

NET ENTERTAINMENT
INTERIM REPORT JANUARY–MARCH 2014



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FIRST QUARTER 2014

- Revenues for the first quarter increased by 26.7 % to SEK 188.4 (148.8) million
- Operating profit amounted to SEK 51.2 (41.0) million
- Operating margin was 27.2 (27.5) %
- Profit after tax amounted to SEK 46.1 (33.8) million
- Earnings per share amounted to SEK 1.17 (0.86) before dilution and SEK 1.16 (0.85) after dilution
- Four license agreements with new customers were signed, two new customers' casinos were launched

IMPORTANT EVENTS IN THE FIRST QUARTER

- A partnership agreement was signed with GameAccount Network, a platform supplier with focus on the Italian market
- Six agreements were signed with customers for delivery of mobile games and 10 customers launched mobile games in quarter
- Ten agreements were signed for delivery of Live Casino and four customers launched Live Casino in the quarter

QUOTE FROM CEO, PER ERIKSSON

- *Net Entertainment had a very good start in 2014 with a growth of 26.7 percent while strengthening its position in Europe by signing several new customer agreements and launching several new games. I am convinced that we will see a continued eventful year in the form of new markets, new customer agreements and new products for the Company.*

SUMMARY IN FIGURES	Jan-Mar 2014	Jan-Mar 2013	Jan-Dec 2013
Operating revenues	188,406	148,756	630,746
Operating expenses	-137,201	-107,801	-450,998
Operating profit	51,205	40,955	179,748
Operating margin	27.2%	27.5%	28.5%
Cash flows from operating activities	74,343	69,521	249,930
Cash flows for the period	42,202	36,758	22,703
Cash and cash equivalents at end of period	147,763	117,165	105,829

COMMENTS FROM PER ERIKSSON, PRESIDENT AND CEO

Net Entertainment had a very good start in 2014 with a growth of 26.7 percent while strengthening its position in Europe by signing several new customer agreements and launching several new games. Operating profit amounted to 27.2 percent during the first quarter which was in line with previous year and in line with our expectations. The number of game transactions continued to grow and amounted to 5 billion which is an increase of about 26 percent compared to last year. Mobile games continue to grow and represented more than 11 percent of Net Entertainments gross gaming revenues (bet-win) in the first quarter.

We signed a partnership agreement with platform supplier GameAccount Network during March which was very pleasing as Net Entertainment can now reach additional operators, such as Snai, Sisal and Eurobet on the Italian market. During April we launched bet365 which is one of the world's largest gaming operators. The agreement with bet365 is on a global basis and Net Entertainment's games will be placed under its own tab, "Vegas" on bet365's web site.

Regulated markets is a strategic focus area for Net Entertainment and we are investigating the possibility for establishment in Holland and Spain which are currently regulating online gaming and we are preparing the Company for the re-regulation in Great Britain which is expected to take place during the second half of 2014. Net Entertainment has also developed a close collaboration with the Italian gaming authority AAMS where both parties are now actively working on getting unlicensed operators, that have a focus on Italian players, to acquire a local license. Net Entertainment does not intend to deliver the Company's products to unlicensed operators in Italy after the end of this year. Short-term, Net Entertainment's revenues may be negatively affected by this, but it will depend on how many operators that acquire an Italian license. We are working on preparations for an establishment in North America.

Net Entertainment has had a strong start in 2014 and I am convinced that we will see a continued eventful year in the form of new markets, new customer agreements and new products for the Company.

FUTURE OUTLOOK

GROWTH

The Company sees a solid underlying growth in Net Entertainment's products and has several investments that have been carried out in 2012 and 2013, which from a revenue perspective are expected to become visible during 2014 onwards. With this in mind it is Net Entertainment's ambition to achieve continued strong sales growth in 2014.

COSTS AND INVESTMENTS

To adapt the resource base and meet an increasing number of customers and a higher demand for the Company's products there is a continued need to increase the number of resources in the Company during 2014. The Company's depreciation is expected to continue to increase in coming quarters due to larger projects being launched. Depreciation is also affected by the Swedish Krona's development in relation to the Euro. If the Swedish Krona is weakened, depreciation will increase as the majority of the Company's investments are in euro. The share of capitalized development cost in relation to the total resource cost is expected to decrease, which will have a negative effect on the operating margin. The main reason is additional customer specific development work and projects that are considered to be maintenance work. These types of projects are reported as an operating expense instead of intangible assets.

Net Entertainment's ambition remains that the operating margin for the full year 2014 shall amount to around the same level as in 2013.

NEW AGREEMENTS AND CUSTOMERS

During the first quarter four agreements were signed with new customers. One partnership agreement was also signed with platform supplier GameAccount Network

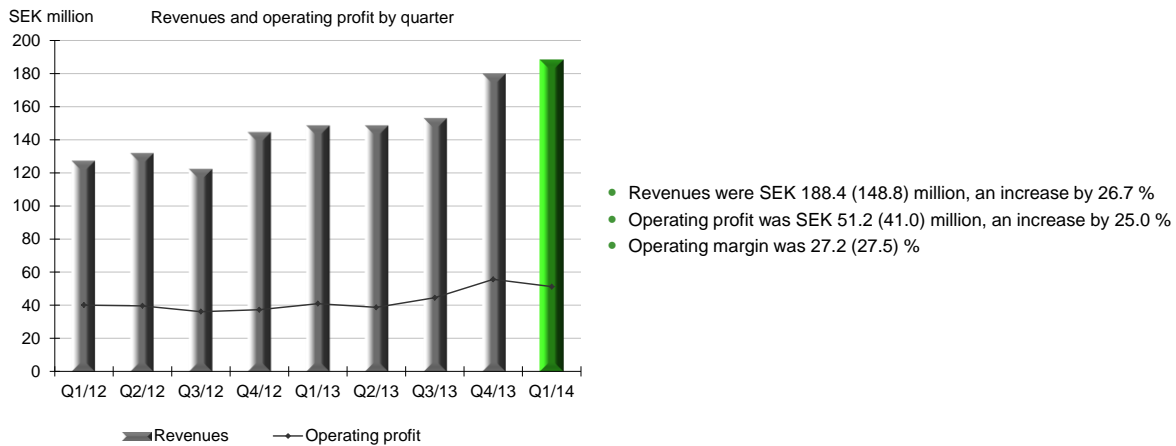
GameAccount Network is a developer of gaming software systems and online content with a focus on the European market. Through the agreement with GameAccount Network, Net Entertainment will be able to offer its best PC and mobile games to well-known established operators such as Sisal, Snai and Eurobet.

CUSTOMERS TO BE LAUNCHED

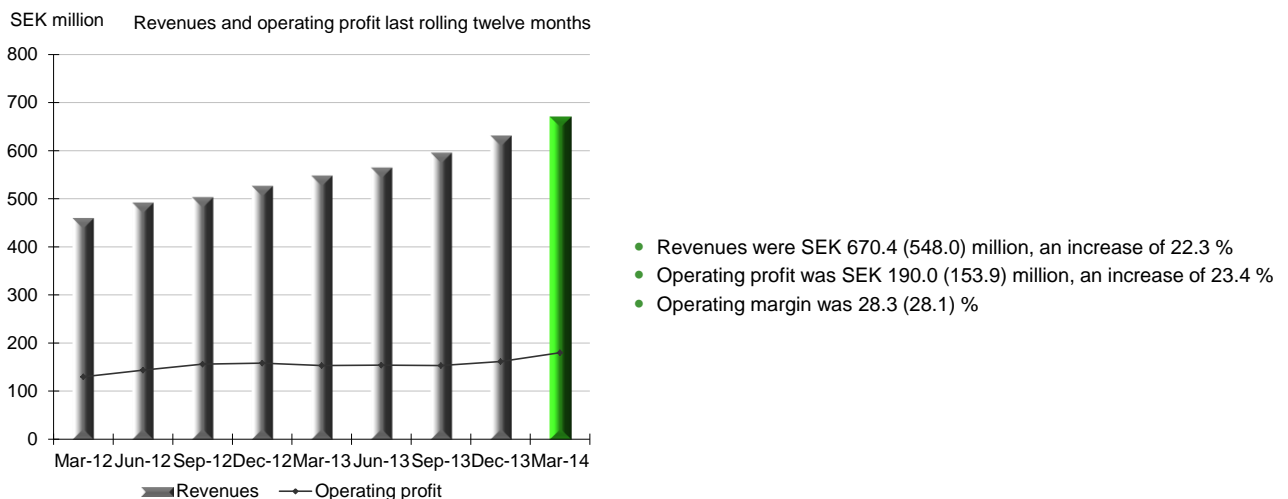
At the end of the quarter, the Company held agreements with 17 new operators that have not yet launched. During April, gaming operators bet365 and BskyB were launched. View section "Events after the quarter" for further information.

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 is presented below.



REVENUES – VOLUME, PRICE AND CURRENCY DEVELOPMENT

Revenues amounted to SEK 188.4 (148.8) million during the first quarter, an increase of 26.7 percent compared to the corresponding period 2013. Net Entertainment’s revenue increase compared with the corresponding period the previous year comes from a combination of existing customers’ growth, launch of new games and revenues from the launch of new customers. During the first quarter, revenues were positively affected by increased volumes from existing customers but also due to setup fees in conjunction with several new agreements that were signed in the quarter. Two new customer’s casinos were launched during the quarter. During the most recent twelve month period 19 new customers have been launched. The average royalty has been relatively stable during the quarter compared to the previous year.

The number of game transactions amounted to 5.0 billion during the first quarter, which is an increase of approximately 26 percent compared to previous year. The increase in the number of game transactions is primarily a result of increased activity among the players but also due to what game type is the most popular. Slot games represented approximately 83 percent of game win (player bet minus player win) during the first quarter which in general mean more transactions as players bet less per round but play more rounds compared to other casino games. In addition, games through mobile units show a similar pattern in terms of the number and size of the transactions. Mobile games are an area which has increased significantly during 2012 and 2013. This also means that the revenue increase does not correlate with the increase in the number of game transactions.

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 accounted for in Euros and then translated into the Swedish Krona for the Group's reporting. During the first quarter 2014, the Swedish Krona weakened by 4.2 percent towards the Euro compared to the same period 2013 and was unchanged compared to previous quarter. In Euros, revenues increased by 21.1 percent for the first quarter compared to the corresponding period last year.

COSTS AND PROFITABILITY

Operating profit for the first quarter increased by 25.0 percent to SEK 51.2 (41.0) million. Operating expenses have increased during the first quarter compared to previous year due to the Company's expansion and strengthening of the organization. The strengthening of the organization is enabled mainly through own personnel but also through external resources in the form of subcontractors and outsourcing outside Europe. The expansion also leads to increased operating cost such as customer specific integration costs, license costs, bandwidth costs and hardware purchases. Depreciation increased compared to previous year as several large development projects have been completed, such as Live Casino, new large platform projects and games to mobile and PC. Amortization of development projects are linear with equal amounts each month from the launch date while revenues increase gradually which means that the positive margin effect from newly launched projects is not visible instantly. In addition, depreciation and amortization is affected by the Swedish Krona's development versus the euro as depreciation and amortization is booked in euro but then re-calculated to SEK for the Group's financial reporting.

The operating margin amounted to 27.2 percent in the first quarter compared to 27.5 percent the previous year. The negative margin development is primarily a result of additional recruitments of resources compared to previous year but also as the share of capitalized development cost in relation to the total resource cost has decreased which has a negative impact on operating margin. The reason is additional customer specific development work and projects that are considered to be maintenance work. These types of projects are reported as an operating expense instead of intangible assets.

The financial net amounted to SEK -0.6 (-4.4) million for the first quarter and primarily consists of exchange rate effects on cash and cash equivalents, financial receivables and financial liabilities consisting mainly of intercompany transactions 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 8.8 (7.4) percent in the first quarter. The effective tax rate is mainly affected by in which country where the Group conducts operations where the profit is generated and can vary between reporting periods. During the fourth quarter 2013 Net Entertainment has adjusted the reporting of deferred tax relating to the Group's Maltese operations retroactively. The Company therefore takes into consideration that 6/7 of deferred tax relating to tax on dividend from the Maltese subsidiaries will be refunded by the Maltese authorities. Previously the deferred tax was calculated based on the tax rate applicable to undistributed profits. Prior period's reported financial result and financial position have been re-calculated which mean that the deferred tax liabilities per March 31 2013 has decreased by SEK 5.5 million, tax expense decreased by SEK 1.0 million and shareholder's equity increased by SEK 6.4 million.

INVESTMENTS

The Group's investment in intangible assets amounted to SEK 22.3 (23.4) million during the first quarter. Investments in property, plant, and equipment amounted to SEK 9.9 (7.4) million in the first quarter.

Investments in intangible assets consist of development of new games for mobile phones, tablets and PC, technical adjustments in the platform such as new functionality, increased capacity, adjustments for requirements on regulated markets and software licenses. Among larger development projects in the first quarter, further development of Live Casino, games for mobile units and for PC and certain platform projects.

Investments in property, plant, and equipment are primarily servers and other computer equipment to meet new technical requirements and maintain capacity and performance in conjunction with new platform releases. Investments have also been made in computer equipment to meet the organizational expansion.

CASH AND CASH EQUIVALENTS, FINANCING AND FINANCIAL POSITION

The Group's cash flow from operating activities for the first quarter amounted to SEK 74.3 (69.5) million. The increase compared to previous year is primarily due to an improved operating profit. The increase is however

lower due to a decreased cash flow from working capital compared to previous year, primarily as a result of higher receivables.

Cash held on behalf of licensees amounted to SEK 34.5 (54.4) million on March 31. The decrease is a result of more jackpots that have been won by players and that the re-building of new jackpots has not accumulated to the same level as previous year.

Cash flow from investing activities amounted to SEK -32.1 (-30.9) million during the first quarter. Further description of the investing activities can be viewed in the section Investments above.

The Group's cash and cash equivalents amounted to SEK 147.8 (117.2) million on March 31. The Group's available credit lines amounted to SEK 50.0 million of which none had been used on March 31.

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 expected to amount to EUR 29 billion in 2014, an increase of 12 percent compared to year 2013. Europe is by far the largest gaming market and is expected to represent close to half of the gross gaming yield in coming years.¹

Deregulation and reregulation of national gaming laws is taking place in many European countries. Net Entertainment closely monitors the development on all markets that are undergoing regulation. Net Entertainment is currently looking over the prerequisites for a license in Spain and Holland which are close to regulating online gaming. Britain is currently re-regulating online gaming and Net Entertainment has decided to apply for a license. The re-regulation in Britain is expected to be finalized during the second half of 2014.

The majority of Net Entertainment's customers are today 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 outside Europe. Net Entertainment carefully follow the development on markets that are about to regulate and intends to launch products on these markets if the prerequisites are right. In North America discussions are ongoing regarding regulation and a number of states have already regulated online gaming. Net Entertainment is currently preparing for a potential establishment in North America.

For further information please view the market section in the annual report 2013.

EVENTS AFTER THE END OF THE PERIOD

During April gaming operator bet365 was launched which is one of the world's largest operators. In addition, BskyB was launched during April.

ABOUT NET ENTERTAINMENT

Net Entertainment is a premium supplier of online casino games used by many of the world's most successful online casino operators. The Net Entertainment CasinoModule™ is a leading-edge gaming system which includes high-quality online casino games, powerful bonus programs and a sophisticated Back Office. CasinoModule™ creates the ultimate gaming experience for the player, while managing billions of transactions every year and gives online casino operators full control and management of their casino activities. Operators are provided with a customized casino that is easily integrated ensuring short time to market and a cost efficient operation. Net Entertainment is listed on Nasdaq OMX Stockholm (NET-B). For more information please visit www.netent.com.

PERSONNEL AND ORGANIZATION

At the end of the period, the number of employees amounted to 374 (317). Including external recourses such as dedicated persons with contract suppliers and subcontractors, Net Entertainment employed 498 (421) persons.

¹ H2 Gaming Capital January 2014

PARENT COMPANY

The parent company's revenues for the first quarter amounted to SEK 112.7 (94.9) million. Operating profit amounted to SEK 8.8 (2.3) million for the first quarter. The operating margin was 7.8 (2.5) percent. Operating profit is primarily affected by the proportion of the parent company's costs that are billed to other Group companies and applied intercompany pricing. The price level is controlled by independent comparative studies of similar services and can vary over time if the general price level on the market has changed. Currency effects on inter-company transactions are included in financial items. Profit after tax was SEK 6.9 (1.4) million for the first quarter.

Revenues in the parent company come from services provided to subsidiaries. No product development costs are capitalized in the parent company as the development projects are ordered and owned by subsidiaries in Malta.

Cash and cash equivalents in the parent company at the end of the period amounted to SEK 101.9 (83.8) million.

Investments in property, plant and equipment amounted to SEK 6.2 (2.1) million for the period January-March 2014. The parent company's investments in intangible assets amounted to SEK 0.7 (1.0) million for the first quarter 2014 and primarily consist of software.

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 new and revised standards, IAS 1 Presentation of Financial Statements and IFRS 13 Fair Value Measurement, have not affected the financial statements other than expanded disclosure requirements. 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 2013 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 compared with the description given in the most recently published annual report. For a detailed description of the risk profile, see Net Entertainment's 2013 Annual Report, pages 35-38 and page 68. The descriptions states among other things that after a tax audit in Net Entertainment NE AB concerning fiscal years 2007-2010, the Swedish Tax Agency has announced its decision to impose additional taxes on Net Entertainment in the amount of approximately SEK 92.1 million. The Swedish Tax Agency states in its' decision that the transfer pricing that has been applied between the Swedish based parent company Net Entertainment NE AB and the Malta-based operations is not motivated. Thus, the Swedish Tax Agency gives certain agreements between companies within the Net Entertainment Group a different legal interpretation and economic substance than what Net Entertainment and its' expert advisors do. Net Entertainment disputes the assessment that the Swedish Tax Agency has done and consequently also the amounts as it relates to the income tax adjustment and the tax surcharges. Net Entertainment insists that it has followed applicable laws for taxation of its operations, which is also supported by the experts that the Company has consulted on the subject. The Company is now in the process of appealing the Swedish Tax Agency's decision to the Administrative Court. Net Entertainment does not currently see grounds to make a provision in the accounts for possible additional taxes related to this matter. The amount SEK 92.1 million has been reported as a contingent liability in the annual report for 2013.

PROPOSED DIVIDEND

The Board proposes to the Annual General Meeting to allocate SEK 118.7 (89.0) million to shareholders, which corresponds to SEK 3.00 (2.25) per share. The Board intends to propose that the transfer be handled through a share redemption program. The complete proposal will be presented well in advance before the Annual General Meeting.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held in Spårvagnshallarna in Stockholm on April 24, 2014 at 15.00.

PRESENTATION OF INTERIM REPORT

On Wednesday, April 23 at 9.00 the report will be presented by CEO Per Eriksson via a live webcast. 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.

Annual General Meeting 2014	April 24, 2014
Interim report January-June 2014	July 11, 2014
Interim report January-September 2014	October 23, 2014
Earnings report and report for the fourth quarter 2014	February 12, 2015

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 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 22, 2014

Vigo Carlund
Chairman of the Board

Fredrik Erbing
Board Member

Mikael Gottschlich
Board Member

Peter Hamberg
Board Member

Michael Knutsson
Board Member

Pontus Lindwall
Board Member

Maria Redin
Board Member

Per Eriksson
President and CEO

Questions may be directed to

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This interim report has not been subject to special review by the Company's auditor

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 interim 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 23, 2014 at 7.30 am.

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

INCOME STATEMENTS	Jan-Mar 2014	Jan-Mar 2013	Jan-Dec 2013
Revenues	187,984	148,497	628,961
Other revenues	422	259	1,785
Total operating revenues	188,406	148,756	630,746
Personnel expenses	-57,481	-49,011	-193,104
Depreciation, amortization and impairments	-29,824	-22,536	-103,140
Other operating expenses	-49,896	-36,254	-154,754
Total operating expenses	-137,201	-107,801	-450,998
Operating profit	51,205	40,955	179,748
Financial items	-640	-4,415	2,950
Profit before tax	50,565	36,540	182,698
Tax on the period's profit ¹	-4,438	-2,700	-15,559
Profit for the period	46,127	33,840	167,139
Earnings per share before dilution (SEK)	1.17	0.86	4.23
Earnings per share after dilution (SEK)	1.16	0.85	4.21
Average number of shares			
- before dilution	39,553,716	39,553,716	39,553,716
- after dilution	39,796,484	39,621,089	39,691,174
Operating margin	27.2%	27.5%	28.5%
Effective tax rate ¹	8.8%	7.4%	8.5%
Profit for the period attributable to parent company shareholders	46,127	33,840	167,139
STATEMENTS OF TOTAL INCOME			
Profit for the period	46,127	33,840	167,139
Other total income			
Items that may be reclassified to net income			
Exchange differences arising from the translation of foreign operations	-2	-5,978	8,328
Sum of other total income for the period, net after tax	-2	-5,978	8,328
Total income for the period	46,125	27,862	175,467

¹ Previous period's tax and result has been adjusted as the Company has adjusted the reporting of deferred tax – Please view section "Cost and Profitability"

CONDENSED CONSOLIDATED BALANCE SHEETS

ASSETS	2014-03-31	2013-03-31	2013-12-31
Intangible assets	196,729	168,666	197,596
Property, plant, and equipment	62,984	49,807	59,795
Total non-current assets	259,713	218,473	257,391
Accounts receivable	13,710	6,071	8,102
Other receivables	55,936	32,705	52,995
Prepaid expenses and accrued revenues	80,622	64,733	83,330
Funds held on behalf of licensees	34,464	54,406	25,238
Cash and cash equivalents	147,763	117,165	105,829
Total current assets	332,495	275,080	275,494
TOTAL ASSETS	592,208	493,553	532,885
EQUITY AND LIABILITIES			
	2014-03-31	2013-03-31	2013-12-31
Share capital	1,191	1,191	1,191
Other capital contributed	41,624	41,624	41,624
Reserves	-3,661	-17,965	-3,659
Retained earnings including profit for the period ¹	387,637	297,206	341,510
Total equity	426,791	322,056	380,666
Deferred tax liability ¹	7,488	3,483	7,478
Total long-term liabilities	7,488	3,483	7,478
Accounts payable	25,505	29,166	31,270
Current tax liabilities	4,141	8,687	6,604
Other liabilities	75,927	87,147	63,619
Accrued expenses and prepaid revenues	52,356	43,014	43,248
Total current liabilities	157,929	168,014	144,741
TOTAL EQUITY AND LIABILITIES	592,208	493,553	532,885

¹ January - March 2013 shareholder's equity and deferred tax liabilities have been re-calculated due to changed reporting of deferred tax, please view section "Cost and Profitability" for further information.

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	Jan-Mar 2014	Jan-Mar 2013	Jan-Dec 2013
Operating profit	51,205	40,955	179,748
<i>Adjustment for items not included in cash flows:</i>			
Depreciation, amortization and impairments	29,824	22,536	103,140
Other	-321	-3,241	-811
Interest received	1	176	346
Interest paid	-159	-146	-605
Tax paid	-5,801	-3,763	-14,729
Cash flows from operating activities before changes in working capital	74,749	56,517	267,089
Changes in working capital	-406	13,004	-17,159
Cash flows from operating activities	74,343	69,521	249,930
Acquisition of intangible assets	-22,265	-23,447	-102,481
Acquisition of property, plant, and equipment	-9,876	-7,442	-33,876
Cash flows from investing activities	-32,141	-30,889	-136,357
Utilized line of credit	-	-1,874	-1,874
Transfer to shareholders	-	-	-88,996
Cash flows from financing activities	-	-1,874	-90,870
Cash flow for the period	42,202	36,758	22,703
Cash and cash equivalents at beginning of period	105,829	81,230	81,230
Exchange rate differences in cash and cash equivalents	-268	-823	1,896
Cash and cash equivalents at end of period	147,763	117,165	105,829

CONDENSED CONSOLIDATED CHANGES IN EQUITY

2013	Share capital	Other capital contributed	Reserves	Retained earnings	Total equity
Opening equity 2013-01-01 ¹	1,191	41,624	-11,987	263,366	294,194
Transfer to shareholders	-	-	-	-88,996	-88,996
Total income for the period Jan-Dec	-	-	8,328	-167,139	175,467
Closing equity 2013-12-31	1,191	41,624	-3,659	341,510	380,666

2014	Share capital	Other capital contributed	Reserves	Retained earnings	Total equity
Opening equity 2014-01-01	1,191	41,624	-3,659	341,510	380,666
Total income for the period Jan-Mar	-	-	-2	46,127	46,125
Closing equity 2014-03-31	1,191	41,624	-3,661	387,637	426,791

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

¹2013 year's opening equity has been re-calculated due to changed reporting of deferred tax, please view section "Cost and Profitability" for further information.

CONSOLIDATED KEY DATA AND FIGURES

	Jan-Mar 2014	Jan-Mar 2013	Jan-Dec 2013
Operating revenues (SEK thousands)	188,406	148,756	630,746
Operating euro based revenues (EUR thousands)	21,209	17,489	72,924
Operating margin (percent)	27.2	27.5	28.5
Profit margin (percent)	26.8	24.6	29.0
EBITDA margin (percent)	43.0	42.7	44.8
Return on shareholders' equity, roll 12 months (percent)	51.7	49.4	52.0
Equity/assets ratio (percent)	72.1	65.3	71.4
Quick ratio (percent)	210.5	163.7	190.3
Net interest-bearing liabilities (SEK thousands) ¹	-147,763	-117,165	-105,829
Net debt/equity ratio (multiple)	-0.3	-0.4	-0.3
Average number of employees	358	311	328
Employees at period's end	374	317	356
Employees and external resources at period's end	498	421	461
Earnings per share before dilution	1.17	0.86	4.23
Earnings per share after dilution	1.16	0.85	4.21
Equity per share (SEK)	10.79	8.14	9.62
Average number of outstanding shares before dilution	39,553,716	39,553,716	39,553,716
Average number of outstanding shares after dilution	39,796,484	39,621,089	39,691,174
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	40,021,810	40,021,810	40,021,810

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

	2014		2013			2012				
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Operating revenues (SEK millions)	188.4	180.1	153.1	148.7	148.8	144.7	122.5	132.0	127.5	
Operating eurobased revenues (EUR millions)	21.2	20.4	17.6	17.4	17.5	16.8	14.6	14.9	14.3	
Operating profit (SEK million)	51.2	55.6	44.5	38.7	41.0	37.2	36.1	39.6	40.1	
Operating margin (percent)	27.2	30.9	29.1	26.0	27.5	25.7	29.5	30.0	31.4	
EBITDA-margin (percent)	43.0	46.8	46.6	42.8	42.7	40.2	45.0	43.4	44.5	
Growth SEK vs prior year (percent)	26.7	24.5	25.0	12.6	16.7	19.5	9.9	32.2	33.9	
Growth EUR vs prior year (percent)	21.1	21.9	21.1	16.8	22.2	25.9	19.7	34.2	33.5	
Growth in SEK vs prior quarter (percent)	4.6	17.6	3.0	0.0	2.8	18.1	-7.3	3.5	5.3	
Growth in EUR vs prior quarter (percent)	3.9	15.8	1.5	-0.8	4.5	15.0	-2.1	3.9	7.6	
Cash and cash equivalents (excl. funds held on behalf of licensees)	147.8	105.8	61.1	37.6	117.2	81.2	57.5	36.5	84.9	
Funds held on behalf of licensees	34.5	25.2	67.1	31.5	54.4	114.0	87.7	24.8	36.4	
Equity/assets ratio (percent)	72.1	71.4	63.3	64.2	65.3	53.3	56.5	63.1	67.1	
Return on shareholders' equity roll 12 months (percent)	51.7	52.0	48.4	48.0	49.4	51.5	55.9	58.6	57.0	
Net debt/equity ratio (multiple)	-0.3	-0.3	-0.2	-0.1	-0.4	-0.3	-0.2	-0.2	-0.3	
Earnings per share	1.16	1.41	0.99	0.98	0.85	0.86	0.78	0.93	0.88	
Equity per share (SEK)	10.79	9.62	7.91	6.97	8.14	7.44	6.36	5.78	6.87	
Cash flow per share (SEK)	1.07	1.09	0.58	-2.03	0.93	0.62	0.54	-1.23	0.26	
Average number of employees	358	351	329	322	311	291	251	244	239	

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 (rolling twelve months) in relation to average shareholder equity for last twelve months.

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 2014	Jan-Mar 2013	Jan-Dec 2013
Operating revenues	112,740	94,851	393,498
Other external expenses	-41,136	-34,530	-138,827
Personnel expenses	-58,552	-54,850	-209,977
Depreciation and amortization	-4,220	-3,132	-13,524
Operating profit	8,832	2,339	31,170
Financial items	184	-391	80,790
Transfer to untaxed reserves	-	-	-11,027
Profit before tax	9,016	1,948	100,933
Tax on the period's profit	-2,093	-576	-5,176
Profit for the period	6,923	1,372	95,757

STATEMENT OF TOTAL INCOME

Profit for the period	6,923	1,372	95,757
Other total income	-	-	-
Sum of other total income for the period, net after tax	-	-	-
Total income for the period	6,923	1,372	95,757

CONDENSED PARENT COMPANY BALANCE SHEET

ASSETS	2014-03-31	2013-03-31	2013-12-31
Intangible assets	15,713	1,593	15,855
Property, plant, and equipment	28,311	24,771	24,761
Shares in subsidiary	1,678	1,669	1,678
Total non-current assets	45,702	28,033	42,294
Accounts receivable	9	38	9
Receivables from Group companies	58,289	170,417	103,649
Current tax receivables	176	1,820	-
Other receivables	9,621	6,526	8,700
Prepaid expenses and accrued revenues	8,940	8,067	7,714
Cash and cash equivalents	101,859	83,759	55,507
Total current assets	178,894	270,627	175,579
TOTAL ASSETS	224,596	298,660	217,873
EQUITY AND LIABILITIES	2014-03-31	2013-03-31	2013-12-31
Share capital	1,191	1,191	1,191
Statutory reserve	38	38	38
Share premium reserve	6,735	6,735	6,735
Retained earnings	119,583	112,822	23,826
Profit for the period	6,923	1,372	95,757
Total equity	134,470	122,158	127,547
Untaxed reserves	22,723	11,696	22,723
Accounts payable	19,078	20,996	26,241
Liabilities to Group companies	1,495	100,676	1,535
Current tax liabilities	-	514	-
Other liabilities	4,609	3,681	3,372
Accrued expenses and prepaid revenues	42,221	38,939	36,455
Total current liabilities	67,403	164,806	67,603
TOTAL EQUITY AND LIABILITIES	224,596	298,660	217,873

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. Net Entertainment has also developed a solution that enables gaming via mobile units.

MULTIPLAYER GAMES

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

LIVE CASINO

Net Entertainment has also developed a Live Casino product for blackjack and roulette. The main difference between Live Casino and traditional table games is that the games have a real dealer. The games are streamed live and are open 24 hours per day in the Company's Live Casino studio in Malta.

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 Wild Water™ and Big Bang™.

