrik Trägårdh  
CEO

## EVENTS DURING THE FIRST QUARTER

### Customer Wins

During the first quarter the business area Broadcast and Media Networks (BMN) represented 68% of total revenues and the business area Digital Terrestrial TV networks (DTT) represented 27%. During the quarter there was a good flow of repeat business from customers across the world. Net Insight has received an order for a multi-purpose provincial BMN network in China. There is a growing demand for Net Insight's products in China where Net Insight now has more than 20 customers. In the DTT area an expansion was announced for a network in Eastern Europe.

### Partner Network

The revenues from our indirect sales reached 57% of our total revenues. Net Insight has more than 50 resellers in our partner network.

### Marketing

Net Insight's major event for the first quarter was CABSAT MENA in Dubai, the main regional event in the Middle East area for the media and broadcast industry. At the show the newly launched Nimbra VA 210 was demonstrated which gained a lot of attention from our customers. Net Insight also participated in events in USA, Malaysia and China.

The media coverage generated in trade magazine during the quarter handled topics around our customer Arqiva in the UK, Net Insight's presence in China, the Net Insight view on remote production and the Net Insight Service aware media network concept.

### New Product Introduction

During the quarter two newly launched products the Nimbra VA210 and the Nimbra 640 were released for delivery. There was initial invoicing for the Nimbra 640 during the quarter. Thorough market introduction work has been done for the Nimbra VA 210 to shorten time-to-market, through marketing activities, product demonstrations and training.

## SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

In the end of April Net Insight announced that Fredrik Trägårdh; Chief Executive Officer, leaves Net Insight for a new position. Fredrik Trägårdh continues in his current position until the end of the second quarter 2013.

At the annual general meeting the decision was taken to elect three new members of the board; Cecilia Beck-Friis, Crister Fritzson and Regina Nilsson. Lars Berg, Gunilla Fransson and Anders Harrysson were re-elected members of the board. Lars Berg was re-elected chairman of the board. Bernt Magnusson, Arne Wessberg, Clifford H. Friedman and Fredrik Trägårdh declined re-election.

## SALES AND EARNINGS

Net Sales for the first quarter amounted to SEK 62.4 million (76.6), which represents a year over year decrease of 18.5%. In comparable currencies the decrease amounted to 14.0%. Revaluation of accounts receivables in foreign currencies had a negative effect on Net Sales of SEK 0.9 million compared to a negative effect of SEK 1.7 million for the same period last year.

The decline in sales is mainly attributable to the EMEA region mainly due to large wins in Q1'12 not being repeated in the first quarter of 2013. Americas showed a slight increase whereas APAC came in SEK 3.3 million short of the corresponding quarter last year.

### NET SALES PER REGION

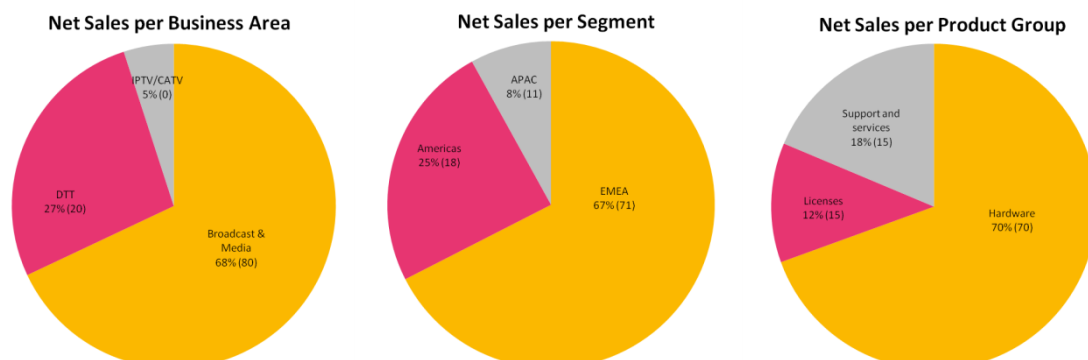
	Q1	Q1	Q2	Q3	Q4	Q2'12-	Full year
Amount in SEK million	2013	2012	2012	2012	2012	Q1'13	2012
EMEA	42,1	54,6	45,6	31,0	49,6	168,3	180,8
Americas	15,3	13,7	17,5	12,2	11,9	56,9	55,3
APAC	5,0	8,3	11,9	17,1	6,8	40,8	44,2
<b>Total</b>	<b>62,4</b>	<b>76,6</b>	<b>75,0</b>	<b>60,3</b>	<b>68,3</b>	<b>266,0</b>	<b>280,3</b>

Sales in the Broadcast & Media business area amount to 68% (80) of total sales and Digital Terrestrial TV accounted for 27% (20). IPTV/CATV accounted for 5% (0) of the turnover.

Hardware revenue amounted to SEK 43.9 million (54.5). Sales of software licenses decreased by SEK 4.4 million to SEK 7.5 million (11.9) whereas support and service revenue increased to SEK 11.8 million (11.4). The above figures are exclusive of other revenues of SEK -0.8 million (-1.2) which mainly consists of revaluation of the accounts receivables stock in foreign currencies.

As shown in the condensed income statement on page 11, the Gross margin is 55.8% (61.1). The decrease is attributable to lower revenues in combination with increased depreciation on capitalized R&D expenditures. Adjusted for depreciation on capitalized R&D expenditures, the Gross margin increases by 1.5 percentage points to 73.3% (71.8).

Total operating expenses for the first quarter amounted to SEK 39.8 million (41.6). Sales and marketing expenses amounted to SEK 25.1 million (26.8). The decrease is related mainly to fewer sales and sales support staff. Administrative expenses have decreased by SEK 0.2 million to SEK 6.6 million (6.8). Although R&D expenditures have decreased by SEK 3.9 million to SEK 23.1 million following a reduction in staff and consultants, R&D expenses are in line with previous year at SEK 8.2 million (8.1). This is due to a lower level of capitalization.



Operating earnings amounted to SEK -5.0 million (5.2), which correspond to an operating margin of -8.0% (6.7)

The financial net amounted to SEK 0.3 million (0.1).

Earnings before tax amounted to SEK -4.7 million (5.3), which corresponds to a profit margin of -7.5% (6.9).

Net income amounted to SEK -4.6 million (5.3) resulting in a Net Profit margin of -7.3% (6.9). Remaining tax losses carried forward amount to SEK 205.7 million on Group level.

## CASH FLOW AND FINANCIAL POSITION

Cash flow in the first quarter amounted to SEK -7.6 million (-11.0). The negative first quarter cash flow is primarily related to decreased cash flow from ongoing operations before changes in working capital.

Liquid funds at the end of the period totaled SEK 178.3 million (185.2).

Total shareholders' equity amounted to SEK 498.8 million (496.9) with a resulting equity ratio of 87.7% (85.8).

## INVESTMENTS

First quarter investments in tangible assets amounted to SEK 0.0 million (0.2) and depreciation of tangible assets amounted to SEK 0.4 million (0.5). Investments in other intangible assets amounted to SEK 0.0 million (0.0) and depreciation amounted to SEK 0.3 million (0.2). Capitalization of development expenditures totaled SEK 15.0 million (18.9). Depreciation of capitalized development expenditures totaled SEK 10.9 million (8.2).

At the end of the period, net book value of capitalized development expenditures amounted to SEK 187,2 million (167,4).

## EMPLOYEES

At the end of the period Net Insight had 146 (155) employees. The parent company Net Insight AB had 135 (144) employees, Net Insight Intellectual Property AB 5 (5) and the US subsidiary Net Insight Inc. had 6 (6) employees.

## PARENT COMPANY

The parent company's net sales during the first quarter amounted to SEK 86.0 million (97.6). Net income amounted to SEK 0.2 million (-61.5). The net income of the first quarter last year was negatively affected by an adjustment of Group internal charges for development expenditures, which resulted in a one-time charge affecting the Net Income in the Parent company by SEK 68.3 million. This adjustment did not affect over-all Group results.

## 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.

No additional significant risks or uncertainties than those described in the annual report 2012 have developed in the first quarter.

For a complete description of the Company's risk analysis and risk management, see page 26 in the 2012 Annual report.

## SEASONALITY

Based on an average over the last three fiscal years, the seasonality pattern is relatively even. Net Sales in the first quarter amount to 24%, second quarter to 25%, third quarter 24% and the fourth quarter amount to 27% of annual sales.

### KEY FIGURES

	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Jan-Mar	Jan-Mar
	2013	2012	2012	2012	2012	2011	2011	2011	2013	2012
Net sales, kSEK	62 395	68 324	60 302	75 038	76 627	80 303	75 367	72 236	62 395	76 627
Profit/loss after financial items, kSEK	-4 670	-1 302	-2 925	4 068	5 254	16 503	17 008	9 745	-4 670	5 254
Earnings per share, SEK	-0,01	-0,01	-0,01	0,03	0,01	0,06	0,04	0,02	-0,01	0,01
Cash flow from operations per share, SEK	-0,02	-0,01	-0,02	0,04	-0,03	0,00	0,01	-0,70	-0,02	-0,03
Return on capital employed (%)	-1,8%	-0,3%	-0,6%	0,8%	1,1%	3,4%	3,7%	2,2%	-1,8%	1,1%
Return on equity (%)	-1,8%	-0,5%	-0,7%	2,5%	1,1%	4,5%	3,1%	2,1%	-1,8%	1,1%
Equity per share, SEK										
- before dilution, SEK	1,28	1,31	1,30	1,31	1,27	1,26	1,20	1,17	1,28	1,27
- after dilution, SEK	1,28	1,31	1,30	1,31	1,27	1,26	1,20	1,17	1,28	1,27

## CONSOLIDATED INCOME STATEMENT

Amount in SEK thousands	Q1 2013	Q1 2012	Q2'12-Q1'13 12 months	Full year 2012
Net sales	62 395	76 627	266 059	280 291
Cost of goods & service sold	-27 549	-29 829	-110 676	-112 956
<b>Gross earnings</b>	<b>34 846</b>	<b>46 798</b>	<b>155 383</b>	<b>167 335</b>
Sales and marketing expenses	-25 054	-26 752	-102 908	-104 606
Administration expenses	-6 599	-6 792	-26 857	-27 050
Development expenses	-8 166	-8 103	-29 992	-29 929
Other expenses	0	0	-3 027	-3 027
<b>Operating earnings</b>	<b>-4 973</b>	<b>5 151</b>	<b>-7 401</b>	<b>2 723</b>
Net financial items	303	103	2 573	2 373
<b>Earnings before tax</b>	<b>-4 670</b>	<b>5 254</b>	<b>-4 828</b>	<b>5 096</b>
Tax	100	0	6 888	6 788
<b>Net income</b>	<b>-4 570</b>	<b>5 254</b>	<b>2 060</b>	<b>11 884</b>
<b>Net income for the period attributable to the stockholders of the parent company</b>	<b>-4 570</b>	<b>5 254</b>	<b>2 060</b>	<b>11 884</b>

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	-0,01	0,01	0,01	0,03
Earnings per share after dilution	-0,01	0,01	0,01	0,03
Average number of shares in thousands before dilution	389 933	389 933	389 933	389 933
Average number of shares in thousands after dilution	389 933	389 933	389 933	389 933

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amount in SEK thousands				
<b>Net income</b>	<b>-4 570</b>	<b>5 254</b>	<b>2 060</b>	<b>11 884</b>
<b>Other comprehensive income</b>				
Items that may be reclassified subsequently to the income statement				
Exchange rate differences	-2	-308	-114	-420
<b>Total other comprehensive income, net after tax</b>	<b>-2</b>	<b>-308</b>	<b>-114</b>	<b>-420</b>
<b>Total comprehensive income for the period</b>	<b>-4 572</b>	<b>4 946</b>	<b>1 946</b>	<b>11 464</b>
<b>Total comprehensive income for the period attributable to the stockholders of the parent company</b>	<b>-4 572</b>	<b>4 946</b>	<b>1 946</b>	<b>11 464</b>

## CONSOLIDATED CASH FLOW STATEMENT

Amount in SEK thousands	Q1 2013	Q1 2012	Q2 '12-Q1 '13 12 months	Full year 2012
<b>Ongoing operations</b>				
Net income before tax	-4 670	5 254	-4 829	5 095
Depreciation	11 568	8 737	44 603	41 772
Other items not affecting liquidity	-2	2 213	17	2 232
<b>Cash flow from ongoing operations before change in working capital</b>	<b>6 896</b>	<b>16 204</b>	<b>39 791</b>	<b>49 099</b>
<b>Change in working capital</b>				
Increase-/decrease+ in inventories	-3 207	-7 019	-9 879	-13 691
Increase-/decrease+ in receivables	-2 452	-6 341	41 880	37 991
Increase+/decrease- in current liabilities	6 179	5 190	-12 661	-13 650
<b>Cash flow from ongoing operations</b>	<b>7 416</b>	<b>8 034</b>	<b>59 131</b>	<b>59 749</b>
<b>Investment activity</b>				
Acquisitions of intangible fixed assets	-14 955	-18 905	-64 125	-68 075
Acquisitions of tangible fixed assets	-46	-195	-2 069	-2 218
Acquisition of net assets	0	0	0	0
Increase-/decrease+ in long-term receivables	2	105	86	189
<b>Cash flow from investment activity</b>	<b>-14 999</b>	<b>-18 995</b>	<b>-66 108</b>	<b>-70 104</b>
Increase/decrease in liquid funds	-7 583	-10 961	-6 977	-10 355
Liquid funds, opening balance	185 855	196 210	185 249	196 210
<b>Liquid funds, closing balance</b>	<b>178 272</b>	<b>185 249</b>	<b>178 272</b>	<b>185 855</b>



## CONSOLIDATED BALANCE SHEET

Amount in SEK thousands	Mar 31, 2013	Mar 31, 2012	Dec 31, 2012
<b>ASSETS</b>			
<b>Intangible assets</b>			
Capitalized expenditure for development	187 185	167 367	183 150
Goodwill	4 354	4 354	4 354
Other intangible assets	2 180	1 075	2 460
<b>Tangible fixed assets</b>			
Equipment	4 613	3 945	4 937
<b>Financial assets</b>			
Deferred tax asset	38 819	31 932	38 719
Deposits paid, long-term	206	292	208
<b>Total fixed assets</b>	<b>237 357</b>	<b>208 965</b>	<b>233 828</b>
<b>Current assets</b>			
Inventory	53 251	43 372	50 044
Customer receivables	88 441	129 017	85 298
Other receivables	11 429	12 733	12 120
Cash and bank balances	178 272	185 249	185 855
<b>Total current assets</b>	<b>331 393</b>	<b>370 371</b>	<b>333 317</b>
<b>Total assets</b>	<b>568 750</b>	<b>579 336</b>	<b>567 145</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Share capital	15 597	15 597	15 597
Other contributed capital	1 192 727	1 192 727	1 192 727
Translation difference	-1 942	-1 828	-1 940
Accumulated deficit	-707 549	-709 609	-702 979
<b>Total shareholders' equity</b>	<b>498 833</b>	<b>496 887</b>	<b>503 405</b>
<b>Long-term liabilities</b>			
Provisions	3 381	3 769	3 612
<b>Total long-term liabilities</b>	<b>3 381</b>	<b>3 769</b>	<b>3 612</b>
<b>Current liabilities</b>			
Accounts payable	20 676	25 935	20 145
Other liabilities	45 860	52 745	39 983
<b>Total current liabilities</b>	<b>66 536</b>	<b>78 680</b>	<b>60 128</b>
<b>Total liabilities and equity</b>	<b>568 750</b>	<b>579 336</b>	<b>567 145</b>

## CHANGES IN GROUP SHAREHOLDERS' EQUITY

Amount in SEK thousands	Share capital	Other contributed capital	Translation difference	Accumulated shareholders' deficit	Total equity
<b>2012-01-01</b>	15 597	1 192 727	-1 520	-715 088	491 716
Total comprehensive income	0	0	-308	5 254	4 946
New shares issued - employee stock options	0	0	0	0	0
Employee stock option program:					
Value of employees' services	0	0	0	225	225
<b>2012-03-31</b>	<b>15 597</b>	<b>1 192 727</b>	<b>-1 828</b>	<b>-709 609</b>	<b>496 887</b>
<b>2012-04-01</b>					
Total comprehensive income	0	0	-112	6 630	6 518
New shares issued - employee stock options	0	0	0	0	0
Employee stock option program:					
Value of employees' services	0	0	0	0	0
<b>2012-12-31</b>	<b>15 597</b>	<b>1 192 727</b>	<b>-1 940</b>	<b>-702 979</b>	<b>503 405</b>
<b>2013-01-01</b>	15 597	1 192 727	-1 940	-702 979	503 405
Total comprehensive income	0	0	-2	-4 570	-4 572
Employee stock option program:					
Value of employees' services	0	0	0	0	0
<b>2013-03-31</b>	<b>15 597</b>	<b>1 192 727</b>	<b>-1 942</b>	<b>-707 549</b>	<b>498 833</b>

## SEGMENT REPORT

Amount in SEK million	Q1 2013				Q1 2012			
	EMEA	APAC	AM	Total	EMEA	APAC	AM	Total
Net Sales	42	5	15	<b>62</b>	55	8	14	<b>76</b>
Regional Contribution	8	-1	2	<b>10</b>	15	1	3	<b>19</b>
Regional Contribution (%)	19%	-15%	16%	<b>15%</b>	28%	7%	23%	<b>25%</b>
Adjusted for R&D Depreciation	7	1	3	<b>11</b>	6	1	1	<b>8</b>
Adjusted Regional Contribution	15	0	5	<b>21</b>	21	2	4	<b>27</b>
Adjusted Regional Contribution (%)	36%	5%	35%	<b>33%</b>	39%	19%	31%	<b>35%</b>

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						Full year
	Q1 2013	Q1 2012	Q2 2012	Q3 2012	Q4 2012	2012
Net Sales	62,4	76,6	75,0	60,3	68,3	280,3
Gross earnings	34,8	46,8	45,6	34,9	40,0	167,3
<b>Gross margin</b>	<b>55,8%</b>	<b>61,1%</b>	<b>60,8%</b>	<b>57,9%</b>	<b>58,6%</b>	<b>59,7%</b>
Operating earnings	-5,0	5,2	3,4	-3,6	-2,2	2,7
<b>Operating margin</b>	<b>-8,0%</b>	<b>6,7%</b>	<b>4,5%</b>	<b>-6,0%</b>	<b>-3,3%</b>	<b>1,0%</b>
Pretax profit	-4,7	5,3	4,1	-2,9	-1,3	5,1
Net income	-4,6	5,3	12,5	-3,6	-2,3	11,9
<b>Net margin</b>	<b>-7,3%</b>	<b>6,9%</b>	<b>16,7%</b>	<b>-6,0%</b>	<b>-3,4%</b>	<b>4,2%</b>

## PARENT COMPANY INCOME STATEMENT

	Q1	Q1	Q2'12-Q1'13	Full Year
Amount in SEK thousands	2013	2012	12 months	2012
Net Sales	86 007	97 649	361 023	372 665
Cost of goods & services sold	-33 469	5 204	-139 067	-100 394
<b>Gross earnings</b>	<b>52 538</b>	<b>102 853</b>	<b>221 956</b>	<b>272 271</b>
Sales and marketing expenses	-21 724	-25 491	-89 306	-93 073
Administration expenses	-9 114	-6 790	-38 706	-36 382
Development expenses	-21 736	-131 853	-85 422	-195 539
Other expenses	0	0	-3 027	-3 027
<b>Operating earnings</b>	<b>-36</b>	<b>-61 281</b>	<b>5 495</b>	<b>-55 750</b>
Net financial items	168	-242	1 639	1 229
<b>Earnings before tax</b>	<b>132</b>	<b>-61 523</b>	<b>7 134</b>	<b>-54 521</b>
Tax	38	0	9 233	9 195
<b>Net income</b>	<b>170</b>	<b>-61 523</b>	<b>16 367</b>	<b>-45 326</b>

## PARENT COMPANY BALANCE SHEET

Amount in SEK thousands	Mar 31, 2013	Mar 31, 2012	Dec 31, 2012
<b>ASSETS</b>			
<b>Intangible assets</b>			
Capitalized expenditure for development	0	0	0
Other intangible assets	2 180	1 075	2 460
<b>Tangible fixed assets</b>			
Equipment	4 613	3 945	4 937
<b>Financial assets</b>			
Shares in group companies	117 427	117 427	117 427
Deferred tax asset	26 342	17 109	26 304
Deposits paid, long-term	206	292	208
<b>Total fixed assets</b>	<b>150 768</b>	<b>139 848</b>	<b>151 336</b>
<b>Current assets</b>			
Inventory	53 251	43 372	50 044
Customer receivables	88 441	129 017	85 298
receivables, subsidiaries	431 507	448 651	423 507
Other receivables	12 230	14 803	12 840
Cash and bank balances	137 244	121 110	144 332
<b>Total current assets</b>	<b>722 673</b>	<b>756 953</b>	<b>716 021</b>
<b>Total assets</b>	<b>873 441</b>	<b>896 801</b>	<b>867 357</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
<b>Restricted shareholders' equity</b>			
Share capital	15 597	15 597	15 597
Other contributed capital	112 822	112 822	112 822
<b>Non-restricted equity</b>			
Share premium reserve	51 296	51 296	51 296
Retained earnings	611 467	656 793	656 793
Net Income	170	-61 523	-45 326
<b>Total shareholders' equity</b>	<b>791 352</b>	<b>774 985</b>	<b>791 182</b>
<b>Long-term liabilities</b>			
Other provisions	3 131	3 703	3 433
<b>Total long-term liabilities</b>	<b>3 131</b>	<b>3 703</b>	<b>3 433</b>
<b>Current liabilities</b>			
Accounts payable	20 488	25 751	19 653
Liabilities, subsidiaries	15 280	42 774	15 278
Other liabilities	43 190	49 588	37 811
<b>Total current liabilities</b>	<b>78 958</b>	<b>118 113</b>	<b>72 742</b>
<b>Total liabilities and equity</b>	<b>873 441</b>	<b>896 801</b>	<b>867 357</b>



## THIS IS NET INSIGHT

### Business concept and model

Net Insight's business concept is to develop market and sell products to public and private network owners that need high-quality transport for media-rich traffic. Revenue is generated through direct and indirect sales of products and licenses, support and maintenance services, installation services and training.

### Strategy

Net Insight's objective is to grow faster than the market with good profitability. Net Insight's growth strategy is based on five pillars: segment focus, geographical expansion, indirect sales model, leverage of existing customer base by a broader product portfolio and partnerships with service providers.

### Value Drivers

Net Insight benefits from the general increase in video traffic such as higher consumption of mobile and broadband TV, e.g. OTT, adoption of remote workflows and production as well as a wider coverage of live events. An important driver is also the conversion to new TV formats in the broadcast and media industry.

## REPORTING DATES

Interim Report January – June	19 July, 2013
Interim Report January – September	24 October, 2013

Please note that the date for the interim report January – September 2013 has changed to October 24, 2013.

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 2012, as described in those annual financial statements.

This report has not been audited by the Company's auditors.

Stockholm, May 3, 2013

**Fredrik Trägårdh**  
Chief Executive Officer

### For more information, please contact:

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