

NET ENTERTAINMENT
INTERIM REPORT JANUARY-MARCH 2012



NETENT

PUSHING THE LIMITS IN GAMING ENTERTAINMENT

ELEVEN NEW CUSTOMER AGREEMENTS SIGNED FOR MOBILE GAMES

FIRST QUARTER 2012

- Revenues for the first quarter increased by 33.9 % to SEK 127.5 (95.2) million
- Operating profit amounted to SEK 40.1 (26.3) million
- Operating margin was 31.4 (27.6) %
- Profit after tax amounted to SEK 34.6 (22.9) million
- Earnings per share amounted to SEK 0.88 (0.58) before and after dilution
- Five new license agreements were signed and two new customers' casinos were launched

IMPORTANT EVENTS IN THE FIRST QUARTER

Revenues increased by 33.9 percent in the first quarter compared to the first quarter 2011. The increase is mainly derived from increased volumes which are primarily driven by existing customer's growth and new customer agreements signed. The amount of set-up fees for the quarter also contributed positively to the revenue increase. The establishment on the Italian market which was recently regulated has contributed positively to the revenue growth in the first quarter compared to the corresponding period 2011.

The number of game transactions amounted to 3.0 billion in the first quarter which is an increase of approximately 15 percent compared to previous quarter and 58 percent compared to the same period 2011.

In January 2012 a new legislation took effect in Denmark where operators can now offer online games on the local market via a license. The legal framework includes sports and horse betting, casino and poker online. The casino games include blackjack, roulette, slots, baccarat and punto banco. Net Entertainment has launched several customers; Betsson, Unibet, Bet24, Scandicbookmakers and Danbook. During the first quarter Net Entertainment has signed an additional agreement with an existing customer for the Danish market. Companies that intend to be present on the local market must fulfill the gaming authority's requirements no later than during the fourth quarter 2012.

On 1 March, Per Eriksson started as the new President and CEO of Net Entertainment. Per most recently served as CEO at Dustin Group AB. Prior to that, Per has had a long career within Dell, where he left as Head of Dell EMC, EMEA (Europe, Middle East and Africa).

During the first quarter G.Matica was launched on the Italian market.

During the first quarter, Net Entertainment signed agreements with eleven operators for delivery of the Company's mobile product NetEnt Touch™. In total the Company has signed 14 agreements for mobile games, of which three are live. During the first quarter development of the mobile platform was initiated to be compliant with Android units. In addition, development of several new mobile games have been initiated which will be launched during 2012.

SUMMARY IN FIGURES	Jan-Mar 2012	Jan-Mar 2011	Jan-Dec 2011
Operating revenues	127,474	95,236	427,618
Operating expenses	-87,408	-68,946	-297,905
Operating profit	40,066	26,290	129,713
Operating margin	31.4%	27.6%	30.3%
Cash flows from operating activities	43,486	48,933	203,251
Cash flows for the period	10,321	24,624	27,642
Cash and cash equivalents at end of period	84,885	71,717	74,234

Net Entertainment is a world leading supplier of digitally distributed gaming systems used by several of the world's most successful gaming operators. The Net Entertainment Casino™ is a complete gaming system comprising a full suite of high quality games and a powerful management platform. The games create the ultimate gaming experience for the player while the management platform enables Net Entertainment's customers, the operators, to optimize their business and profitability. Operators are provided a customized system solution that is easily integrated ensuring a short time to market and a cost efficient operation. Net Entertainment is listed on Nasdaq OMX Stockholm (NET-B). More information about Net Entertainment is available at www.netent.com.

COMMENTS FROM PER ERIKSSON, PRESIDENT AND CEO

The development for Net Entertainment has been positive during the first quarter. Revenues increased by 33.9 percent and operating profit increased 52.4 percent compared to the same period the previous year. The revenue growth is primarily a result of increased volumes with our existing customers but also due to new agreements signed and the launch of new customers. We are also starting to see results from the investments we have made in Italy which is now the Company's third largest market, where Norway and Sweden are the two largest markets. Despite that slots are not yet allowed, the development has been positive in Italy where volumes have increased. We are ready to launch slot games as soon as the gaming authority allows it.

The number of gaming transactions continued to increase and amounted to three billion in the first quarter which represents an increase of 58 percent compared to last year. The number of gaming transactions is an indication of the success of our games and the demand on the market.

Several strategic initiatives have proceeded during the first quarter which will continue during 2012. During the first quarter we launched Betsson, Unibet, Bet24, Scandicbookmakers and Danbook on the recently regulated Danish market. We also signed an additional agreement with an existing customer for delivery of Net Entertainment's casino in Denmark.

The development of a Live Casino product is progressing according to plan and we plan to launch the product around the end of 2012. We have launched mobile games with three customers and signed an additional eleven new agreements for mobile during the first quarter. We plan to launch several mobile games during 2012. I am looking forward to following this development and I am convinced that it will add significant value for Net Entertainment over time.

Historically, Net Entertainment has had a small presence on the UK market, which is Europe's largest market for online games. Positive discussions are ongoing with several operators. The sales and integration process is complex and certain adjustments are needed on Net Entertainment's platform in order to be able to integrate with the operator's IT architecture. This development work is expected to be completed during the second half of 2012.

With new games under development in combination with ongoing strategic initiatives, Net Entertainment has a solid position going into an exciting future.

NEW AGREEMENTS AND CUSTOMERS

Five new customers were signed during the first quarter. In addition, one agreement was signed with an existing customer for delivery of Net Entertainment's casino on the Danish market. A number of agreements were terminated with smaller customers that did not generate the minimum turnover which the Company requires.

CUSTOMERS TO BE LAUNCHED

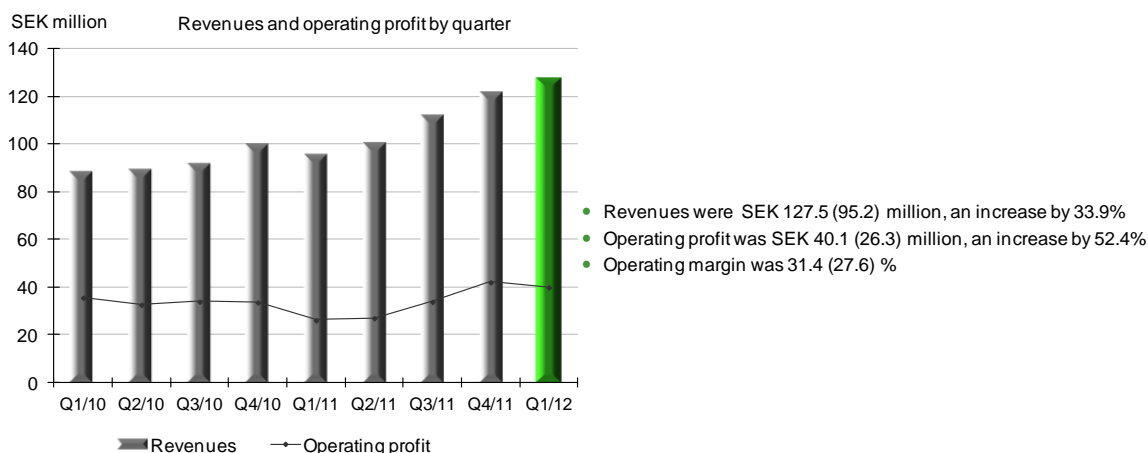
At the end of the quarter, the Company held agreements with several operators that have not yet launched, including bwin.it and Sky Betting & Gaming.

bwin.it is part of the bwin.party Group which is the world's largest listed online gaming operator. On the Italian market bwin.party is a leading operator, offering online poker, sports betting and lotteries with a significant market share.

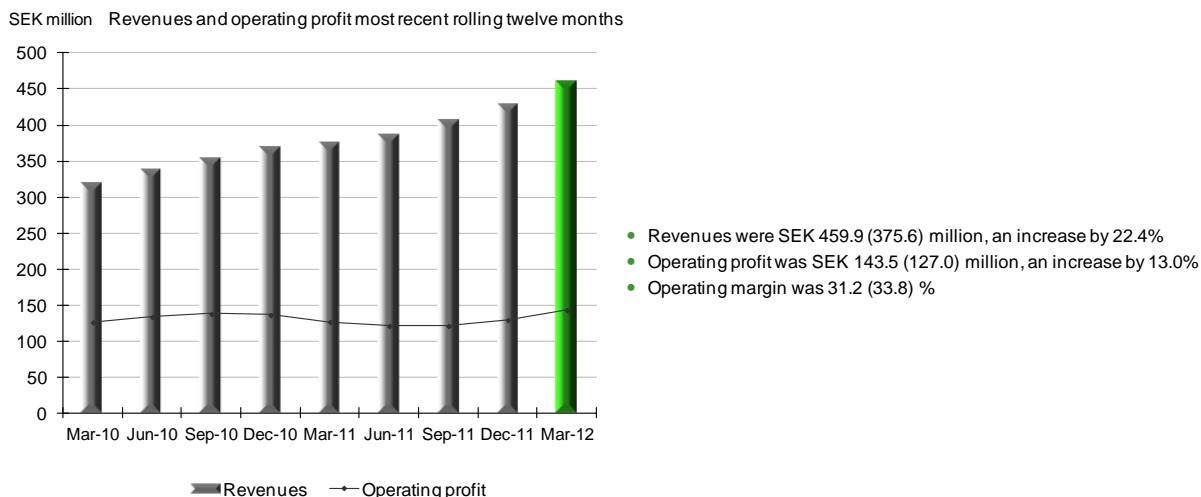
Sky Betting & Gaming is focused on the UK market. Sky Betting & Gaming has a broad offering of services within betting and games via SkyBet, SkyPoker, SkyVegas and SkyBingo. The Company is licensed in Alderney and is owned by BskyB Group PLC.

REVENUES AND PROFITABILITY

Revenues and operating profit by quarter are portrayed in the diagram below.



Revenues and operating profit for the most recent rolling twelve months are presented in the diagram below.



REVENUES – VOLUME, PRICE AND CURRENCY DEVELOPMENT

Net Entertainment’s revenues are affected by changes in volume, price (royalty levels and mix), and currency. The volume is affected by both existing customers’ growth as well as the launch of new customers. The largest part of revenues is derived from royalty revenues and a smaller part from setup-fees as new customer agreements are signed as well as revenues for managing pooled jackpots.

Revenues increased 33.9 percent in the first quarter compared to the corresponding period last year. Net Entertainment’s revenue increase compared with the corresponding period last year is a combination of existing customers’ growth and revenues from the launch of new customers. Two new customer’s casinos were launched during the quarter. During the most recent twelve month period, eleven new customers have been launched.

Royalty revenues were positively affected by significantly higher volumes compared to the corresponding period a year earlier in combination with several new contracts which generated a high level of set-up fees. The average royalty level was somewhat lower in the first quarter 2012 compared to the corresponding period 2011. This is mainly a result of higher volumes with the company’s customers compared to last year which leads to a somewhat lower average royalty. At the same time the Company has terminated agreements with smaller operators that have not generated the minimum turnover which the Company requires.

Revenues are affected by the development of the Swedish currency in relation to other currencies. The majority of revenues are invoiced in Euros, but also in British pounds and US dollars. Revenues are reported in Euros and then translated into the Swedish Krona for the Group's reporting. During the first quarter 2012, the Swedish Krona was 0.2 percent stronger than the Euro compared to the previous period 2011 and 2.6 percent compared to previous quarter. In Euros, total revenues increased by 34.1 percent for the first quarter compared to the corresponding period last year. The revenue increase in the first quarter compared to the corresponding period the previous year is thus attributable to increased volumes from existing customers, set-up fees and the launch of new customers.

The number of game transactions continued to grow and amounted to 3.0 billion during the first quarter, which is an increase of 58 percent compared to previous year. The increase of the number of game transactions has primarily been within the slot games. Since the bet per transaction is lower for slots compared to other casino games the revenues do not follow a corresponding development as the number of game transactions.

PROFITABILITY

Operating profit for the first quarter increased by 52.4 percent to SEK 40.1 (26.3) million. Operating expenses have increased during the first quarter compared to previous year due to the Company's expansion and strengthening of the organization within areas such as sales, product management, development, and IT operations to meet increased demands from the market and authorities. The strengthening of the organization is enabled mostly through own personnel but also through external recourses in the form of outsourcing both within and outside Europe and subcontractors. During the first quarter operating profit was also affected by expenses related to the new offices in Gothenburg and Kiev. In addition, the regulation of the online market creates new requirements which affect costs, as do new product areas such as mobile games, Live Casino and platform development.

For the first quarter the operating margin was 31.4 percent compared to 27.6 percent the previous year.

The financial net amounted to SEK -1.4 (-0.8) million for the first quarter and consists of exchange rate effects on cash and cash equivalents, financial receivables and financial liabilities as well as the return on cash and cash equivalents. The volatility in the Swedish Krona has periodically led to effects on inter-company balances which are items included in the financial net.

The Group had an effective tax rate of 10.4 (10.3) percent in the first quarter. The effective tax rate is affected by in which country where the Group conducts operations where the profit is generated and can vary from one reporting period to the next.

CAPITAL INVESTMENTS

The Group's expenditure for capitalized development projects as intangible assets amounted to SEK 26.4 (19.2) million during the first. Investments in property, plant, and equipment amounted to SEK 6.7 (5.2) million.

Investments in intangible assets consist of development of new games, technical adjustments in the platform such as new functionality, increased capacity and adjustments for requirements on regulated markets. Among larger development projects, the projects Live Casino, regulation of the Danish market, establishment on the UK market and the slot game Scarface are noticeable as an example. In addition, development of the mobile platform was initiated to be compatible with Android units.

Investments in property, plant, and equipment are primarily servers and other computer equipment. The investment pace is driven by both the increased transaction volume and the increased requirements for system availability.

CASH AND CASH EQUIVALENTS, FINANCING AND FINANCIAL POSITION

The Group's cash flow from operating activities for the first quarter amounted to SEK 43.5 (48.9) million. The decrease is attributable to a temporary increase in working capital where an increase in accounts receivable is the main reason. Another contributing factor to the decrease in cash flow compared to 2011 is tax paid which is approximately SEK 5 million higher compared to the same period last year as the corresponding tax was mainly paid during the fourth quarter 2010 instead of the first quarter 2011. excluding the changes in working capital and tax paid, cash flow improved by SEK 20.7 million compared to the first quarter 2011.

Cash flow from investing activities amounted to SEK -33.2 (-24.3) million for the first quarter. Development of mobile games and Live Casino were some of the contributing factors to the increased investing activities. Cash flow from financing activities was SEK - (-), i.e. zero for the first quarter.

The Group's cash and cash equivalents amounted to SEK 84.9 (71.7) million on March 31. In addition, there are available credit lines of SEK 20 million that have not been used.

MARKET

The online gaming market has shown positive growth in recent years. The global gross gaming yield for online gaming, including all game segments, is estimated to amount to EUR 26.9 billion in 2012, an increase of 9.8 percent compared to year 2011. In coming years, Europe is expected to represent close to half of the global gross gaming yield, making it the single largest gaming market¹.

Deregulation and reregulation of national gaming laws is taking place in many European countries. The development of national licensing systems is partly driven by rulings in the European Court of Justice which have given the member states a somewhat larger freedom to implement limitations regarding the offering of remote gaming cross borders. EU member states are now given increased opportunities to secure tax revenues provided the licensing systems create good competitive conditions that are formally open for all operators who meet certain requirements.

However, it is important to highlight that the European Court of Justice has through a number of rulings in September 2010 confirmed the principle that companies legally established within EU also have the right to offer and provide online gaming. Any restrictions imposed by a member state shall be continuous, systematic and coherent. National restrictions must always be proportionate to the purpose that justifies the restriction.

Net Entertainment closely monitors the development on all markets that are undergoing regulation. A selection of markets is stated below.

Italy was previously a regulated market, limited to sports and horse betting, tournament poker, skill games, and scratch tickets available online via licensed operators. In July a new legal framework took effect which also includes cash game poker, bingo and online casino games. The legislation for online casino games to end users is initially limited to table games. Net Entertainments ambition is to launch slots as soon as the Italian gaming authority allows it.

France adopted a legal framework in June 2010 where they grant licenses to online gaming operators who fulfill the local requirements. This allows private operators to offer betting on sporting events, horse racing, and poker on the Internet. The legal framework, that at the moment does not include casino, involves high taxation which makes it less attractive to private operators.

In January 2012 a new legislation took effect in Denmark where operators can now offer online games to the local market via a license. Companies who intend to operate on the local market must fulfill the gaming authorities requirements during the fourth quarter 2012. The legal framework includes sports and horse betting, online casino and poker. The casino games include blackjack, roulette, slots, baccarat and punto banco.

Spain has introduced a federal gaming legislation where the first licenses are expected to be awarded to operators who fulfill the gaming authority's requirements during May 2012.

In Germany, the 16 states are preparing a federal legal framework. Simultaneously the state Schleswig-Holstein has adopted a new legislation which has been approved by the EU-commission under which private operators are awarded licenses for betting and online casino.

In Sweden, discussions of a potential change in regulation regarding online gaming have been initiated. A new legal framework has not been presented however and it is uncertain if a new proposal for re-regulation will be presented before the election in 2014.

¹ H2 Gaming Capital, February 2012

As of 1 April 2012 a new gaming authority has been formed, Kansspelautoriteit (KSA) in the Netherlands. The Netherlands is expected to re-regulate online gaming during 2012 with a possibility to award licenses to private operators during 2013.

Net Entertainment believes that the conditions for continued expansion are good. The key reason for this is that the Company can continue to gain market share by delivering a first-class products in combination with continued strong customer closeness. Good products and an effective product development secure the conditions for new deals. By extending the product portfolio, Net Entertainment can target a wider market and broaden its customer base.

Net Entertainment's customers are located in Europe, which is the largest geographical market for online gaming. The Company will continue to focus on the European market, but at the same time monitor new potential markets such as North America and Asia.

EVENTS AFTER THE END OF THE PERIOD

No significant events to report have occurred after the end of the period.

ABOUT NET ENTERTAINMENT

Net Entertainment is a world leading supplier of digitally distributed gaming systems used by some of the world's most successful online gaming operators. The Net Entertainment Casino™ is a complete gaming system comprising a full suite of high quality games and a powerful management platform. The games create the ultimate gaming experience for the player while the management platform enables Net Entertainment's customers, the operators, to optimize their business and profitability. Operators are provided a customized system solution that is easily integrated ensuring short time to market and a cost efficient operation. Revenues consist of royalties based on revenues generated by the Company's products and setup fees when new agreements are signed. Net Entertainment is a pure development Company and thus does not conduct any gaming operations of its own. The Company's brand is internationally recognized and associated with innovation, service, and quality.

Technical development and operations are managed at the Group's Parent Company in Stockholm and product management, sales, customer support and marketing are managed from the Malta office. The Company also has an office in Gibraltar and an IT-operations site in Alderney. Development is also carried out in Gothenburg, India and the Ukraine.

The parent company is listed on NASDAQ OMX Stockholm (NET-B.ST)

BUSINESS MODEL AND OBJECTIVES

Net Entertainment's business model is to provide gaming operators with leading edge solutions, enabling them to offer the ultimate entertainment experience. This will enable them to profitably grow their business faster than the competition. By doing so, Net Entertainment shall generate sustainable profit and growth for its shareholders.

The gaming operators pay a monthly license fee calculated as a percentage of the gross gaming yield generated by the casino. It is therefore in the interest of both the operator and Net Entertainment to increase the operator's gaming revenues. Through the launch of new and unique games with high entertainment value and different kinds of bonus and loyalty schemas, players are stimulated to stay on the operator's site.

The European market for online gaming is expected to maintain good growth and Net Entertainment's objective is to grow faster than the market.

PERSONNEL AND ORGANIZATION

At the end of the period, the number of employees amounted to 243 versus 206 people one year ago. Including external recourses such as dedicated persons with contract suppliers and subcontractors, Net Entertainment employed 352 (310) persons.

During the first quarter, Per Eriksson started as the new President and CEO of Net Entertainment. Per most recently served as CEO at Dustin Group AB. Prior to that, Per has had a long career within Dell, where he left as Head of Dell EMC, EMEA (Europe, Middle East and Africa).

INCENTIVE PROGRAM

PROGRAM 2012-2015

The Annual General Meeting on April 18, 2012 resolved to introduce a long-term incentive program intended for senior management and key employees within Net Entertainment. The resolution entailed the issue of a maximum of 350,000 share option rights to personnel with permanent employment within Net Entertainment to subscribe for an equal amount of shares in Net Entertainment NE AB.

The share option rights will be issued at market value according to a valuation carried out by Ernst & Young. The strike price for the shares shall amount to 130 percent of the average closing price for the B-share on Nasdaq OMX Stockholm during the period 11 – 25 May 2012, however a subscription price not lower than the B-share's quotient value. Subscription of shares can be made during the period August 1 to October 1, 2015.

To stimulate participation in the program the board has resolved to offer a loyalty compensation which will be paid one month prior to maturity of the options to participants who are still employed at the date of payment and have not resigned and meet certain other conditions. The compensation can amount to a maximum of 50 percent of paid premium.

PROGRAM 2011-2014

The Annual General Meeting in April 2011 resolved to introduce a long-term incentive program intended for senior management and key employees within Net Entertainment. At the end of the quarter, the total outstanding share option rights amounted to 353,100 corresponding to the same number of shares. The strike price for the shares is determined to SEK 70.20 and subscription of shares can be made during the period August 1 to October 1, 2014. In the case of full subscription of these share option rights the parent company's equity will increase by SEK 24.8 million. Further information about this program can be viewed in the annual report 2011.

PROGRAM 2009-2012

The Annual General Meeting in April 2009 resolved to introduce a long-term incentive program intended for management and key employees within Net Entertainment. At the end of the quarter, the total outstanding share option rights amounted to 586,225 corresponding to the same number of shares. The strike price for the shares is determined to SEK 71.70 and subscription of shares can be made during the period May 15 to July 15, 2012. In the case of full subscription of these share option rights the parent company's equity will increase by SEK 42.0 million. Further information about this program can be viewed in the annual report 2011.

PARENT COMPANY

The parent company's revenues for the first quarter amounted to SEK 90.3 (74.9) million. Operating profit amounted to SEK 8.3 (6.8). The operating margin was 9.2 (9.0) percent for the first quarter. Currency effects on inter-company transactions are included in financial items. Profit after tax was SEK 5.0 (4.4) million for the first quarter.

Revenues in the parent company come from services provided to subsidiaries. No development costs are capitalized in the parent company as projects are ordered and owned by subsidiaries in Malta. Some parts of the technologies are still owned by the parent company and generate inter-company royalty revenues.

Cash and cash equivalents in the parent company at the end of the period amounted to SEK 38.3 (39.5) million.

Investments in property, plant and equipment amounted to SEK 3.8 (1.8) million for the period January-March 2012.

ACCOUNTING POLICIES

Net Entertainment prepares its financial statements in accordance with the International Financial Reporting Standards (IFRS) as approved by the European Union. The Group's interim report has been prepared in accordance with IAS 34, Interim Financial Reporting. The parent company uses the same accounting principles as the Group, with the addition of the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities. The same accounting and valuation principles have been applied as in the 2011 annual report. For further information on the principles, please refer to the annual report on www.netent.com.

Amounts are expressed in SEK (thousands of Swedish Kronor) unless otherwise indicated. Amounts or figures in parentheses indicate comparative figures for the corresponding period last year.

RISKS AND UNCERTAINTIES

Net Entertainment's operations are exposed to certain risks that could have a varying impact on earnings or financial position. These can be divided into industry, operational, and financial risks. The management's general view of the risks that may affect operations has not changed significantly compared with the description given in the most recently published annual report. The description below is a summary. For a detailed description of the risk profile, see Net Entertainment's 2011 Annual Report, pages 31-34 and page 63-64.

INDUSTRY AND OPERATIONAL RISKS

As specific industry-related operational risks it is noted that since gaming is regulated by law on most national markets, Net Entertainment, as supplier of casino games, and its customers are dependent on the legal situation of the gaming industry, and can be significantly affected by political decisions and legislative changes. Net Entertainment has a Class 4 license on Malta, which enables the delivery of systems and certain associated services to the Company's customers. The Company also has a category 2 license on Alderney. It is crucial that these licenses are maintained and extended. An extended license for another five years was obtained in November 2010 for the Malta license and the Alderney license is valid until further notice.

Other operational risks include the Group's dependency on access to qualified employees, maintaining larger customer contracts, and protecting internally developed products, intellectual property, and contracts. Like all Internet-based services, the system can suffer from operational interruptions. These can be caused by many different reasons, and may be either within or outside of Net Entertainment's control. In case of operational interruptions, the Company's product is entirely or partially unavailable for the end user, which affects the gaming operator's income and thus the license income for Net Entertainment.

The Group's competitors and general market fluctuations naturally also affect the Company's situation. With Net Entertainment's success the Company has at various times been sued for alleged infringement of intangible rights. Although the Company has not lost in any such allegation there could be a risk for a negative effect in the future in the case a court would rule to the Company's disadvantage. Each case involves costs in varying extent for legal advisors.

FINANCIAL RISKS AND TAXES

The Group's results are exposed to changes in exchange rates as the majority of the revenues are in Euro, and most costs are in the Swedish Krona. The Group's revenues in Euro are also affected indirectly by the end customer's (the players) currency which can be different from the billing currency. Profit and equity are also affected by changes in exchange rates when foreign subsidiaries' earnings, assets and liabilities are translated to SEK. The Group does not hedge its net exposure to currency fluctuations.

The Group's tax expense is affected by in which country where the Group conducts operations where the profit is generated and tax laws in each respective country. Extensive assessments are required in order to establish the provisions for income tax. There are many transactions and calculations where the final tax is uncertain at the time when the transactions and calculations are taking place. The Company has with legal experts assessed how tax rules affect the business to ensure a correct tax situation. This also applies to indirect taxes. The Company reports and pays the tax authorities the tax amounts the Company and its legal experts deem are correct. However, these amounts may be insufficient if tax authorities make more restrictive interpretations of tax regulations than the Company has done and deems as correct.

REDEMPTION OF SHARES AND TRANSFER TO SHAREHOLDERS

On April 18, 2012 the Annual General Meeting decided to approve the Board's proposal for share split and automatic redemption procedure, involving a cash transfer to shareholders of SEK 2.00 per share. In accordance with the Annual General Meeting's authorization, the Board decided on the subsequent board meeting to set the record date for share split of the Company's shares to April 26, 2012 and the record date for withdrawal of the redemption shares to May 18, 2012. According to the timetable for the redemption procedure trading in redemption shares will be possible between April 30 and May 14. Furthermore, cash will be transferred to the holders of redemption shares on May 23 through Euroclear.

PRESENTATION OF INTERIM REPORT

On Thursday, April 26 at 9.00 the report will be presented by CEO Per Eriksson at the Company's office at Luntmakargatan 18 in Stockholm. The presentation can be followed live via webcast on Net Entertainment's website www.netent.com.

FINANCIAL INFORMATION

Net Entertainment intends to distribute financial reports on the dates below.

Interim report January-June 2012	July 13, 2012
Interim report January-September 2012	October 25, 2012
Earnings report and report for the fourth quarter 2012	February 7, 2013

Financial reports, press releases, and other information are available from the date of publication on Net Entertainment's website www.netent.com.

The Board of Directors and the CEO certify that the earnings report gives a true and fair view of the operations, position, and results of the Group and parent company and describes principal risks and uncertainties facing the Company and Group companies.

Stockholm April 25, 2012

Vigo Carlund
Chairman of the Board of
Directors

Fredrik Erbing

Mikael Gottschlich

Peter Hamberg

Michael Knutsson

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LEGAL DISCLAIMER

Certain statements in this report are forward-looking and the actual outcomes may be materially different. In addition to the factors discussed, other factors could have an impact on actual outcomes. Such factors include developments for customers, competitors, the impact of economic and market conditions, national and international legislation and regulations, fiscal regulations, the effectiveness of copyright for computer systems, technological developments, fluctuations in exchange rates and interest rates and political risks.

PUBLICATION

The information in this earnings report is such information that Net Entertainment NE AB (publ) is required to publicly disclose under the Securities Market Act and/or Financial Instruments Trading Act. The information was submitted for publication on April 26, 2012 at 7.30 am.

CONDENSED CONSOLIDATED INCOME STATEMENTS AND STATEMENTS OF TOTAL INCOME FOR THE GROUP

INCOME STATEMENTS	Jan-Mar 2012	Jan-Mar 2011	Jan-Dec 2011
Revenues	127,150	95,012	426,838
Other revenues	324	224	780
Total operating revenues	127,474	95,236	427,618
Personnel expenses	-37,232	-33,082	-146,547
Depreciation and amortization	-16,639	-8,975	-45,823
Other operating expenses	-33,537	-26,889	-105,535
Total operating expenses	-87,408	-68,946	-297,905
Operating profit	40,066	26,290	129,713
Financial items	-1,410	-768	-719
Profit before tax	38,656	25,522	128,994
Tax on the period's profit	-4,020	-2,634	-13,380
Profit for the period	34,636	22,888	115,614
<i>Earnings per share before dilution (SEK)</i>	0.88	0.58	2.92
<i>Earnings per share after dilution (SEK)</i>	0.88	0.58	2.92
<i>Average number of shares</i>			
- before dilution	39,553,716	39,553,716	39,553,716
- after dilution	39,553,716	39,553,716	39,553,716
Operating margin	31.4%	27.6%	30.3%
Effective tax rate	10.4%	10.3%	10.4%
Profit for the period attributable to parent company shareholders	34,636	22,888	115,614
STATEMENTS OF TOTAL INCOME			
Profit for the period	34,636	22,888	115,614
Other total income			
Exchange differences arising from the translation of foreign operations	-694	-528	-911
Sum of other total income for the period. net after tax	-694	-528	-911
Total income for the period	33,942	22,360	114,703

CONDENSED CONSOLIDATED BALANCE SHEETS

ASSETS	2012-03-31	2011-03-31	2011-12-31
Intangible assets	146,718	100,111	133,142
Property, plant, and equipment	51,498	46,070	50,412
Total non-current assets	198,216	146,181	183,554
Accounts receivable	10,673	1,574	3,680
Prepaid expenses and accrued revenues	55,874	45,018	54,788
Other receivables	19,410	29,318	38,473
Funds held on behalf of licensees	36,441	26,175	87,689
Cash and cash equivalents	84,885	71,717	74,234
Total current assets	207,283	173,802	258,864
TOTAL ASSETS	405,499	319,983	442,418

EQUITY AND LIABILITIES	2012-03-31	2011-03-31	2011-12-31
Share capital	1,191	1,191	1,191
Other capital contributed	40,904	38,362	40,904
Reserves	-8,163	-7,086	-7,469
Retained earnings including profit for the period	237,993	189,738	203,357
Total equity	271,925	222,205	237,983
Accounts payable	30,201	21,982	33,498
Current tax liabilities	12,605	10,146	18,512
Other liabilities	52,430	32,119	118,710
Accrued expenses and prepaid revenues	38,338	33,531	33,715
Total current liabilities	133,574	97,778	204,435
TOTAL EQUITY AND LIABILITIES	405,499	319,983	442,418

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	Jan-Mar 2012	Jan-Mar 2011	Jan-Dec 2011
Operating profit	40,066	26,290	129,713
<i>Adjustment for items not included in cash flows:</i>			
Depreciation and amortization	16,639	8,975	45,823
Other	-1,240	-865	-430
Interest received	-	156	420
Interest paid	-170	-	-166
Tax paid	-9,087	-3,751	-6,060
Cash flows from operating activities before changes in working capital	46,208	30,805	169,300
Changes in working capital	-2,722	18,128	33,951
Cash flows from operating activities	43,486	48,933	203,251
Capitalized intangible assets	-26,421	-19,157	-77,539
Acquisition of property, plant, and equipment	-6,744	-5,152	-21,505
Cash flows from investing activities	-33,165	-24,309	-99,044
Transfer to shareholders	-	-	-79,107
Received premium for share option rights	-	-	2,542
Cash flows from financing activities	-	-	-76,565
Cash flow for the period	10,321	24,624	27,642
Cash and cash equivalents at beginning of period	74,234	47,034	47,034
Exchange rate differences in cash and cash equivalents	330	59	-442
Cash and cash equivalents at end of period	84,885	71,717	74,234

CONDENSED CONSOLIDATED CHANGES IN EQUITY

	Share capital	Other capital contributed	Reserves	Retained earnings	Total equity
2011					
Opening equity 2011-01-01	1,191	38,362	-6,558	166,850	199,845
Total income for the period Jan-Mar	-	-	-528	22,888	22,360
Closing equity 2011-03-31	1,191	38,362	-7,086	189,738	222,205
Transfer to shareholders	-	-	-	-79,107	-79,107
Premium received for share option rights	-	2,542	-	-	2,542
Total income for the period Apr-Jun	-	-	2,959	25,137	28,096
Closing equity 2011-06-30	1,191	40,904	-4,127	135,768	173,736
Total income for the period Jul-Sep	-	-	2,295	30,953	33,248
Closing equity 2011-09-30	1,191	40,904	-1,832	166,722	206,985
Total income for the period Oct-Dec	-	-	-5,637	36,636	30,999
Closing equity 2011-12-31	1,191	40,904	-7,469	203,357	237,983
2012					
Opening equity 2012-01-01	1,191	40,904	-7,469	203,357	237,983
Total income for the period Jan-Mar	-	-	-694	34,636	33,942
Closing equity 2012-03-31	1,191	40,904	-8,163	237,993	271,925

There is no minority interest in the Group. All equity is therefore attributed to parent company shareholders.

CONSOLIDATED KEY DATA AND FIGURES

	Jan-Mar 2012	Jan-Mar 2011	Jan-Dec 2011
Operating revenues (SEK thousands)	127,474	95,236	427,618
Operating euro based revenues (EUR thousands)	14,313	10,718	47,281
Operating margin (percent)	31.4	27.6	30.3
Profit margin (percent)	30.3	26.8	30.2
EBITDA margin (percent)	44.5	37.0	41.0
Return on shareholders' equity (percent)	13.6	10.8	52.8
Equity/assets ratio (percent)	67.1	69.4	53.8
Quick ratio (percent)	155.2	177.8	126.6
Net interest-bearing liabilities (SEK thousands) ¹	-84,885	-71,717	-74,234
Net debt/equity ratio (multiple)	-0.3	-0.3	-0.3
Average number of employees	239	200	220
Employees at period's end	243	206	231
Employees and external resources at period's end	352	310	324
Earnings per share before and after dilution	0.88	0.58	2.92
Equity per share (SEK)	6.87	5.62	6.02
Average number of outstanding shares before dilution	39,553,716	39,553,716	39,553,716
Average number of outstanding shares after dilution	39,553,716	39,553,716	39,553,716
Number of outstanding shares at the period's end before dilution	39,553,716	39,553,716	39,553,716
Number of outstanding shares at the period's end after dilution	39,553,716	39,553,716	39,553,716

¹ A negative figure means that the Group has a net cash position (positive cash flow and no interest-bearing liabilities)

CONSOLIDATED KEY DATA AND FIGURES BY QUARTER

	2012				2011				2010
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Operating revenues (SEK millions)	127.4	121.1	111.4	99.9	95.2	99.6	91.6	89.2	87.9
Operating eurobased revenues (EUR millions)	14.3	13.3	12.2	11.1	10.7	10.8	9.8	9.2	8.8
Operating profit (SEK million)	40.1	42.2	34.0	27.2	26.3	33.8	34.1	32.8	35.7
Operating margin (percent)	31.4	34.9	30.5	27.2	27.6	33.9	37.2	36.8	40.7
EBITDA-margin (percent)	44.5	46.9	41.6	37.2	37.0	43.2	45.9	45.3	47.7
Growth total revenue in SEK vs prior yr (percent)	33.9	21.6	21.7	12.0	8.3	16.6	20.8	27.2	28.0
Growth eurobased revenue vs prior yr (percent)	32.7	23.1	24.1	19.9	21.3	31.7	35.1	42.3	41.0
Growth in SEK vs previous quarter (percent)	5.3	8.7	11.6	4.8	-4.4	8.8	2.7	1.4	3.0
Growth in EUR vs previous quarter (percent)	7.6	9.3	9.8	3.4	-0.8	10.2	6.0	4.6	7.7
Cash and cash equivalents (excl. funds held on behalf of licensees) ²	84.9	74.2	50.0	26.1	71.7	47.0	40.8	31.2	94.9
Funds held on behalf of licensees ²	36.4	87.7	25.4	57.5	26.2	46.4	34.8	35.8	27.4
Equity/assets ratio (percent)	67.1	53.8	59.7	53.2	69.4	65.1	63.8	62.4	73.6
Return on shareholders' equity (percent)	13.6	16.5	16.3	12.7	10.8	15.6	18.8	17.5	16.6
Net debt/equity ratio (multiple)	-0.3	-0.3	-0.2	-0.2	-0.3	-0.2	-0.2	-0.5	-0.6
Earnings per share	0.88	0.93	0.78	0.64	0.58	0.73	0.76	0.77	0.78
Equity per share (SEK)	6.87	6.02	5.23	4.39	5.62	5.05	4.36	3.74	5.05
Average number of employees	239	229	228	223	200	179	155	137	136

DEFINITIONS

Operating margin

Operating profit in relation to operating revenues.

Profit margin

Profit after financial items in relation to operating revenues.

EBITDA-margin

Operating profit excluding depreciation and amortization in relation to operating revenues.

Return on investment on shareholders' equity

Period's profit/loss in relation to average shareholder equity for the period.

Equity/assets ratio

Equity at the end of period as a percentage of total assets at the end of period.

Quick ratio

Current assets in relation to current liabilities.

Net interest-bearing liabilities

Net of interest-bearing provisions and liabilities less financial assets and cash and cash equivalents.

Net debt/equity ratio (multiple)

Net of interest-bearing earnings and liabilities minus financial assets and cash and cash equivalents divided by shareholder's equity.

Average number of employees

The average number of employees during the period.

Number of employees at end of period

The number of employees at the end of the period.

Number of employees and external resources at end of period

The number of employees and external resources such as dedicated persons with contracted suppliers and subcontractors at the end of the period.

Earnings per share

Profit for the period divided by the average number of shares outstanding during the period.

Equity per share

Shareholders' equity divided by the number of shares outstanding at the end of the period.

Average number of shares outstanding

The average number of shares outstanding during the period, adjusted for bonus issue and share split.

Number of shares outstanding

The number of shares outstanding, adjusted for bonus issue and share split.

CONDENSED PARENT COMPANY INCOME STATEMENT

INCOME STATEMENTS	Jan-Mar 2012	Jan-Mar 2011	Jan-Dec 2011
Operating revenues	90,287	74,914	308,129
Other external expenses	-35,819	-28,218	-109,469
Personnel expenses	-43,172	-37,893	-167,148
Depreciation and amortization	-2,990	-2,053	-8,957
Operating profit	8,306	6,750	22,555
Financial items	-1,363	-725	68,501
Profit after financial items	6,943	6,025	91,056
Tax on the period's profit	-1,898	-1,659	-6,225
Profit for the period	5,045	4,366	84,831

STATEMENT OF TOTAL INCOME

Profit for the period	5,045	4,366	84,831
Other total income	-	-	-
Sum of other total income for the period, net after tax	-	-	-
Total income for the period	5,045	4,366	84,831

CONDENSED PARENT COMPANY BALANCE SHEET

ASSETS	2012-03-31	2011-03-31	2011-12-31
Intangible assets	30,952	23,203	27,983
Property, plant, and equipment	512	512	512
Shares in subsidiary	31,464	23,715	28,495
Total non-current assets	9	1	28
Accounts receivable	233,751	156,323	180,224
Receivables from Group companies	8,049	4,589	6,580
Prepaid expenses and accrued revenues	7,176	6,652	8,476
Other receivables	38,253	39,464	25,050
Cash and cash equivalents	287,238	207,029	220,358
TOTAL ASSETS	318,702	230,744	248,853

EQUITY AND LIABILITIES	2012-12-31	2011-03-31	2011-12-31
Share capital	1,191	1,191	1,191
Statutory reserve	38	38	38
Share premium reserve	6,015	3,473	6,015
Retained earnings	104,938	99,214	20,107
Profit for the period	5,045	4,366	84,831
Total equity	117,227	108,282	112,182
Accounts payable	26,382	19,835	28,773
Liabilities to Group companies	136,153	65,389	69,181
Current tax liabilities	1,511	3,875	6,127
Other liabilities	3,338	3,337	3,177
Accrued expenses and prepaid revenues	34,091	30,026	29,413
Total current liabilities	201,475	122,462	136,671
TOTAL EQUITY AND LIABILITIES	318,702	230,744	248,853

NET ENTERTAINMENT'S PRODUCTS

CASINO

The Net Entertainment Casino™ is a complete gaming system consisting of a powerful administration tool and a full suite of high quality games. Games are divided into four categories: table games, video poker, slot games and other games such as scratch cards and Keno.

The games are customized for each licensee so they become a natural, integral part of the licensee's gaming site. Net Entertainment also provides assistance with graphical design of the website where the games are presented.

Distributing the games is possible through a number of channels where browser based solutions are the most common but the Company has also developed a downloadable client.

MULTIPLAYER GAMES

Net Entertainment has developed blackjack and roulette where several players can participate.

SERVICE

Net Entertainment offers a number of peripheral services including technical support, hosting, account management and system surveillance. This allows the licensees to focus on their core business.

DEVELOPMENT

Extensive analysis and development efforts ensure that the Company can deliver new exciting games and functions. The complexity within casino games is continuously increasing and Net Entertainment is seen as a market leader within its market.

Two new games are Starburst™ and Crime Scene™.

