

NET INSIGHT

INTERIM REPORT JANUARY-JUNE 2014

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

A Statement from CEO Fredrik Tumegård:

"This quarter we deliver the strongest Net Sales ever at Net Insight. The sales growth was 39% with improved profitability in the second quarter. Net Insight is continuing to win new major accounts, and its progress on the North American market has been a strong contributor to this positive sales increase."

Second quarter 2014

- Net Sales of SEK 100.7 million (72.7) corresponding to an increase of 38.5% compared to the same period previous year. The increase in comparable currencies amounts to 35.1%.
- Operating earnings of SEK 13.0 million (5.7), corresponding to an operating margin of 12.9% (7.9).
- EBITDA of SEK 18.6 million (5.8), corresponding to an EBITDA margin of 18.5% (8.0).
- Earnings per share of SEK 0.03 (0.01).
- Total cash flow of SEK 5.4 million (-16.5).

January – June 2014

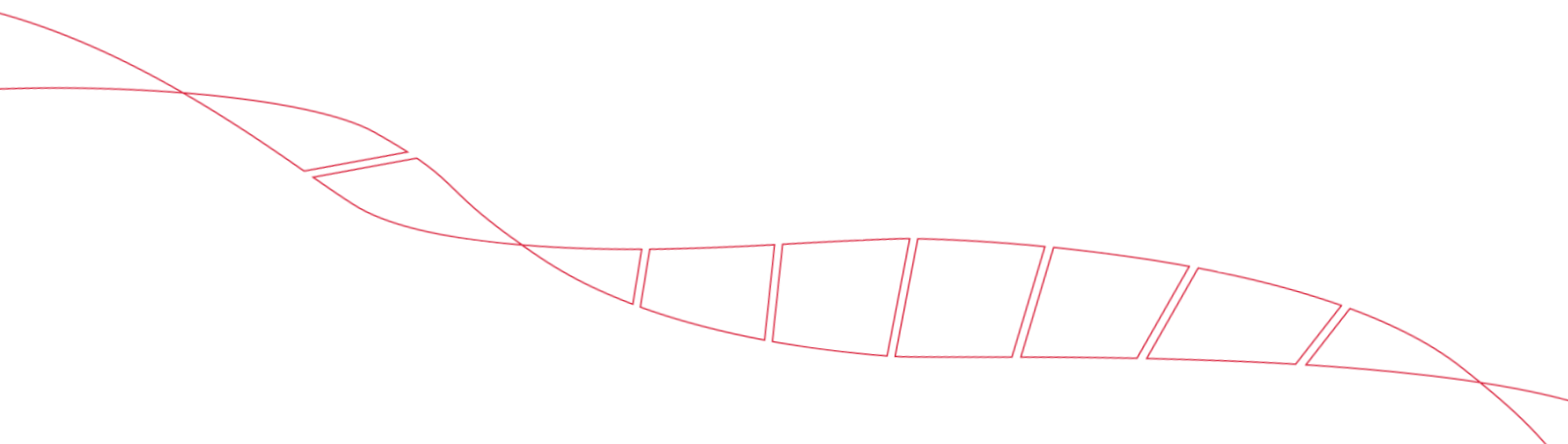
- Net Sales of SEK 175.1 million (135.1) corresponding to an increase of 29.6% compared to the same period previous year. The increase in comparable currencies amounts to 24.7%.
- Operating earnings of SEK 16.5 million (0.7), corresponding to an operating margin of 9.4% (0.5).
- EBITDA of SEK 21.8 MSEK million (-2.6), corresponding to an EBITDA margin of 12.5% (-1.9).
- Earnings per share of SEK 0.03 (0.00).
- Total cash flow of SEK 13.8 million (-24.1).

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 July 22, 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

Sales in the second quarter were SEK 101 million, a growth rate of 39% year on year. In revenue terms, the quarter was the company's best since its 1997 incorporation. Growth is primarily sourced from North America and the Broadcast & Media Networks (BMN) business area. We reported a positive operating margin of 13% and positive cash flow of SEK 5 million.

Net Insight signed contracts with multinational network capacity services vendor Zayo, the single biggest order in Net Insight's history, worth over SEK 50 million. Through this investment, Zayo is conducting a new media initiative on the American market. The company is a fairly new player on the fiber market, and expanded its European network in May by acquiring Geo in the UK and Ireland, and Neo Telecoms in France.

As we have previously stated, the media market is in a fundamental transformation, and the North American market will be the first where the new trends feed through. This progress has advanced our positioning in North America. Sales in the EMEA and APAC regions reduced in the second quarter, which we do not view as a lasting trend.

In the second quarter, the Broadcast & Media Networks (BMN) business area represented 91% (82) of revenues and Digital Terrestrial TV (DTT), 8% (16). Revenues from the DTT business area are sourced from a number of smaller-scale upgrade deals. In the immediate future, Net Insight is focusing on a number of DTT projects, mainly in Asia and Latin America. Revenues from the DTT business area will still remain important, but will represent a lower share of total sales.

At the NAB Show in the US in April we launched a new video over the Internet product, the Nimbra VA 220. TV production is simplified through its embedded video compression, increasing the potential to create more TV content as well as reducing operating expenses. At NAB we also received a lot of attention from both visitors and media regarding the customer self provisioning solution that The Switch is offering, which is based on our technology. The solution replaces complex processes at operators when new media services are set up.

Net Insight's goal is to be a growth company, and it continued to win market share on the global media market in the first half-year 2014, with improved profitability. Net Insight is continuing to secure major accounts, and we view the market potential going forward as positive.



Stockholm, July 22, 2014
Fredrik Tumegård
CEO

OTHER EVENTS IN THE SECOND QUARTER

- Net Insight launched its new marketing concept "Simplifying network complexities" at the NAB show in the US
- Product launch of the Nimbra VA 220, which facilitates Internet TV production
- Maria Hellström appointed as VP of Global Services, effective 1 September
- Net Insight wins 2014 Cable Spotlight Product of the Year Award

NET SALES THE SECOND QUARTER

Net sales for the second quarter were SEK 100.7 (72.7) million, an increase of 38.5% year on year. In comparable currencies, the increase was 35.1%. The revaluation of foreign currency accounts receivable had a positive impact of SEK 1.1 (2.8) million on net sales.

The increased net sales relate to the Americas region with shipments to The Switch and Zayo. The order from The Switch was secured in the first quarter, and will mainly be shipped in 2014, while the order from Zayo was won in the second quarter, and will primarily be shipped in the second and third quarters of 2014.

The FIFA World Cup in Brazil was a key focus for several Net Insight customers in the first half-year 2014. In the second quarter, Net Insight delivered video transmission solutions for the World Cup, and had staff on site providing operational support for three customers.

EMEA regional net sales in the second quarter were SEK 36.4 (46.8) million. Major deliveries to customers including EBU were conducted in the second quarter 2013, which Net Insight was not able to repeat in the second quarter 2014. However, Net Insight secured one major new account in the quarter through a small-scale order from a central European telecom operator for a regional contribution network.

Net Insight also received an order from Hibernia Networks in the quarter for the transport of live broadcasts from Swedish ice hockey league arenas, starting in September.

Net sales in Asia region, where individual projects have a greater impact on regional sales, were SEK 4.7 (7.3) million. This business primarily took the form of expansion orders.

REVENUE PER REGION

	Q2	Q2	Q3	Q4	Q1	Q3'13-	Full Year
Amount in SEK million	2014	2013	2013	2013	2014	Q2'14	2013
EMEA	36,4	46,8	45,8	50,5	45,0	177,7	185,2
Americas	59,6	18,6	16,2	22,0	24,4	122,2	72
APAC	4,7	7,3	5,0	6,3	5,0	21,0	23,6
Totalt	100,7	72,7	67,0	78,8	74,4	320,9	280,8

Net sales from the BMN business area were 91% (82) of total net sales, and DTT was 8% (16). Cable TV & IPTV made up 1% (2) of sales.

Net sales of hardware were SEK 61.5 (45.0) million. Net sales of software licenses were up by SEK 11.5 million to SEK 20.7 (9.2) million, and support and services increased to SEK 17.4 (15.8) million. The above numbers exclude other operating revenue of SEK 1.1 (2.8) million, which consists of the revaluation of foreign currency accounts receivable.

Sales via partners were 30% (26) in the quarter. The increase primarily relates to the EMEA region.

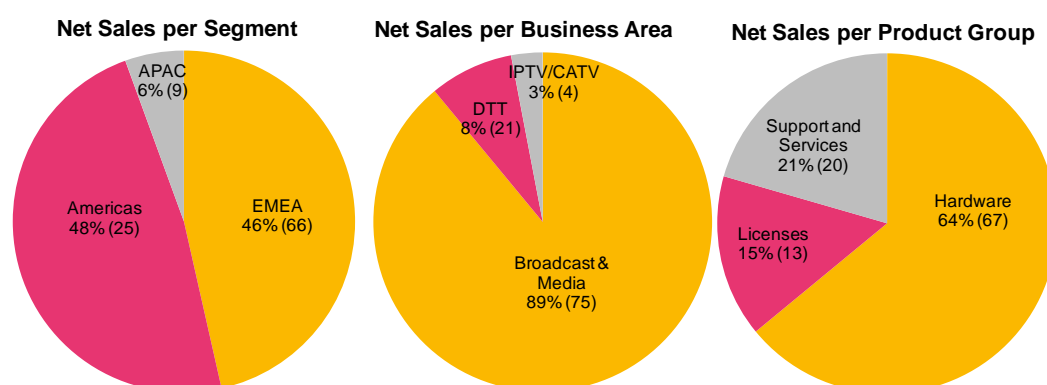
Six months

Net sales for the first six months of the year were SEK 175.1 (135.1) million, a 29.6% increase, or 24.7% in comparable currencies. The revaluation of foreign currency accounts receivable was SEK 1.3 (1.9) million.

Net sales in the EMEA region were SEK 81.4 (88.9) million, the Americas SEK 84.0 (33.9) million, and APAC SEK 9.7 (12.3) million.

Net sales in the BMN business area were 89% (75), 8% (21) in DTT, and 3% (4) in IPTV/CATV.

Net sales from hardware were SEK 111.3 (88.9) million, support and services were SEK 35.7 (27.7) million and software licenses were SEK 26.8 (16.7) million.



EARNINGS

As stated in the Condensed Income Statement on page 10, the gross margin was 59.6% (64.2). The lower gross margin in year-on-year terms is due to a higher share of larger deals, and a highly beneficial customer and product mix in the second quarter 2013. The gross margin for the second quarter is somewhat stronger than in the first quarter of 2014. Adjusted for the amortization of capitalized R&D expenditure, the gross margin was 72.9% (79.9).

Total operating expenses for the second quarter were SEK 47.0 (41.0) million. The increase primarily relates to non-recurring or variable staff costs, and a lower level of capitalized R&D expenditure.

Operating earnings were SEK 13.0 (5.7), corresponding to an operating margin of 12.9% (7.9).

EBITDA was SEK 18.6 (5.8) million, as stated in the Condensed Consolidated Income Statement on page 10, corresponding to an EBITDA margin of 18.5% (8.0). The improvement relates to increased sales volumes.

Net income was SEK 9.9 (3.9) million, equating to a net margin of 9.8% (5.4).

Remaining deductible loss carry-forwards for group companies were SEK 145.6 million.

Six months

As the Condensed Consolidated Income Statement and key figures on page 10 state, the gross margin is 59.0% (60.4). Adjusted for the amortization of capitalized R&D expenditure, the gross margin was 73.5% (76.9). The deterioration primarily relates to a less favorable customer mix.

Operating expenses increased by SEK 6.0 million to SEK 86.8 (80.8) million. Adjusted for capitalization of R&D expenditure, operating expenses were SEK 108.1 (107.8) million for the six-month period.

Operating earnings were SEK 16.5 (0.7) million, corresponding to an operating margin of 9.4% (0.5).

EBITDA was SEK 21.8 (-2.6) million, as stated in the Condensed Consolidated Income Statement on page 10, corresponding to an EBITDA margin of 12.5% (-1.9). The improvement relates to increased sales volumes.

Net income was SEK 12.1 (-0.6), resulting in a net margin of 6.9% (0).

CASH FLOW AND FINANCIAL POSITION

Cash flow for the second quarter was SEK 5.4 (-16.5) million. The increase primarily relates to an improved cash flow from operating activities resulting from improved earnings and less build-up of working capital.

Cash flow for the six-month period was SEK 13.8 (-24.1) million. The improvement primarily relates to an improved cash flow from operating activities resulting from higher earnings and less working capital build-up.

Cash and cash equivalents at the end of the quarter were SEK 217.6 (161.8) million.

Equity was SEK 506.4 (503.0) million, with an equity/assets ratio of 84.5% (88.5).

INVESTMENTS

Investment in fixed assets in the second quarter was SEK 0.1 (0.2) million and the depreciation was SEK 0.4 (0.4) million. Investment in other intangible assets was SEK 0.1 (0.0) million and the amortization was SEK 0.2 (0.3) million. Capitalization of R&D expenditure was SEK 8.3 (12.0) million. Amortization of capitalized R&D expenditure was SEK 13.3 (11.4) million.

Investment in fixed assets in the six-month period was SEK 0.4 (0.2) million and the depreciation was SEK 0.7 (0.7) million. Investment in other intangible assets was SEK 0.2 (0.0) million and the amortization was SEK 0.5 (0.6) million. Capitalization of R&D expenditure was SEK 21.3 (27.0) million. Amortization of capitalized R&D expenditure was SEK 25.4 (22.3) million.

At the end of the period, the net value of capitalized R&D expenditure was SEK 180.0 (187.8) million.

EMPLOYEES

At the end of the quarter, Net Insight had 136 employees (140). Parent company Net Insight AB had 123 employees (130), Net Insight Intellectual Property AB had 4 (5), Net Insight PTE Ltd. of Singapore had 4 (0) and US subsidiary Net Insight Inc. had 5 (5).

PARENT COMPANY

Parent company net sales in the second quarter were SEK 120.9 (95.0) million and net income was SEK 10.5 (9.0) million.

Parent company net sales in the six-month period amounted to SEK 217.6 (181.0) million, and net income was SEK 15.5 (9.2) 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

In the past three calendar years, average seasonality has been fairly modest. In the first quarter, net sales were 24%, in the second quarter 26%, in the third quarter 23%, and in the fourth quarter 27% of yearly sales.

KEY FIGURES

	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Jan-Jun	Jan-Jun
	2014	2014	2013	2013	2013	2013	2012	2012	2014	2013
Net sales, kSEK	100 693	74 428	78 798	66 916	72 690	62 395	68 324	60 302	175 121	135 085
Profit/loss after financial items, kSEK	13 431	3 699	-13 813	4 724	6 137	-4 670	-1 302	-2 925	17 129	1 467
Earnings per share, SEK	0,03	0,01	-0,03	0,01	0,01	-0,01	-0,01	-0,01	0,03	0,00
Cash flow from operations per share, SEK	0,01	0,02	0,05	0,05	-0,04	-0,02	-0,01	-0,02	0,04	-0,06
Return on capital employed (%)	2,7%	0,8%	-2,6%	0,9%	1,2%	-0,9%	-0,3%	-0,6%	3,4%	0,3%
Return on equity (%)	2,0%	0,4%	-2,2%	0,6%	0,8%	-0,9%	-0,5%	-0,7%	2,4%	-0,1%
Equity per share, SEK										
- before dilution, SEK	1,30	1,27	1,27	1,30	1,29	1,28	1,29	1,30	1,30	1,29
- after dilution, SEK	1,30	1,27	1,27	1,30	1,29	1,28	1,29	1,30	1,30	1,29

CONSOLIDATED INCOME STATEMENT

Amount in SEK thousands	Q2 2014	Q2 2013	Jan-Jun 2014	Jan-Jun 2013	Q3'13-Q2'14 12 months	Full year 2013
Net sales	100 693	72 690	175 121	135 085	320 834	280 798
Cost of goods & service sold	-40 634	-25 999	-71 751	-53 548	-142 519	-124 316
Gross earnings	60 059	46 691	103 370	81 537	178 315	156 482
Sales and marketing expenses	-27 781	-25 146	-51 658	-50 200	-106 252	-104 794
Administration expenses	-7 943	-6 032	-15 107	-12 631	-25 410	-22 934
Development expenses	-11 306	-9 798	-20 083	-17 964	-40 542	-38 423
Other expenses	0	0	0	0	0	0
Operating earnings	13 029	5 715	16 522	742	6 111	-9 669
Net financial items	402	422	607	725	1 929	2 047
Earnings before tax	13 431	6 137	17 129	1 467	8 040	-7 622
Tax	-3 572	-2 191	-5 077	-2 092	-4 602	-1 617
Net income	9 859	3 946	12 052	-625	3 438	-9 239
Net income for the period attributable to the stockholders of the parent company	9 859	3 946	12 052	-625	3 438	-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	0,03	0,01	0,03	0,00	0,01	-0,02
Earnings per share after dilution	0,03	0,01	0,03	0,00	0,01	-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	9 859	3 946	12 052	-625	3 438	-9 239
Other comprehensive income						
Items that may be reclassified subsequently to the income statement						
Exchange rate differences	202	213	236	212	10	-14
Total other comprehensive income, net after tax	202	213	236	212	10	-14
Total comprehensive income for the period	10 061	4 159	12 288	-413	3 448	-9 253
Total comprehensive income for the period attributable to the stockholders of the parent company	10 061	4 159	12 288	-413	3 448	-9 253

CONSOLIDATED CASH FLOW STATEMENT

	Q2	Q2	Jan-Jun	Jan-Jun	Q3'13-Q2'14	Full year
Amount in SEK thousands	2014	2013	2014	2013	12 months	2013
Ongoing operations						
Net income before tax	13 430	6 137	17 128	1 467	8 039	-7 622
Depreciation	13 918	12 061	26 657	23 629	51 748	48 720
Other items not affecting liquidity	204	214	236	212	17 389	17 365
Cash flow from ongoing operations before change in working capital	27 552	18 412	44 021	25 308	77 176	58 463
Change in working capital						
Increase-/decrease+ in inventories	210	-5 001	2 202	-8 208	6 483	-3 927
Increase-/decrease+ in receivables	-36 702	-13 078	-39 184	-15 530	-14 669	8 985
Increase+/decrease- in current liabilities	23 219	-4 647	28 954	1 531	30 398	2 975
Cash flow from ongoing operations	14 279	-4 314	35 993	3 101	99 388	66 496
Investment activity						
Acquisitions of intangible fixed assets	-8 455	-12 000	-21 465	-26 954	-42 150	-47 639
Acquisitions of tangible fixed assets	-120	-164	-428	-210	-1 144	-926
Acquisition of net assets	0	0	0	0	0	0
Increase-/decrease+ in long-term receivables	-256	-44	-255	-42	-268	-55
Cash flow from investment activity	-8 831	-12 208	-22 148	-27 206	-43 562	-48 620
Increase/decrease in liquid funds	5 448	-16 522	13 845	-24 105	55 826	17 876
Liquid funds, opening balance	212 128	178 272	203 731	185 855	161 750	185 855
Liquid funds, closing balance	217 576	161 750	217 576	161 750	217 576	203 731

CONSOLIDATED BALANCE SHEET

Amount in SEK thousands	Jun 30, 2014	Jun 30, 2013	Dec 31, 2013
ASSETS			
Intangible assets			
Capitalized expenditure for development	179 966	187 778	184 072
Goodwill	4 354	4 354	4 354
Other intangible assets	1 005	1 900	1 340
Tangible fixed assets			
Equipment	4 032	4 404	4 354
Financial assets			
Deferred tax asset	32 026	36 627	37 102
Deposits paid, long-term	272	250	263
Total fixed assets	221 655	235 313	231 485
Current assets			
Inventory	40 402	58 252	42 604
Customer receivables	107 700	100 882	70 653
Other receivables	12 643	12 066	10 515
Cash and bank balances	217 576	161 750	203 731
Total current assets	378 321	332 950	327 503
Total assets	599 976	568 263	558 988
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	15 597	15 597	15 597
Other contributed capital	1 192 727	1 192 727	1 192 727
Translation difference	-1 718	-1 728	-1 954
Accumulated deficit	-700 166	-703 604	-712 218
Total shareholders' equity	506 440	502 992	494 152
Long-term liabilities			
Provisions	2 869	2 782	2 943
Total long-term liabilities	2 869	2 782	2 943
Current liabilities			
Accounts payable	16 716	16 210	14 535
Other liabilities	73 951	46 279	47 359
Total current liabilities	90 667	62 489	61 894
Total liabilities and equity	599 976	568 263	558 989

CHANGES IN GROUP SHAREHOLDERS' EQUITY

Amount in SEK thousands	Share capital	Other contributed 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	0	0	212	-625	-413
2013-06-30	15 597	1 192 727	-1 728	-703 604	502 992
2013-07-01	15 597	1 192 727	-1 728	-703 604	502 992
Total comprehensive income	0	0	-226	-8 614	-8 840
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	0	0	236	12 052	12 288
2014-06-30	15 597	1 192 727	-1 718	-700 166	506 440

SEGMENT REPORT

Amount in SEK million	Q2 2014				Q2 2013				Jan-Jun 2014				Jan-Jun 2013			
	EMEA	APAC	AM	Total	EMEA	APAC	AM	Total	EMEA	APAC	AM	Total	EMEA	APAC	AM	Total
Net Sales	36	5	60	101	47	7	19	73	81	10	84	175	89	12	34	135
Regional Contribution	13	0	19	32	15	1	6	22	28	0	24	52	23	0	8	31
Regional Contribution (%)	35%	10%	32%	32%	32%	14%	30%	30%	34%	2%	28%	30%	26%	2%	24%	23%
Adjusted for R&D Depreciation	5	1	8	13	7	1	3	11	12	1	12	25	15	2	6	22
Adjusted Regional Contribution	18	1	27	46	22	2	9	33	40	2	36	77	38	2	14	54
Adjusted Regional Contribution (%)	48%	23%	45%	45%	48%	30%	46%	46%	49%	17%	43%	44%	42%	19%	40%	40%

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	Q2 2014	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Jan-Jun 2014	Jan-Jun 2013
Net Sales	100,7	72,7	66,9	78,8	74,4	175,1	135,1
Gross earnings	60,1	46,7	38,5	36,5	43,3	103,4	81,5
Gross margin	59,6%	64,2%	57,5%	46,3%	58,2%	59,0%	60,4%
Operating earnings	13,0	5,7	3,9	-14,3	3,5	16,5	0,7
Operating margin	12,9%	7,9%	5,8%	-18,1%	4,7%	9,4%	0,5%
Earnings before tax	13,4	6,1	4,7	-13,8	3,7	17,1	1,5
Net income	9,9	3,9	2,9	-11,6	2,2	12,1	-0,6
Net margin	9,8%	5,4%	4,4%	-14,7%	2,9%	6,9%	-0,4%
EBITDA	18,6	5,8	8,3	-14,3	3,2	21,8	-2,6

EBITDA

Amount in SEK, millions	Q2 2014	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Jan-Jun 2014	Jan-Jun 2013
Operating earnings	13,0	5,7	3,9	-14,3	3,5	16,5	0,7
Amortization of capitalized development expenditure	13,3	11,4	11,8	11,9	12,1	25,4	22,3
Other depreciation	0,6	0,7	0,7	0,7	0,6	1,2	1,3
Capitalized development expenditure	-8,3	-12,0	-8,1	-12,6	-13,0	-21,3	-27,0
EBITDA	18,6	5,8	8,3	-14,3	3,2	21,8	-2,6

EBITDA - Operating earnings before amortization and capitalization of development expenditure

PARENT COMPANY INCOME STATEMENT

Amount in SEK thousands	Q2 2014	Q2 2013	Jan-Jun 2014	Jan-Jun 2013	Q3'13-Q2'14 12 months	Full Year 2013
Net Sales	120 904	94 958	217 644	180 965	411 004	374 325
Cost of goods & services sold	-55 766	-30 936	-91 456	-64 405	-175 536	-148 485
Gross earnings	65 138	64 022	126 188	116 560	235 468	225 840
Sales and marketing expenses	-18 556	-20 063	-38 486	-41 787	-85 125	-88 426
Administration expenses	-12 035	-9 361	-26 495	-18 475	-48 472	-40 452
Development expenses	-21 154	-23 183	-41 396	-44 919	-81 915	-85 438
Other expenses	0	0	0	0	0	0
Operating earnings	13 393	11 415	19 811	11 379	19 956	11 524
Net financial items	294	271	387	439	-108 346	-108 294
Earnings before tax	13 687	11 686	20 198	11 818	-88 390	-96 770
Tax	-3 145	-2 647	-4 723	-2 609	-9 284	-7 170
Net income	10 542	9 039	15 475	9 209	-97 674	-103 940

PARENT COMPANY BALANCE SHEET

Amount in SEK thousands	Jun 30, 2014	Jun 30, 2013	Dec 31, 2013
ASSETS			
Intangible assets			
Capitalized expenditure for development	0	0	0
Other intangible assets	1 645	1 900	1 340
Tangible fixed assets			
Equipment	3 392	4 404	4 354
Financial assets			
Shares in group companies	117 427	117 427	117 427
Deferred tax asset	14 411	23 695	19 134
Deposits paid, long-term	272	250	263
Total fixed assets	137 147	147 676	142 518
Current assets			
Inventory	40 402	58 252	42 604
Customer receivables	107 700	100 882	70 653
receivables, subsidiaries	325 297	436 689	331 003
Other receivables	12 804	12 744	9 906
Cash and bank balances	183 926	121 666	167 499
Total current assets	670 129	730 233	621 665
Total assets	807 276	877 909	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	15 475	9 209	-103 940
Total shareholders' equity	702 718	800 391	687 242
Long-term liabilities			
Other provisions	2 869	2 454	2 542
Total long-term liabilities	2 869	2 454	2 542
Current liabilities			
Accounts payable	16 446	15 963	14 362
Liabilities, subsidiaries	15 278	15 281	15 278
Other liabilities	69 965	43 820	44 759
Total current liabilities	101 689	75 064	74 399
Total liabilities and equity	807 276	877 909	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 complies with chapter 9 of the Swedish Annual Accounts Act for interim financial reports. 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, apart from those stated below.

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.

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-September 2014
Year-end report 2014

28 October, 2014
13 February, 2015

Note that the date for publishing the interim report for the third quarter has changed from October 28th to October 27th.

CERTIFICATION BY THE BOARD OF DIRECTORS AND CEO

The Board of Directors and the interim CEO certify that the Interim report for the period January - June 2014 gives a true and fair overview of the Parent Company Net Insight AB and the Group's operations, their financial position and results of operations, and describes significant risks and uncertainties facing the Parent Company and other companies in the Group.

Stockholm, July 22, 2014

Lars Berg
Chairman

Gunilla Fransson
Board member

Anders Harrysson
Board member

Regina Nilsson
Board member

Cecilia Beck-Friis
Board member

Crister Fritzon
Board member

Fredrik Tumegård
CEO

For more information, please contact:

Fredrik Tumegård, CEO Net Insight AB
Tel: +46 (0) 8-685 04 00, email: fredrik.tumegard@netinsight.net

Thomas Bergström, CFO, Net Insight AB
Tel: +46 (0) 8-685 06 05, email: thomas.bergstrom@netinsight.net

Net Insight AB
Box 42093
126 14 Stockholm
Tel +46 (0) 8 685 04 00
www.netinsight.net
Corporate Reg. No. 556533-4397

