Net Insight
Redeye Seminar
Nov 23rd 2011
Net Insight in brief

- **130** customer references in over **50 countries**
- Business Model based on a mix of **direct and indirect sales**
  - **50 partners worldwide**
  - **38% of total revenues 2010**
- Innovative leading technology with **27 patents**
- **More than 140 employees** with representation in Sweden, US, Singapore, UAE, UK and Greece
- Founded in **1997** and listed **1999** (NASDAQ OMX, Stockholm)
Net Insight offering

**Deliver**
- Service Aware Media Networks for contribution and distribution
- Media Switch Routers (MSR)

**Benefits**
- 100% Quality of Service over IP
- Any service over any network
- Highest bandwidth utilization
- Ease of operations

**Business Value**
- Faster launch of media services
- Reduced cost of content production
- Reduced Total Cost of Ownership

Broadcasters, telecom, satellite, DTT and CableTV/IPTV operators
We develop and market network transport equipment and services
Media Switch Routers (MSR)
Net Insight Addressable Market

Broadcast & Media
Telcos, Broadcasters
Satellite operators, Post production, Events
250 MEuro - 12% CAGR

Digital Terrestrial TV
Telcos
National and Regional
DTT operators
100 MEuro - 7% CAGR

CATV/IPTV
Telcos
CableTV operators
CATV: 1,5 BEuro - 5% CAGR
IPTV: 350 MEuro - 25% CAGR
A Networked Media Rich World by Net Insight

Production

Contribution

Distribution

Primary Distribution

Secondary Distribution

One platform from content creation to end consumers

Net Insight Presentation
New access portfolio – new addressable market

- 6xx for core and high-end access.
- 3xx at studio, at transmitter, at sport venues.
- 2xx IP/Ethernet access at the edge of the cloud
- 1xx P-t-P local fiber access
Customer References
Handling Media Services in IP core networks

- IP Network convergence requires managed service networks
- Core networks are planned for long-term and general needs
Remote workflow and production
Revolutionize outside broadcasting

Real-time TV-production over 1500 km media network enabled by Net Insight's low latency and QoS transport solution
Sales Trend - Growth

- CAGR in sales of 34% between 2004 and 2011 (12 mths rolling)
- Additions of customers and countries main driver for growth

Q3'11 | Q3'10
--- | ---
Net Sales (MSEK) | 75,4 | 67,6
QoQ Growth | 11,5% | 2%
QoQ Growth FX adj |  | 2%

- 11,5% QoQ growth
- Growth from APAC and Americas
Gross margins are excl of Depreciation of capitalized R&D expenditures, externally reported gross margin is 65.9% (61.1).

Note: 2004-2006 operating margins were negative.

• High margins maintained through large projects with good profitability
• New features and manufacturing cost reductions key to continued high margins

*Gross margins are excl of Depreciation of capitalized R&D expenditures, externally reported gross margin is 65.9% (61.1)
Financially well positioned for growth

- Growth will require more working capital
- Solid balance sheet pre-requisite for growth

<table>
<thead>
<tr>
<th>MSEK</th>
<th>Q3’11</th>
<th>Q3’10</th>
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<tbody>
<tr>
<td>Cash</td>
<td>195</td>
<td>204</td>
</tr>
<tr>
<td>Cash Flow</td>
<td>5</td>
<td>-4</td>
</tr>
<tr>
<td>Equity Ratio</td>
<td>87%</td>
<td>84%</td>
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• Build-up of account receivables impact Q3’11 cash flow
Net Insight as an Investment Case

• Telecommunications and media integration - Convergence
  • Professional media contribution services is becoming a new and important business vertical for telecom and media operators
  • Video and media services have overtaken peer-to-peer as dominant traffic type

• New TV distribution landscape
  • Content owners becoming distributors – Over-The-Top (OTT)
  • CDN networks growing and becoming premium content streaming delivery networks
Net Insight as an Investment Case

• Well proven and cost-efficient solution for IP video transport in media-rich networks
• Strongly positioned in future growth segments
• Market leading products and technology
  • Customer feedback
• World class customer references
  • More than 130 customers in 50 countries
• Strong complement to partner portfolios
• High gross margin - Healthy financial position
• Strong owners
Always delivering content integrity

Always simplifying complexities

Always redefining efficiency