



Net Insight delivers the world's most efficient and scalable optical transport solution for Broadcast and Media, Digital Terrestrial TV/Mobile 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.

World class customers run mission critical media services over Net Insight products for more than 100 million people in more than 30 countries. Net Insight is quoted on the Stockholm Stock Exchange.

For more information, visit www.netinsight.net

YEAR-END REPORT 2008

Net Insight AB (publ), Corporate Reg. No. 556533-4397

Full year 2008

- **Net sales increased by 20% to SEK 274.3 million (228.8).**
- **Operating earnings increased to SEK 37.9 million (32.6).**
- **Gross margin at 72.4 % (70.8).**
- **License, support and leasing revenue increased to SEK 90.9 million (49.9).**
- **Total cash flow amounted to SEK 23.5 million (50.6).**
- **Net income increased to SEK 67.9 million (34.0), including a deferred tax asset. On a comparable basis, excluding the deferred tax asset and one time other operating revenue, the net income increased by 68%.**
- **Net profit margin was 24.8% (14.8).**
- **Earnings per share amounted to SEK 0.18 (0.09).**

Fourth quarter 2008

- **Net sales increased by 14% to SEK 70.2 million (61.6).**
- **Operating earnings amounted to SEK 9.8 million (17.7)**
- **Gross margin at 74.7% (71.4).**
- **Total cash flow amounted to SEK 18.8 million (33.9).**
- **Capitalization of tax losses carried forward by SEK 103 million resulting in a deferred tax asset of SEK 27.1 million.**
- **Net income amounted to SEK 37.5 million (18.3) including a deferred tax asset of SEK 27.1 million.**
- **Earnings per share amounted to SEK 0.10 (0.05).**

CEO comments

2008 was a good year for Net Insight with several new customers in all of our core markets. We won new projects for digital terrestrial TV and mobile TV distribution networks, delivered our Nimbra platform for large media contribution projects and added new telecom operators to our customer base which also create further opportunities for IPTV/CATV business. At the same time our established customer base of globally recognized companies continued to generate a substantial volume of repeat business.

As a result, we are able to report a record year with growing sales, healthy profitability and positive cash flow. Despite the general world economic downturn we can also report a solid performance in the fourth quarter. The underlying growth of media centric networks and the demand for cost efficient and high performance media networks spur the strong development of our business.

In Asia, our business has been growing substantially during the year. Our Nimbra platform was delivered and installed under the contract with BOB (Beijing Olympic Broadcasting) for the Beijing Olympics, which was the world's largest and most mission critical TV event ever. This was a very important project for Net Insight and our network solution generated strong market interest. Digital TV is on the rise in China, the world's largest TV market. This has created new business for Net Insight and we have received our first orders for TV distribution networks in China. Our partner network further supported the momentum in Asia.

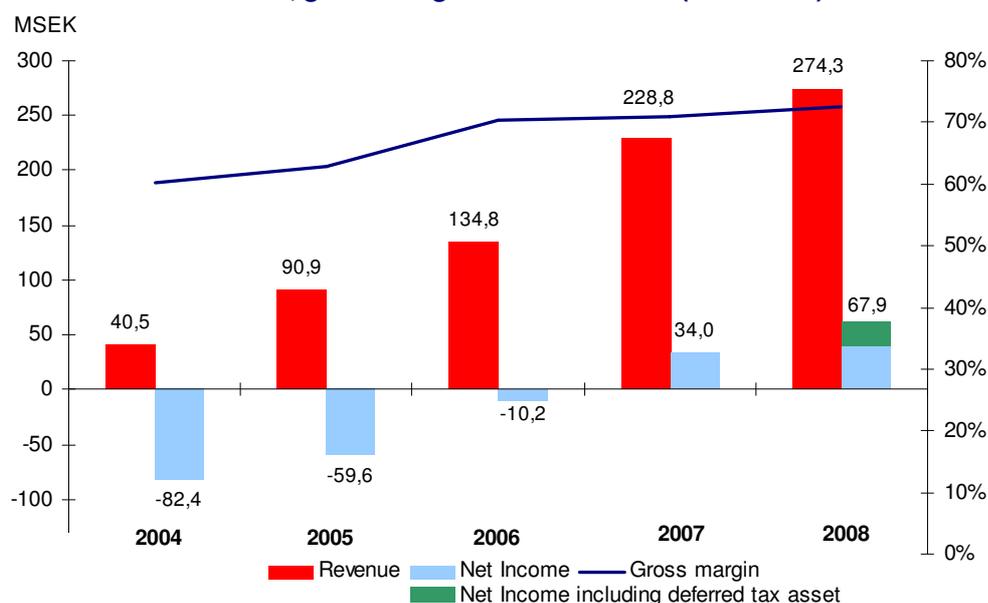
Our strong broadcast and media customer base in North America has continued to expand their media transport networks during the year. Our market position in the region was further strengthened when mediaXstream selected Net Insight for a large multiservice transport network and when a large North American telecom operator built a Nimbra based network to serve a large global media group.

In Europe several of our existing customers have not only extended their networks but also added new services such as mobile TV, radio contribution etc. We continued to win new contracts for DTT (Digital Terrestrial TV) distribution networks in Europe and also entered a new market in the dynamic Middle East region.

Our world-class customers show confidence in the Nimbra platform, we are told and we are confident that we have the right products and know-how to capitalize on the growing media transport demands in the communications industry.

There is a world economic downturn, which may also affect our part of the industry. However, with our progress in 2008, our efficient product portfolio, strong balance sheet, solid customer base and highly dedicated employees, Net Insight is well positioned, which is very encouraging for the future.

Revenue, gross margin and net income (2004-2008)



Business activities during the fourth quarter

The Nimbra platform is a versatile transport solution with several unique features for digital terrestrial TV networks (DTT) networks and during the quarter Net Insight broke into new geographic market areas with new DTT orders.

In Middle East, a first small order for a larger TV distribution and media network was received, and the Chinese broadcaster Chongqing Television (CQTV) selected Net Insight to deploy a DTT network to provide efficient transport of compressed video, fast Ethernet, uncompressed audio and Gigabit Ethernet data services within the city of Chongqing.

In an East European country the national telecom operator selected the Nimbra platform to build a larger DTT network to distribute uncompressed and compressed video across the country. The network will also implement Net Insight's unique Time Transfer feature for GPS-free time synchronization.

Traffic volumes are increasing and new services are added to the media networks of the existing customer base. GlobeCast significantly expanded one of its main sites in France to meet requirements of a growing customer base, use of HD and higher traffic volumes. Driven by increasing traffic volumes, EBU placed an order to upgrade its Eurovision network. The recently introduced high capacity Nimbra 688 switches will strengthen EBU's capabilities to meet all future requirements of its customers for real time content delivery of top sports and news events.

In North America, a large North American sports broadcaster added the Nimbra 688 to the most intensive traffic zones on its production network to manage heavy, high-bandwidth traffic between its production studios. Another North American media network operator continued to expand its Nimbra network for multiple new points-of-presence.

The Nimbra platform is a flexible multiservice solution that evolves with new service demands. Dutch KPN Broadcast Services is a longstanding customer with a multi-service media network which has been operational since the beginning of 2006 and provides services like video, data and audio connectivity between all major TV-studios in the Netherlands as well as all TV feeds for the digital terrestrial TV and KPN's mobile TV services. KPN is now deploying a new solution for TV coverage of 18 top football stadiums based on the Nimbra platform. In November KPN continued to evolve the network and added Nimbra nodes to extend its customer service offering by upgrading their FM networks. With the upgrade of the transport capabilities, fundamentals are made for the future of digital radio (DAB) distribution.

Over the last two years, Norkring has been planning, building and operating the Norwegian DTT network based on Net Insight's Nimbra platform. The multi-service terrestrial media network is continuously evolving and was further developed when Norkring added national AES/EBU audio contribution from all NRK regional studios.

The Nimbra platform is not only an efficient distribution solution for DTT and Mobile TV but also for high quality media distribution in IPTV and Cable TV networks. In the US, Net Insight received an order for an IPTV virtual head-end distribution network. The Nimbra platform has several unique features for virtual head-end solutions, including redundant head-end protection switching and brings new cost-efficient business opportunities to the operator, including video-on-demand, games-on-demand, and e-commerce.

Business activities during the year

During the year, Net Insight continued to win new customers in the prioritized markets segments in Europe, North America and Asia, while the current customer base continued to generate a substantial volume of expansion orders.

In Europe, Net Insight broke into several new markets, including Ireland, where RTÉ NL selected the Nimbra platform for its national Digital Terrestrial TV distribution network, whereas Cablenet of Cyprus ordered an upgrade of its national core network transporting triple play services across the island. In Sweden, Net Insight received its first order from Teracom to interconnect its media contribution networks.

The existing European customer base continued to place extension and upgrade orders to their Nimbra networks. Swiss public broadcaster SRG built a media contribution network for the European Football Championship, while EBU (European Broadcasting Union) expanded the Eurovision Nimbra network for the TV feeds from the Olympic Games in Beijing. Telenor Satellite Broadcasting upgraded their terrestrial multiservice media network to the high-capacity Nimbra 680 switch at a number of sites to extend the capacity and to further boost the reliability of their satellites and Broadcast Service Denmark (BSD) expanded the Digital Terrestrial TV distribution network in Denmark. A public broadcaster made another DTT network expansion in southern Europe and a large European media operator expanded their transport network to network multiple satellite uplink stations.

In Asia, Net Insight strengthened its position significantly during the year. Market penetration increased with the arrival of several new customers and the successful delivery and installation of equipment for broadcasts from the Beijing Olympics proved a valuable reference case, particularly in China, where Net Insight received its first orders for DTT distribution networks, from Chongqing Television (CQTV) and another provincial broadcaster. In another Asian country, Net Insight was selected by the leading broadcaster and satellite operator to supply a Digital Terrestrial TV and Mobile TV network.

Net Insight entered other new Asian markets like Thailand, where national telecommunications provider TOT deployed a multiservice network, and Japan, where a large communications company selected Nimbra to provide services for video contribution and distribution to various operators from terrestrial broadcasters to CATV. Also in Asia, the growing customer base expanded and upgraded its Nimbra-based networks, like ST Teleport of Singapore.

In North America, Net Insight won new important customers in the US, including mediaXstream, which launched its new Nimbra-based network to carry real-time traffic for professional media companies. MediaXstream's network was expanded throughout the year to cover new sites across North America. A large North American telecom operator deployed a multiservice media network based on the Nimbra platform, to carry real-time traffic between sites in the US and Europe for a large global media group.

Existing important US customers, such as HTN and a large sports broadcaster, continued to expand their Nimbra networks throughout the year.

A global news agency network operator selected Net Insight to supply a video contribution network. This new customer delivers news content to broadcasters around the world and employs the Nimbra platform to carry video, voice and data from key sites of its global network.

Partnerships

Net Insight continued to develop the partner network to further support sales growth and provide local support to customers. Local representatives are highly efficient in identifying business opportunities and are instrumental in expanding market reach towards new customers and countries.

During the year, Net Insight signed up 5 new partners in Asia, Europe and the Middle East. At the end of the year, Net Insight had 29 business partners. Indirect sales represented 27% of total sales in 2008. The company will continue to expand and develop the partner network in key market areas.

Marketing activities

During the year, Net Insight was present at a number of trade shows and exhibitions. IBC2008 in Amsterdam is Europe's largest media/broadcast fair where Net Insight exhibited the full Nimbra range. In a joint demonstration with TeliaSonera

International Carrier and DVE (Digital Video Enterprises), Net Insight showcased a live demonstration of holographic appearing telepresence. Net Insight also delivered a first-of-its kind demonstration, where uncompressed 1080p/50 video was streamed over a switched media network from Stockholm to Amsterdam. The showcases generated extensive trade press coverage and demonstrated how the Nimbra platform enables the most advanced video applications.

At the DVB World seminar in Budapest, Net Insight demonstrated the Nimbra platform for applications in DTT networks.

In the US, Net Insight participated in the NABShow2008 showcasing all Nimbra products and presented the paper "Leveling the Triple Play: Consolidating IPTV Costs Through Virtual Headends" at the Telecom2008 conference. Net Insight also exhibited at the SMPT-VSF Joint Conference in Houston in early 2008.

In Asia, Net Insight participated at CommunicAsia2008 in Singapore and exhibited the Nimbra product range and presented "GPS-free synchronization of Digital Terrestrial TV and Mobile TV distribution networks" at the conference sessions.

Net Insight's partner network exhibited the Nimbra platform at multiple trade shows throughout the year such as; the CABSAT show in Dubai, the ABE (Australian Broadcasting Exhibition) in Sydney, the KOBA 2008 (Korea Broadcast) exhibition and the Shanghai TV Festival.

New product introductions

The Nimbra product portfolio offers a complete range of powerful multi-service switches for access, edge and transport in video centric networks. Recently introduced products have served to strengthen the company's overall competitiveness. One example is the unique Time Transfer function, which offers a Unique Selling Point (USP) and has proven a true differentiator in customer talks.

In 2008 the Nimbra product portfolio has been supplemented with additional access and transport functionality as well as switching capacity.

In conjunction with the NAB exhibition, Net Insight introduced two new access modules for its Nimbra 600 series, expanding SD/HD-SDI interface support to also include asynchronous serial interface (ASI) and Gigabit Ethernet transport. The introduction extends Nimbra 680 versatility beyond its inherent backbone switching capabilities to include high-capacity video and data aggregation.

A new eight-port 3 Gbps Video Access Module for the Nimbra 600 series multi-service switches was introduced, enabling transport of uncompressed 1080p HD video in studio and contribution networks with 100 percent quality of service (QoS) guaranteed. The new module is also capable of delivering a mixture of 1080p, 1080i, 720p and SD signals from a single Nimbra switch, which enhances customer service flexibility.

General availability of the Nimbra 688 multi-service switch was announced in 2008. Based on the Nimbra 600 series, the Nimbra 688 switch is especially aimed at fulfilling the highest demands in terms of capacity and availability of the professional media industry, telco and CATV / IPTV networks, offering twice the access and trunk port count of Net Insight's Nimbra 680.

In January, HTN continued the expansion of its extensive US network with Net Insight's Nimbra platform to support new customers.

A large European media network operator will build a new contribution network based on Net Insight's Nimbra platform to carry video from multiple sports venues across a European country.

In November, Stig Stålnacke was appointed as Global Head of Sales of Net Insight. Stig has had a long career within Cisco where he held several senior sales positions.

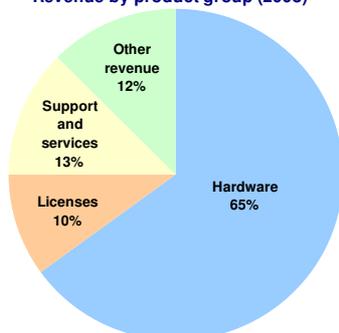
The Board is pleased with the progress in 2008 and remains confident that the positive development will continue, with quarterly fluctuations, which means that the Board maintains its outlook from the third quarter 2008.

Significant events after the end of the period

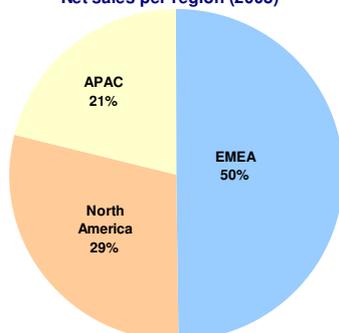
Outlook

Sales and earnings

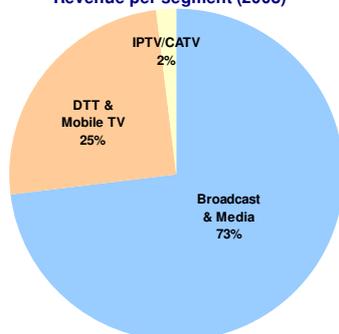
Revenue by product group (2008)



Net sales per region (2008)



Revenue per segment (2008)



Full Year

Net sales for the twelve months period increased by 20% to SEK 274.3 million (228.8). Net sales grew by 16% adjusted for exchange rate effects. Support and service revenue grew by 56%. The increase in other revenue is mainly related to leasing. Hardware revenue accounted for 65% (77) of total revenue whereas support & service revenue accounted for 13% (10) and license revenue 10% (12). Other revenue including leasing accounted for 12% (1). Positive exchange rate effects of SEK 7.9 million impacted net sales.

The EMEA region accounted for SEK 136.5 million (175.2) of total sales. The temporary decrease is mainly related to the completion of the main project with Norkring in 2007. The North America and the APAC regions both accounted for a strong growth for the twelve months period, which more than offset the lower volumes in the EMEA region. North America sales increased to SEK 80.1 million (41.0) and APAC sales increased to SEK 57.6 million (12.6). The Broadcast & Media Networks segment represented 73% (61) of total sales, Digital Terrestrial TV & Mobile-TV Networks 25% (38) and IPTV/CATV 2% (1%).

Net sales per region (MSEK)	Q4 2008	Q4 2007	Full Year 2008	Full Year 2007
EMEA	40.0	41.1	136.5	175.2
North America	24.9	12.0	80.1	41.0
APAC	5.2	8.5	57.6	12.6
Total	70.1	58.3	274.2	228.8

Gross margin continued to be strong and stable at 72.4% (70.8%). Effective from January 1, 2008, accounting of cost of sold services (support, services and training expenses) was reclassified from operating expenses to direct costs of goods sold.

Comparison of gross margin	Q4 2008	Q4 2007	Full Year 2008	Full Year 2007
Gross margin incl cost of sold services	74.7%	69.0%	72.4%	68.8%
Gross margin excl cost of sold services	77.4%	71.4%	74.5%	70.8%

Operating expenses for the twelve months period amounted to SEK 164.5 million (141.2), an increase by 17%. The reclassification of support, services and training expenses has affected operating expenses by SEK 5.8 million. Operating expenses before depreciation and capitalization of development expenditures increased by 11%, which was in line with the Company's growth plan for 2008. Resources have been added to sales, professional services and development. Compared to previous year the average number of employees has increased from 93 to 101. Costs for employee stock option program and provision for the long-term variable compensation program totaled SEK 14.6 million. Capitalization of development expenditures totaled SEK 44.5 million (49.0). Depreciation of capitalized development expenditures totaled SEK 45.8 million (39.2).

Other operating revenue of SEK 3.8 million (11.9) consisting of premiums for exercising of options under the employee option programs. Last year's other operating revenue consisted of acquisition of a Swedish partnership, with a net profit of SEK 9.8 million, and premiums for exercising of employee options.

Operating earnings for the twelve months period amounted to SEK 37.9 million (32.6).

The financial net amounted to SEK 3.0 million (1.3).

Net income amounted to SEK 67.9 million (34.0), including a deferred tax asset of SEK 27.1 million, which corresponds to a net profit margin of 24.8% (14.8). Net income, adjusted for one time other operating revenue and deferred tax asset, increased by 68%.

Fourth quarter

In the fourth quarter Net Insight began capitalization of its deferred tax asset by activating SEK 103 million of its tax loss carried-forward, resulting in a deferred tax asset of SEK 27.1 million. This capitalization is based on previous years results in combination with an estimated long-term positive development, but shall not be interpreted as an outlook on future earnings. The tax loss carry-forward after the capitalization is approximately SEK 894 million, which means that the potential value of the deferred tax asset is approximately SEK 235 million based on a tax rate at 26.3%.

Net sales for the fourth quarter increased by 14% to SEK 70.2 million (61.6). Positive currency effects of SEK 5.4 million impacted net sales. Software license, support, and service revenue increased to SEK 13.7 million (14,2) and accounted for 19% (20) of total revenue. The EMEA region accounted for SEK 40.0 million (40.0), North America SEK 24.9 million (8.7), and Asia SEK 5.2 million (12.6) respectively.

The gross margin for the fourth quarter was 74.7% (71.4%). This quarter was yet another quarter with strong margin continuously driven by generally good business supported by the positive currency effects.

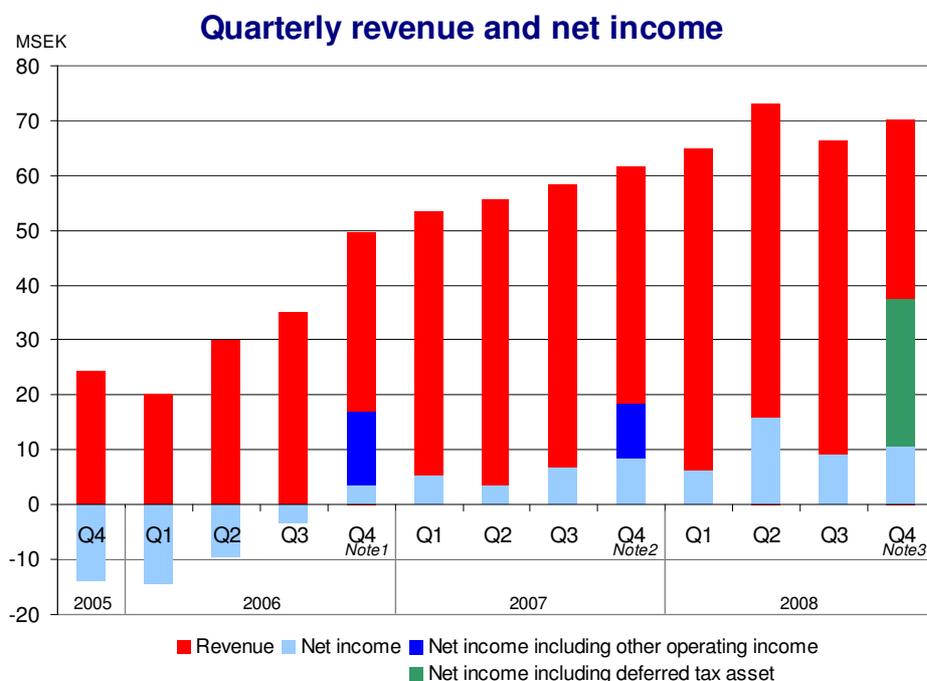
Operating expenses for the fourth quarter totaled SEK 43.0 million (36.2). The reclassification of support, services and training expenses has affected operating expenses by SEK 1.9 million. Capitalization of development expenditures totaled SEK 13.7 million (16.3). Depreciation of capitalized development expenditures was SEK 11.5 million (11.0).

Operating earnings for the quarter amounted to SEK 9.8 million (17.7). Last year's operating earnings was impacted by the acquisition of a Swedish partnership, which brought in a profit of SEK 9.8 million.

The financial net amounted to SEK 0.6 million (0.6).

Deferred tax asset amounted to 27.1 million (0).

Net income amounted to SEK 37.5 million (18.3), which corresponds to a net profit margin at 53.0% (29.8).



Note1: Adjusted for other operating revenue of SEK 13.5 million, net income in Q4 2006 was SEK 3.4 million.

Note2: Adjusted for other operating revenue of SEK 10.0 million, net income in Q4 2007 was SEK 8.3 million.

Note3: Including a deferred tax asset of 27,1 MSEK

Cash flow and financial position

Liquid funds at the end of the period totaled SEK 151.7 million (128.2).

Cash flow from ongoing operations for the twelve months period amounted to SEK 51.5 million (98.3) whereas total cash flow amounted to SEK 23.5 million (50.6). Cash flow from ongoing operations for the fourth quarter amounted to SEK 8.4 million (56.0) whereas total cash flow amounted to SEK 18.8 million (33.9). The decrease in cash flow is mainly related to increased customer receivables due to late invoicing in the fourth quarter. Redemption of employee stock options generated SEK 21.0 million during 2008.

Shareholders' equity was SEK 274.5 million (181.2) with an equity ratio of 76.7% (69.4%). On the balance sheet date, Net Insight had unutilized credit and factoring facilities of SEK 75 million.

Investments

Investments in tangible assets during the twelve months period amounted to SEK 1.2 million (2.6). Depreciation of tangible assets for the twelve months period amounted to SEK 8.2 million (2.0). Capitalized development expenditures for the twelve months period, reported as intangible assets, amounted to SEK 44.5 million (49.0). Depreciation of capitalized development expenditures was SEK 45.8 million (39.2). At the end of the period, net book value of capitalized development expenditures amounted to SEK 67.9 million (69.2).

Employees

At the end of the period Net Insight had 108 (98) employees. The parent company Net Insight AB had 102 (91) employees, of which four employees are based in Singapore. The US subsidiary Net Insight Inc. had 6 (7) employees.

Parent company

The parent company's net turnover was SEK 307.7 million (269.7). Net income amounted to SEK 61.4 million (32.3). Liquid funds amounted to SEK 149.9 million (127.0). The tax loss carry-forward after this year's capitalization is approximately SEK 894 million, which means that the potential value of the deferred tax asset is approximately SEK 235 million based on a tax rate at 26.3%.

Risk and sensitivity analysis

Net Insight's operation and results are impacted by a number of external and internal factors. A continuous process identifies all existing risks and assesses how each risk shall be managed and mitigated.

The risks to which the company is exposed are divided into market related risks (including competition, technology development, political risks), operational risks (including product liability, intellectual property rights, litigation, customer dependence) and financial risks (including predominately currency exposure).

No additional significant risks or uncertainties than those described in the annual report 2007 have developed during the twelve months period. However, the financial crisis and the global economic downturn had limited impact on Net Insight's business during the fourth quarter.

For a complete description of the Company's risk analysis and risk management, please see pages 26-27 and 36 in the 2007 Annual report.

CONSOLIDATED INCOME STATEMENT

Amount in SEK thousands	Q4 2008	Q4 2007	Full Year 2008	Full Year 2007
Net Sales	70 171	61 582	274 305	228 764
Cost of goods & services sold	-17 755	-17 617	-75 691	-66 788
Gross earnings	52 416	43 965	198 614	161 976
Marketing expenses	-17 183	-17 536	-66 689	-64 917
Administration expenses	-8 521	-5 756	-26 341	-22 946
Development expenses	-17 293	-12 943	-71 517	-53 370
Other operating income	402	9 979	3 822	11 898
Operating earnings	9 821	17 710	37 889	32 641
Net financial items	621	625	2 973	1 318
Earnings before tax	10 442	18 335	40 862	33 959
Tax	27 078	0	27 078	0
Net income	37 520	18 335	67 940	33 959
Earnings per share	0,10	0,05	0,18	0,09
Earnings per share after dilution	0,10	0,05	0,18	0,09
Average number of shares in thousands	376 154	369 929	374 307	369 363
Average number of shares in thousands after dilution	379 236	379 287	379 481	381 472

CONSOLIDATED CASH FLOW STATEMENT

Amount in SEK thousands	31 Dec 2008 12 months	31 Dec 2007 12 months
Ongoing operations		
Net income before tax	40 862	33 959
Depreciation	54 036	41 380
Other items not affecting liquidity	1 150	10 521
Cash flow from ongoing operations before change in working capital	96 048	85 861
Change in working capital		
Increase-/decrease+ in inventories	-9 625	364
Increase-/decrease+ in receivables	-42 271	220
Increase+/decrease- in current liabilities	7 326	11 834
Cash flow from ongoing operations	51 478	98 279
Investment activity		
Acquisitions of intangible fixed assets	-44 469	-49 020
Acquisitions of tangible fixed assets	-3 731	-9 025
Increase-/decrease+ in long-term receivables	-172	-116
Increase+/decrease- in long-term liabilities	-637	2 188
Cash flow from investment activity	-49 009	-55 973
Financing activity		
New share issue - employee stock option program	21 042	8 245
Cash flow from financing activity	21 042	8 245
Increase/decrease in liquid funds	23 511	50 551
Liquid funds, opening balance	128 233	77 682
Liquid funds, closing balance	151 744	128 233

CONSOLIDATED BALANCE SHEET

Amount in SEK thousands	Dec 31, 2008	Dec 31, 2007
ASSETS		
Fixed assets		
Intangible assets		
Capitalized expenditure for development	67 864	69 194
Goodwill	4 354	4 354
Tangible fixed assets		
Equipment	3 830	3 465
Equipment for leasing	0	4 864
Financial assets		
Deferred tax asset	27 078	0
Deposits paid, long-term	359	187
Total fixed assets	103 485	82 064
Current assets		
Inventory	30 136	20 511
Customer receivables	62 608	20 010
Other receivables	9 820	10 147
Cash and bank balances	151 744	128 233
Total current assets	254 308	178 900
Total assets	357 793	260 965
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Restricted shareholders' equity		
Share capital	15 196	14 828
Other contributed capital	1 176 497	1 153 294
Translation difference	-730	-2 478
Accumulated deficit	-916 489	-984 429
Total shareholders' equity	274 474	181 215
Long term liabilities		
Long-term liabilities	1 551	2 188
Provisions	5 168	8 287
Total provisions	6 718	10 475
Current liabilities		
Accounts payable	26 411	16 255
Other liabilities	50 190	53 020
Total current liabilities	76 601	69 275
Total liabilities and equity	357 793	260 965

CHANGES IN GROUP SHAREHOLDERS' EQUITY

Amount in SEK thousands	Share capital	Other contributed capital	Reserves	Net earnings	Total shareholders' equity
07-01-01	14 710	1 142 247	-1 773	-1 018 388	136 796
Translation difference for the period	0	0	-705	0	-705
Total transactions reported directly in shareholders' equity	0	0	-705	0	-705
Net earnings	0	0	0	33 959	33 959
Total revenue/expenses for the period	0	0	-705	33 959	33 254
Non-registered share capital	4	256	0	0	260
New shares issued - employee stock options	114	7 871	0	0	7 985
Employee stock option program:					
Value of employees' services	0	2 920	0	0	2 920
07-12-31	14 828	1 153 294	-2 478	-984 429	181 215
08-01-01	14 828	1 153 294	-2 478	-984 429	181 215
Translation difference for the period	0	0	1 748	0	1 748
Total transactions reported directly in shareholders' equity	0	0	1 748	0	1 748
Net earnings	0	0	0	67 940	67 940
Total revenue/expenses for the period	0	0	1 748	67 940	69 688
Non-registered share-capital	0	0	0	0	0
New shares issued - employee stock options	368	20 674	0	0	21 042
Employee stock option program:					
Value of employees' services	0	2 529	0	0	2 529
08-12-31	15 196	1 176 497	-730	-916 489	274 474

Consolidated condensed income statement and key figures, SEK m	Q4 2008	Q4 2007	Q1 2008	Q2 2008	Q3 2008
Net sales	70.2	61.6	64.7	73.2	66.2
Gross earnings	52.4	44.0	44.7	52.2	49.5
<i>Gross margin</i>	<i>74.7%</i>	<i>71.4%</i>	<i>69.0%</i>	<i>71.3%</i>	<i>74.8%</i>
Operating earnings	9.8	17.7	5.5	14.5	8.6
<i>Operating margin</i>	<i>14.0%</i>	<i>28.8%</i>	<i>8.5%</i>	<i>19.9%</i>	<i>13.0%</i>
Pretax profit	10.4	18.3	6.2	15.8	9.1
Net income	37.5	18.3	6.2	15.8	9.1
<i>Net margin</i>	<i>53.5%</i>	<i>29.8%</i>	<i>9.5%</i>	<i>21.6%</i>	<i>13.7%</i>

PARENT COMPANY INCOME STATEMENT

Amount in SEK thousands	Q4	Q4	Full year	Full Year
	2008	2007	2008	2007
Net Sales	77 973	74 083	307 712	269 730
Cost of goods & services sold	-24 183	-23 574	-99 544	-111 242
Gross earnings	53 789	50 509	208 167	158 488
Marketing expenses	-17 422	-15 866	-67 135	-62 768
Administration expenses	-8 717	-7 699	-27 431	-30 013
Development expenses	-17 643	-11 251	-72 659	-45 872
Other operating income	0	9 806	0	9 806
Operating earnings	10 008	25 499	40 943	29 641
Net financial items	-8 935	2 040	-6 605	2 692
Earnings before tax	1 072	27 539	34 337	32 333
Tax	27 078	0	27 078	0
Net income	28 150	27 539	61 415	32 333

PARENT COMPANY BALANCE SHEET

Amount in SEK thousands	Dec 31, 2008	Dec 31, 2007
ASSETS		
Fixed assets		
Intangible assets		
Capitalized expenditures for development	67 864	69 194
Tangible fixed assets		
Equipment	3 830	3 465
Equipment for leasing	0	4 864
Financial assets		
Shares in group companies	18 398	3 387
Deferred tax asset	27 078	0
Deposits paid, long-term	359	187
Total fixed assets	117 529	81 097
Current assets		
Inventory	30 136	20 511
Customer receivables	62 608	20 010
Other receivables	9 706	7 859
Receivable other group companies	-7 532	4 272
Cash and bank balances	149 880	126 982
Total current assets	244 799	179 634
TOTAL ASSETS	362 327	260 731
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Restricted shareholders' equity		
Share capital	15 196	14 828
Other contributed capital	180 224	124 685
Group contribution	8 812	2 092
Net income	61 415	32 333
Total shareholders' equity	265 646	173 939
Long term liabilities		
Long term liabilities	1 551	2 188
Guarantee provisions	5 168	8 287
Total long-term liabilities and provisions	6 718	10 475
Current liabilities		
Accounts payable	26 411	16 255
Liabilities, subsidiaries	14 981	9 043
Other liabilities	48 571	51 019
Total liabilities	89 963	76 317
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	362 327	260 731

This interim report has been prepared in accordance with International Financial Reporting Standards (IFRS) and the structure follows IAS 34 Interim Financial Reporting. IFRS standards and interpretations, which have been published but not yet have come into effect, and are expected to have an effect on Net Insight's financial reporting but not yet are applied are IFRS 8 Operating Segments and IAS 1 Presentation of Financial Statements. For information on the accounting principles applied, see the 2007 Annual Report. The accounting principles are unchanged, compared with those applied in 2007.

The company's auditors have not examined this report.

Annual General Meeting

The Ordinary General Meeting will be held Tuesday April 28, 2009, at 10:00 a.m. in Net Insight's offices in Västberga.

Shareholders who are entered in the share register kept by the Securities Register Center (VPC AB) on 22 April 2009 and apply to the Company no later than 22 April 2009 at 4:00 p.m. are entitled to attend and vote at the General Meeting.

Applications to participate may be sent to the address Net Insight AB, Box 42093, 126 14 Stockholm or by telephone to +46 (0) 8685 04 00 or by fax to +46 (0) 8685 04 20 or by e-mail to ir@netinsight.net.

Dividend

The Board proposes that the AGM resolves that no dividend be paid for the financial year 2008.

Reporting dates

Annual General Meeting:	28 April 2009
Interim report for January – March 2009:	13 May 2009
Interim report for January – June 2009:	28 August 2009
Interim report for January – September 2009:	22 October 2009

The annual report for 2008 is expected to be available in the company's head office mid April 2009 and will be sent to those shareholders who have requested so.

Certification by the Board of Directors and the CEO

The Board of Directors and the CEO certify that the year-end report provides a true and fair picture of the income statement, the balance sheet and the cash flow statement and the explaining notes gives a true and fair view of the company's position and results, and that it describes the significant risks and uncertainties impacting the operation and the results.

Stockholm, 20 February 2009

Lars Berg
Chairman of the Board

Bernt Magnusson
Board member

Ragnar Bäck
Board member

Clifford H Friedman
Board member

Gunilla Fransson
Board member

Arne Wessberg
Board member

Fredrik Trägårdh
Chief Executive Officer

For more information, please contact:

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