

NET INSIGHT

INTERIM REPORT JANUARY-SEPTEMBER 2014

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

A Statement from CEO Fredrik Tumegård:

“Net Insight enjoyed a very strong growth in the third quarter primarily as a result of the strategic business on the key North American market. We note that the global underlying demand is positive and stable even excluding the North American deals.”

Third quarter 2014

- Net sales were SEK 112.2 (66.9) million, 67.6% growth year on year. In comparable currencies, the increase is 60.0%.
- Operating earnings were SEK 31.4 (3.9) million, corresponding to an operating margin of 28.0% (5.8).
- EBITDA was SEK 37.2 (8.3) million, corresponding to an EBITDA margin of 33.1% (12.3).
- Earnings per share were SEK 0.06 (0.01).
- Total cash flow was SEK 55.6 (20.6) million.

January – September 2014

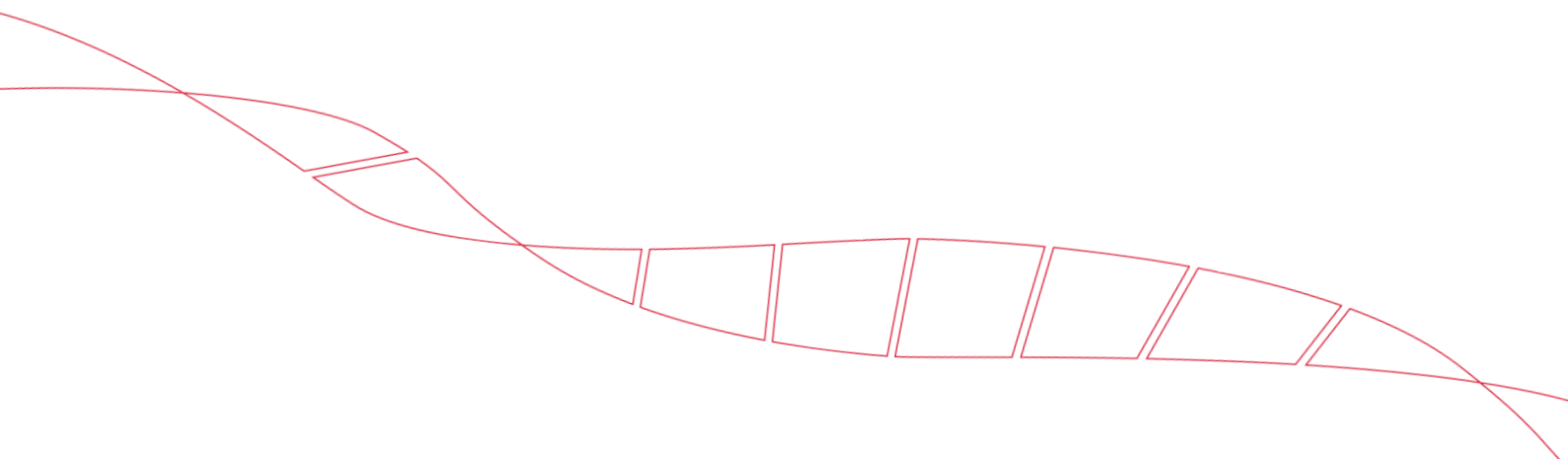
- Net sales were SEK 287.3 (202.0) million, 42.2% growth year on year. The increase is 35.1% in comparable currencies.
- Operating earnings were SEK 47.9 (4.6) million, corresponding to an operating margin of 16.7% (2.3).
- EBITDA was SEK 59.0 (5.7) million, corresponding to an EBITDA margin of 20.5% (2.8).
- Earnings per share were SEK 0.09 (0.01).
- Total cash flow was SEK 69.4 (-3.5) million.

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 27, 2014 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 200 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.



CEO STATEMENT

Growth in the third quarter was exceptional at 68%. The explanation for this growth lies in the two largest orders in Net Insight's history, placed earlier in the year during the first and second quarters. Roll-outs on the key North American market, with our customers The Switch and Zayo, are nearly complete. With the accumulated growth during the year, Net Insight has increased its market share in the North American market.

Net Insight has been addressing the South African market for some time, and we're now noting positive progress here, evident in factors including a new order from pay TV operator MultiChoice. MultiChoice has expansion plans in the region and Net Insight is capable of facilitating this expansion with its offering. In the quarter, we also secured a significant order on a new account, a TV company in Latin America, worth SEK 8 million.

In Western Europe, Net Insight enjoys a fairly high market share and has a large customer base that utilizes sophisticated media transport solutions, the growth is more modest. Here, we are noticing the importance of maintaining strategic relationships, so we can progress with our customers towards the media solutions of tomorrow, such as Customer Provisioned Networks. This concept was launched in September, and is based on a solution with our customer, The Switch. Our focus on offering more extensive services may also play an important role in the region.

Net Insight launched an array of solutions on the market at the IBC Expo in Amsterdam in the quarter. Net Insight launched its solution for Ultra HD, 8K, but it will take some time before we see it happen for ordinary TV viewers. The industry is driving the technology development of 8K and the first broadcasting is planned for the Olympic Games in Japan in 2020. 8K is the next step going from the 4K format and is now being deployed by our customers. Net Insight has transported the first live TV events over 4K with a number of customers, achieving positive results. Progressively more demanding TV formats are also entailing network capacity upgrades. Additionally, Net Insight launched a new transport solution that supports this segment, the Nimbra OT 100.

To strengthen our position on the market for the long term, we are working strategically and methodically to change the company into a more market and sales-oriented company, by clarifying our brand and ensuring customer satisfaction.

I am very satisfied with the company's progress over this nine-month period, and note that underlying demand is positive and stable.



Stockholm, October 27, 2014
Fredrik Tumegård
CEO

OTHER EVENTS IN THE THIRD QUARTER

- Net Insight launches its Customer Provisioned Networks concept at the IBC Expo in Amsterdam
- The Nimbra VA 220 wins award in the Diamond Technical Reviews
- Multichannel News announces that the Nimbra VA 220 wins its Innovation Award
- Net Insight launches its 8K solution and the Nimbra OT 100, Net Insight's 100G transport solution

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

Italy's Rai Way has selected Net Insight for a nationwide video contribution network in Italy. The order is valued at around EUR 1.7 million and delivery is expected to take place during the last quarter of 2014 and during the first quarter of 2015. The contract has been awarded in partnership with Diem Technologies, Net Insight's distributor and systems integration partner. The tender has been won by Sirti SpA as the main contractor.

NET SALES THE THIRD QUARTER

Net sales for the third quarter were SEK 112.2 (66.9) million, an increase of 67.6% year on year. In comparable currencies, the increase was 60.0%. The revaluation of foreign currency accounts receivable had a positive impact of SEK 2.0 (-1.8) million on net sales.

All regions reported increased net sales and most of the growth is linked to the Americas region, which achieved net sales of SEK 52.9 (16.1) million. The primary growth driver is large-scale roll-outs of contracts secured in the first and second quarters of the year with The Switch and Zayo. Net Insight also won an order worth over SEK 8 million from a new South American customer, which has selected the Nimbra solution to consolidate an array of services on one platform. Delivery is scheduled for the fourth quarter.

The EMEA region's net sales were SEK 49.4 (45.8) million, an 8% increase. Largely, this growth is currency driven, although Western Europe was primarily stable with deliveries on existing accounts. Shipments on the previously reported order from pay TV operator MultiChoice in South Africa were also conducted in the quarter.

Net sales in the APAC region were SEK 9.9 (5.0) million, with most of the growth sourced from shipments to Chinese customers.

NET SALES PER REGION

	Q3	Q3	Q4	Q1	Q2	Q4'13-	Full Year
Amount in SEK million	2014	2013	2013	2014	2014	Q3'14	2013
EMEA	49,4	45,8	50,5	45,0	36,4	181,3	185,2
Americas	52,9	16,1	22,0	24,4	59,6	158,9	72
APAC	9,9	5,0	6,3	5,0	4,7	25,9	23,6
Totalt	112,2	66,9	78,8	74,4	100,7	366,1	280,8

Net sales in the Broadcast & Media Networks (BMN) business area were 88% (84) of total net sales, with DTT providing 8% (12). Cable TV & IP TV amounted to 4% (4) of sales.

Net sales of hardware were SEK 68.3 (48.7) million, SEK 23.2 (6.2) million from software licenses and SEK 18.7 (13.8) million from support and services. The above figures exclude other operating revenue of SEK 2.0 (-1.8) million, which consists of the revaluation of foreign currency accounts receivable.

In the quarter sales via partners amounted to 27% (25).

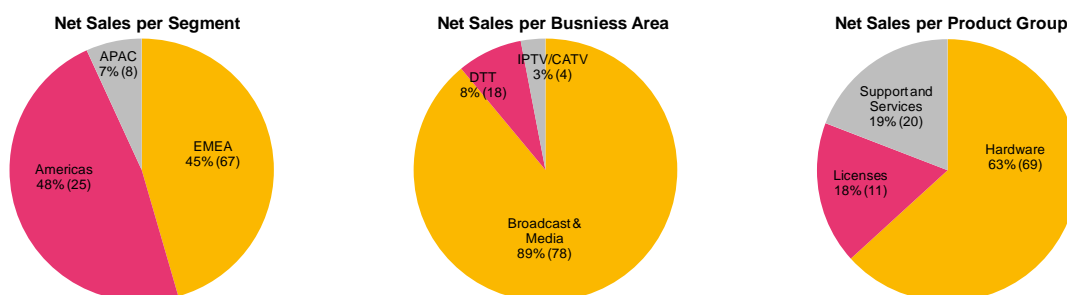
Nine months

Net sales for the first nine months of the year were SEK 287.3 (202.0) million, an increase of 42.2%, or 35.1% in comparable currencies. The revaluation of foreign currency accounts receivable was SEK 3.3 (0.1) million.

Net sales in the EMEA region were SEK 130.8 (134.7) million, SEK 136.9 (50.0) million in North and South America and SEK 19.6 (17.3) million in Asia.

Net sales in the Broadcast & Media Networks (BMN) business area were 89% (78), 8% (18) in DTT and 3% (4) in IPTV/CATV.

Net sales from hardware were SEK 179.6 (137.6) million, SEK 54.4 (41.4) million from support and services and SEK 50.0 (22.9) million from software licenses. The above numbers exclude other operating revenue of SEK 3.3 (0.1) million, which consists of the revaluation of foreign currency accounts receivable.



EARNINGS

The summary Income Statement on page 10 states that the gross margin was 67.2% (57.5). This very high gross margin compared to the corresponding period of the previous year was primarily due to an advantageous product mix, positive currency effects and higher volumes covering the amortization of capitalized development expenditure. Adjusted for the amortization of capitalized development expenditure, the gross margin was 79.1% (75.2).

Total operating expenses for the third quarter were SEK 43.9 (34.6) million. This increase primarily relates to variable staff costs, a small-scale increase to consulting expenses, and to some extent, by positive non-recurring effects to staff costs in the third quarter 2013.

Operating earnings were SEK 31.4 (3.9) million, corresponding to an operating margin of 28.0% (5.8). This improvement is primarily driven by increased volumes and improved margins, partly offset by higher operating expenses.

EBITDA was SEK 37.2 (8.3) million, as stated in the summary Consolidated Income Statement on page 10, corresponding to an EBITDA margin of 33.1% (12.3).

Net income was SEK 24.7 (2.9) million, resulting in a net margin of 22.1% (4.4).

Remaining deductible loss carry-forwards in the group were SEK 112 million.

Nine months

As stated in the summary Consolidated Income Statement and key figures on page 10, the gross margin is 62.2% (59.5). Adjusted for amortization of capitalized development expenditure, the gross margin was 75.7% (76.3).

Operating expenses increased by SEK 15.4 million to SEK 130.8 (115.4) million. Adjusted for the capitalization of development expenditure, operating expenses were SEK 160.3 (150.5) million for the nine-month period. This increase relates primarily to variable staffing costs, and to a lesser extent, to increased consulting expenses.

Operating earnings were SEK 47.9 (4.6) million, corresponding to an operating margin of 16.7% (2.3).

EBITDA was SEK 59.0 (5.7) million, as stated in the summary Consolidated Income Statement on page 10, corresponding to an EBITDA margin of 20.5% (2.8). This improvement primarily relates to increased sales volumes.

Net income was SEK 36.8 (2.3) million, resulting in a net margin of 12.8% (1.1).

CASH FLOW AND FINANCIAL POSITION

Cash flow for the third quarter was SEK 55.6 (20.6) million. This increase primarily relates to improved cash flow from operating activities due to higher earnings and reduced working capital.

Cash flow for the nine-month period was SEK 69.4 (-3.5) million. The improvement primarily relates to improved cash flow from operating activities resulting from improved earnings and reduced working capital.

Cash and cash equivalents at the end of the quarter were SEK 273.1 (182.4) million.

Equity was SEK 531.6 (505.6) million, with an equity/assets ratio of 85.9% (88.9).

INVESTMENTS

Investments in tangible assets in the third quarter were SEK 0.1 (0.2) million, and depreciation of tangible assets was SEK 0.4 (0.4) million. Investments in other intangible assets were SEK 0.0 (0.0) million, and amortization was SEK 0.2 (0.3) million. The capitalization of development expenditure was SEK 8.2 (8.1) million. The amortization of capitalized development expenditure was SEK 13.4 (11.8) million.

Investments in tangible assets in the nine-month period were SEK 0.6 (0.4) million, and the depreciation of tangible assets was SEK 1.1 (1.1) million. Investments in other intangible assets were SEK 0.1 (0.0) million and amortization was SEK 0.7 (0.8) million. Capitalization of development expenditure was SEK 29.5 (35.1) million. Amortization of capitalized development expenditure was SEK 38.8 (34.2) million.

At the end of the period, the net value of capitalized development expenditure was SEK 174.8 (184.0) million.

EMPLOYEES

At the end of the quarter, Net Insight had 137 (139) employees, of which 124 (129) were employed by parent company Net Insight AB, Net Insight Intellectual Property AB had 4 (5) employees, Net Insight PTE Ltd. of Singapore had 4 (0) employees and US-based subsidiary Net Insight Inc. had 5 (5).

PARENT COMPANY

Parent company net sales in the third quarter were SEK 130.4 (90.6) million and net income was SEK 21.4 (7.4) million.

Parent company net sales in the nine-month period were SEK 348.0 (271.6) million, and net income was SEK 36.9 (16.6) million.

RISK AND SENSITIVITY ANALYSIS

Net Insight's operations and results of operations are affected by a number of external and internal factors. The company conducts a continuous process to identify all risks present, and to assess how each risk should be managed.

Primarily, those risks the company is exposed to are market-related risks (including competition, technological progress and political risks), operational risks (including product liability, intellectual property,

disputes, customer dependency and contract risks) as well as financial risks.

No additional critical risks and uncertainty factors other than those reviewed in the Annual Report for 2013 arose in the second quarter.

For a complete review of the company's risk and sensitivity analysis, and its risk management process, see page 23 of the Annual Report for 2013.

SEASONALITY

On average, seasonality in the past three calendar years has been fairly modest. The average during these years is as follows: in the first quarter, net sales were 24%, the second quarter 26%, the third quarter 23% and the fourth quarter 27% of yearly sales.

KEY FIGURES

	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Jan-Sep	Jan-Sep
	2014	2014	2014	2013	2013	2013	2013	2012	2014	2013
Net sales, kSEK	112 172	100 693	74 428	78 798	66 916	72 690	62 395	68 324	287 293	202 001
Profit/loss after financial items, kSEK	32 048	13 431	3 699	-13 813	4 724	6 137	-4 670	-1 302	49 177	6 190
Earnings per share, SEK	0,06	0,03	0,01	-0,03	0,01	0,01	-0,01	-0,01	0,09	0,01
Cash flow from operations per share, SEK	0,14	0,01	0,02	0,05	0,05	-0,04	-0,02	-0,01	0,18	-0,01
Return on capital employed (%)	6,2%	2,7%	0,8%	-2,6%	0,9%	1,2%	-0,9%	-0,3%	9,6%	1,3%
Return on equity (%)	4,8%	2,0%	0,4%	-2,2%	0,6%	0,8%	-0,9%	-0,5%	7,2%	0,5%
Equity per share, SEK										
- before dilution, SEK	1,36	1,30	1,27	1,27	1,30	1,29	1,28	1,29	1,36	1,30
- after dilution, SEK	1,36	1,30	1,27	1,27	1,30	1,29	1,28	1,29	1,36	1,30

CONSOLIDATED INCOME STATEMENT

Amount in SEK thousands	Q3 2014	Q3 2013	Jan-Sep 2014	Jan-Sep 2013	Q4'13-Q3'14 12 months	Full year 2013
Net sales	112 172	66 916	287 293	202 001	366 090	280 798
Cost of goods & services sold	-36 820	-28 427	-108 571	-81 975	-150 912	-124 316
Gross earnings	75 352	38 489	178 722	120 026	215 178	156 482
Sales and marketing expenses	-26 433	-21 013	-78 091	-71 212	-111 673	-104 794
Administration expenses	-8 010	-4 659	-23 118	-17 291	-28 761	-22 934
Development expenses	-9 483	-8 943	-29 565	-26 907	-41 081	-38 423
Operating earnings	31 426	3 874	47 948	4 616	33 663	-9 669
Net financial items	622	850	1 229	1 574	1 702	2 047
Profit/loss before tax	32 048	4 724	49 177	6 190	35 365	-7 622
Tax	-7 304	-1 784	-12 381	-3 875	-10 123	-1 617
Net income	24 744	2 940	36 796	2 315	25 242	-9 239
Net income for the period attributable to the stockholders of the parent company	24 744	2 940	36 796	2 315	25 242	-9 239

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	0,06	0,01	0,09	0,01	0,06	-0,02
Earnings per share after dilution	0,06	0,01	0,09	0,01	0,06	-0,02
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	24 744	2 940	36 796	2 315	25 242	-9 239
Other comprehensive income						
Items that may be reclassified subsequently to the income statement						
Exchange rate differences	458	-301	694	-88	768	-14
Total other comprehensive income, net after tax	458	-301	694	-88	768	-14
Total comprehensive income for the period	25 202	2 639	37 490	2 227	26 010	-9 253
Total comprehensive income for the period attributable to the stockholders of the parent company	25 202	2 639	37 490	2 227	26 010	-9 253

CONSOLIDATED CASH FLOW STATEMENT

Amount in SEK thousands	Q3 2014	Q3 2013	Jan-Sep 2014	Jan-Sep 2013	Q4 '13-Q3 '14 12 months	Full year 2013
Operating activities						
Profit/loss before tax	32 048	4 724	49 177	6 190	35 365	-7 622
Depreciation and amortization	13 965	12 484	40 622	36 113	53 229	48 720
Other items not affecting liquidity	1 222	-304	1 203	-90	18 658	17 365
Cash flow from operating activities						
before change in working capital	47 235	16 904	91 002	42 213	107 252	58 463
Change in working capital						
Increase-/decrease+ in inventories	-3 235	-484	-1 033	-8 692	3 732	-3 927
Increase-/decrease+ in receivables	26 865	14 761	-12 320	-768	-2 567	8 985
Increase+/decrease- in current liabilities	-6 933	-2 311	22 021	-782	25 778	2 975
Cash flow from operating activities	63 932	28 870	99 670	31 971	134 195	66 496
Investment activities						
Investments in intangible assets	-8 222	-8 097	-29 687	-35 051	-42 275	-47 639
Investments in tangible assets	-142	-161	-570	-371	-1 125	-926
Increase-/decrease+ in long-term receivables	-14	-12	-14	-54	-15	-55
Cash flow from investment activities	-8 378	-8 270	-30 271	-35 476	-43 415	-48 620
Change in cash and cash equivalents for the period	55 554	20 600	69 399	-3 505	90 780	17 876
Cash and cash equivalents at the beginning of the period	217 576	161 750	203 731	185 855	182 350	185 855
Cash and cash equivalents at the end of the period	273 130	182 350	273 130	182 350	273 130	203 731

CONSOLIDATED BALANCE SHEET

Amount in SEK thousands	Sep 30, 2014	Sep 30, 2013	Dec 31, 2013
ASSETS			
Intangible assets			
Capitalized expenditure for development	174 837	184 048	184 072
Goodwill	4 354	4 354	4 354
Other intangible assets	757	1 620	1 340
Tangible fixed assets			
Equipment	3 798	4 188	4 354
Financial assets			
Deferred tax asset	24 721	34 846	37 102
Deposits paid, long-term	277	262	263
Total fixed assets	208 744	229 318	231 485
Current assets			
Inventories	43 646	58 736	42 604
Accounts receivables	80 602	86 103	70 653
Other receivables	12 885	12 084	10 515
Cash and cash equivalents	273 130	182 350	203 731
Total current assets	410 263	339 273	327 503
Total assets	619 007	568 591	558 988
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	15 597	15 597	15 597
Other paid-up capital	1 192 727	1 192 727	1 192 727
Translation difference	-1 260	-2 028	-1 954
Accumulated deficit	-675 422	-700 664	-712 218
Total shareholders' equity	531 642	505 632	494 152
Long-term liabilities			
Other provisions	3 632	2 880	2 943
Total long-term liabilities	3 632	2 880	2 943
Current liabilities			
Accounts payable	21 352	12 400	14 535
Other liabilities	62 381	47 679	47 358
Total current liabilities	83 733	60 079	61 893
Total liabilities and shareholders' equity	619 007	568 591	558 988

CHANGES IN GROUP SHAREHOLDERS' EQUITY

Amount in SEK thousands	Share capital	Other paid-up capital	Translation difference	Accumulated deficit	Total shareholders' equity
2013-01-01	15 597	1 192 727	-1 940	-702 979	503 405
Total comprehensive income	-	-	-88	2 315	2 227
2013-09-30	15 597	1 192 727	-2 028	-700 664	505 632
2013-10-01	15 597	1 192 727	-2 028	-700 664	505 632
Total comprehensive income	-	-	74	-11 554	-11 480
2013-12-31	15 597	1 192 727	-1 954	-712 218	494 152
2014-01-01	15 597	1 192 727	-1 954	-712 218	494 152
Total comprehensive income	-	-	694	36 796	37 490
2014-09-30	15 597	1 192 727	-1 260	-675 422	531 642

SEGMENT REPORT

Amount in SEK million	Q3 2014				Q3 2013				Jan-Sep 2014				Jan-Sep 2013			
	EMEA	APAC	AM	Total	EMEA	APAC	AM	Total	EMEA	APAC	AM	Total	EMEA	APAC	AM	Total
Net Sales	49	10	53	112	46	5	16	67	131	20	136	287	135	17	50	202
Regional Contribution	22	3	24	49	12	0	4	15	50	3	48	101	37	0	12	48
Regional Contribution (%)	45%	30%	45%	44%	26%	-3%	22%	23%	38%	15%	35%	35%	27%	1%	23%	24%
Adjusted for R&D Depreciation	6	1	6	13	8	1	3	12	18	3	18	39	23	3	8	34
Adjusted Regional Contribution	28	4	30	62	20	1	6	27	68	6	66	140	59	3	20	82
Adjusted Regional Contribution (%)	57%	40%	57%	55%	43%	14%	40%	40%	52%	30%	49%	49%	44%	18%	40%	41%

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

CONSOLIDATED INCOME STATEMENT, IN SUMMARY

Amount in SEK, millions	Q3 2014	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Jan-Sep 2014	Jan-Sep 2013
Net Sales	112,2	66,9	78,8	74,4	100,7	287,3	202,0
Gross earnings	75,4	38,5	36,5	43,3	60,1	178,7	120,0
Gross margin	67,2%	57,5%	46,3%	58,2%	59,6%	62,2%	59,5%
Operating earnings	31,4	3,9	-14,3	3,5	13,0	47,9	4,6
Operating margin	28,0%	5,8%	-18,1%	4,7%	12,9%	16,7%	2,3%
Earnings before tax	32,0	4,7	-13,8	3,7	13,4	49,2	6,2
Net income	24,7	2,9	-11,6	2,2	9,9	36,8	2,3
Net margin	22,1%	4,4%	-14,7%	2,9%	9,8%	12,8%	1,1%
EBITDA	37,2	8,3	-14,3	3,2	18,6	59,0	5,7

EBITDA

Amount in SEK, millions	Q3 2014	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Jan-Sep 2014	Jan-Sep 2013
Operating earnings	31,4	3,9	-14,3	3,5	13,0	47,9	4,6
Amortization of capitalized development expenditure	13,4	11,8	11,9	12,1	13,3	38,8	34,2
Other depreciation	0,6	0,7	0,7	0,6	0,6	1,8	2,0
Capitalized development expenditure	-8,2	-8,1	-12,6	-13,0	-8,3	-29,5	-35,1
EBITDA	37,2	8,3	-14,3	3,2	18,6	59,0	5,7

EBITDA - Operating earnings before amortization and capitalization of development expenditure

PARENT COMPANY INCOME STATEMENT

	Q3	Q3	Jan-Sep	Jan-Sep	Q4'13-Q3'14	Full Year
Amount in SEK thousands	2014	2013	2014	2013	12 months	2013
Net Sales	130 400	90 586	348 044	271 551	450 818	374 325
Cost of goods & services sold	-52 669	-33 905	-144 125	-98 310	-194 300	-148 485
Gross earnings	77 731	56 681	203 919	173 241	256 518	225 840
Sales and marketing expenses	-25 350	-26 161	-75 229	-73 793	-107 381	-105 945
Administration expenses	-8 008	-4 659	-23 110	-17 289	-28 754	-22 933
Development expenses	-17 708	-17 041	-59 104	-61 959	-82 583	-85 438
Operating earnings	26 665	8 820	46 476	20 200	37 800	11 524
Net financial items	555	714	942	1 153	-108 505	-108 294
Earnings before tax	27 220	9 534	47 418	21 353	-70 705	-96 770
Tax	-5 782	-2 180	-10 505	-4 790	-12 885	-7 170
Net income	21 438	7 354	36 913	16 563	-83 590	-103 940

By adjusting assessments, the parent company has reclassified certain intercompany expenses from Administration expenses to Sales and marketing expenses. The re-classification has also been made for the comparative periods.

The re-classification has no impact on the Consolidated Income Statement.

The table below shows the effect of the re-classification by post in the income statement, compared with if the expenses had been recognized according to the previous classification.

Sales and marketing expenses	-6 692	-8 735	-18 085	-14 580	-21 024	-17 519
Administration expenses	6 692	8 735	18 085	14 580	21 024	17 519

PARENT COMPANY BALANCE SHEET

Amount in SEK thousands	Sep 30, 2014	Sep 30, 2013	Dec 31, 2013
ASSETS			
Intangible assets			
Other intangible assets	757	1 620	1 340
Tangible fixed assets			
Equipment	3 798	4 188	4 354
Financial assets			
Shares in group companies	117 427	117 427	117 427
Deferred tax asset	8 629	21 517	19 134
Deposits paid, long-term	277	262	263
Total fixed assets	130 888	145 014	142 518
Current assets			
Inventory	43 646	58 736	42 604
Customer receivables	80 602	86 103	70 653
receivables, subsidiaries	309 783	436 556	331 003
Other receivables	12 798	12 509	9 906
Cash and bank balances	243 970	144 256	167 499
Total current assets	690 799	738 160	621 665
Total assets	821 687	883 174	764 183
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Restricted shareholders' equity			
Share capital	15 597	15 597	15 597
Other contributed capital	112 822	112 822	112 822
Non-restricted equity			
Share premium reserve	51 296	51 296	51 296
Retained earnings	507 528	611 467	611 467
Net Income	36 913	16 563	-103 940
Total shareholders' equity	724 156	807 745	687 242
Long-term liabilities			
Other provisions	3 632	2 481	2 542
Total long-term liabilities	3 632	2 481	2 542
Current liabilities			
Accounts payable	21 144	12 305	14 362
Liabilities, subsidiaries	15 278	15 278	15 278
Other liabilities	57 477	45 365	44 759
Total current liabilities	93 899	72 948	74 399
Total liabilities and equity	821 687	883 174	764 183

ADDITIONAL INFORMATION

This Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable regulations of the Swedish Annual Accounts Act. The Interim Report of the parent company has been prepared in accordance with chapter 9 of the Swedish Annual Accounts Act and with RFR 2 *Accounting for Legal Entities*. The same accounting policies have been applied consistently as in the annual accounts for 2013. The annual accounts include a review of these accounting policies.

There are no IFRS or IFRIC interpretation statements that apply for the first time for annual periods beginning 1 January 2014, which have had any material impact on the group.

This Report has not been reviewed by the company's auditor.

NOMINATION COMMITTEE AND ANNUAL GENERAL MEETING

Net Insight's Nomination Committee for 2015 has been appointed. Net Insight's nomination committee for the 2015 Annual General Meeting consists of Jan Barchan (Briban Invest), Lars Bergkvist (Lannebo Fonder), Ramsay Brufer (Alecta), Annika Andersson (Swedbank Robur fonder), and Lars Berg (Chairman of the Net Insight Board). The nomination committee appointed Lars Bergkvist (Lannebo Fonder) to serve as Chairman of the Committee.

Shareholders wishing to make proposals to the nomination committee can do so by e-mail, by March 12, 2015 to the Chairman of the Nomination Committee Lars Bergkvist: lars.bergkvist@lannebofonder.se

The Annual Shareholders' Meeting of Net Insight AB (publ) will be held on May 7, 2015 at 10 am by the company's offices, Västberga Allé 9, Hägersten, Stockholm.

Shareholders who wish to have a matter considered at the Annual general Meeting 2015 should send their proposals in writing to the chairman of the Board no later than March 19, 2015 by email: agm@netinsight.net or by post:

Net Insight AB
The Board of Directors
Attn: Susanne Jonasson
Box 42093
SE- 126 14 Stockholm, Sweden

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

Year-end report 2015	13 February, 2015
Interim report January – March 2015	29 April, 2015
Annual General Meeting	7 May, 2015
Interim report January – June 2015	22 July, 2015
Interim report January – September 2015	28 October, 2015

Stockholm, October 27, 2014

Fredrik Tumegård
CEO

For more information, please contact:

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REPORT OF REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the condensed interim financial information (interim report) of Net Insight AB (publ) as of 30 September 2014 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information 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.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 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.

Conclusion

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 27 October 2014

PricewaterhouseCoopers

Mikael Winkvist
Authorized Public Accountant

