

One-time related items impact Net Insight's earnings for the fourth quarter

Stockholm, Sweden – Net Insight, a leading provider of efficient and scalable transport solutions for media, IP and broadcast networks, today announces that one-time related items will impact earnings for the fourth quarter.

One-time cost items in the fourth quarter 2013

The product mix of Net Insight has changed more rapidly than earlier estimated in favor of sales of Ethernet/IP based trunk modules. Consequently, a need to write down primarily the component inventory for SDH based trunk modules has occurred. The inventory aimed to secure components throughout the product lifecycle and was built up when a supplier stopped manufacturing these components.

The write down amounts preliminary to SEK 13 m and impacts the earnings for the fourth quarter and the full year 2013.

A bad debt provision related to a customer in the EMEA region will also impact the operating earnings by a preliminary SEK 6 m for the fourth quarter and the full year 2013.

Preliminary financials for the fourth quarter and the full year of 2013

The preliminary net sales for the fourth quarter 2013 are expected to amount to SEK 79 m, an increase of 15% in comparison to the same quarter previous year. Net sales for the full year 2013 are expected to amount to SEK 281 m which, is a slight improvement compared with the previous year 2012.

The operating earnings for the fourth quarter 2013, excluding the one-time related write downs, amount preliminary to between SEK 3 m and SEK 5 m (1) and for the full year to between SEK 8 m and SEK 10 m (6).

The operating earnings for the fourth quarter 2013, including the one-time related write downs, amount preliminary to between SEK -13 m and SEK -15 m (-2) and for the full year to between SEK -9 m and – SEK 11 m (3).

Cash flow for the fourth quarter 2013 amounts preliminary to SEK 21 m (-5) and for the full year 2013 preliminary to SEK 18 m (-10). The liquid funds at the end of the period amount preliminary to SEK 204 m (186).

The result for the fourth quarter and the year-end report for 2013 will be announced on February 14, 2014 at 08.45 CET.

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 January 22, 2014 at 08.45 CET.

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About Net Insight

Net Insight delivers the world's most efficient and scalable transport solution for Broadcast and IP Media, Digital Terrestrial TV and IPTV/CATV networks.

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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.

For more information, please visit www.netinsight.net