

NET ENTERTAINMENT
INTERIM REPORT
JANUARY-MARCH 2010
BETTER GAMES

INTERIM REPORT JANUARY–MARCH 2010

CONTINUED STRONG GROWTH

- Revenues for the first quarter increased by 28.0 % to SEK 87.9 (68.7) million
- Operating profit increased by 21.0 % to SEK 35.7 (29.6) million
- Operating margin was 40.7 (43.0) %
- Profit after tax amounted to SEK 31.0 (31.9) million
- Earnings per share amounted to SEK 0.78 (0.81)
- Two new license agreements were signed for CasinoModule™, including bwin in Italy, and three new customers' casinos were launched

IMPORTANT EVENTS IN THE FIRST QUARTER

Growth continued to be strong in the first quarter. Revenues increased by 41.0 percent in local currency compared to the first quarter 2009 and 7.7 percent compared to the previous quarter. The strengthened Swedish currency has held back revenue growth in SEK and has had a significant effect on financial items.

Gioco Digitale, a wholly owned subsidiary of bwin, the world's largest listed online operator, signed an agreement for delivery of CasinoModule™ to both Gioco Digitale and to bwin's Italian site bwin.it.

The regulatory frame work for the Italian market was published in late March, which is later than expected. The integration has been ongoing during the quarter and continues together with the licensing process for existing games.

SUMMARY IN FIGURES	Jan-Mar 2010	Jan-Mar 2009	Jan-Dec 2009
Operating revenues	87 935	68 706	300 050
Operating expenses	-52 186	-39 156	-179 868
Operating profit	35 749	29 550	120 182
Operating margin	40.7 %	43.0 %	40.1 %
Cash flows from operating activities	36 550	69 447	150 042
Cash flows for the period	20 604	53 695	42 626
Cash and liquid assets at end of period ¹	122 225	118 827	105 009
¹ Closing cash and cash equivalents include funds held on behalf of licensees	27 354	39 720	33 216

Net Entertainment is a premium supplier of digitally distributed gaming systems used by some of the world's most successful online gaming operators. The core product, CasinoModule™, is a complete gaming platform comprising high quality games and a powerful administration tool. Operators are provided a customized solution that is easily integrated ensuring 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 on www.netent.com.

COMMENTS FROM JOHAN ÖHMAN, PRESIDENT AND CEO

Despite that no large operators were launched during the first quarter, revenues have increased significantly compared to the previous quarter which emphasizes the continued strong underlying market growth. The weakened Euro towards the Swedish Krona had a negative impact on the increase in local currency during the same period. The increased gaming activity has continued during the second quarter which together with a number of not yet launched Tier 1 operators creates good conditions for future strong growth.

The sales success of several new Tier 1 operators is very pleasing. It is the result of our focus on quality and high entertainment value. In order to manage the increase of new operators, we continue to develop the company and strengthen the organization, which creates room to focus on business opportunities and at the same time meet the increased demands as the market matures.

The increased development pace of both the games and the platform has resulted in an increase in capitalized development costs. These are also affected by the development process of adjusting CasinoModule™ to meet the regulation requirements in Italy, a market that is expected to be important to us in the future. In addition, the games are becoming more complex and require a more intense development cycle. Games such as "Gonzo's Quest", which was launched during the first quarter are important to secure our position as a premium supplier. The higher development costs for this type of game are however compensated by higher revenues.

While regulation of the Italian gaming market continues, it is somewhat delayed by the pace of the Italian gaming authority (AAMS). Net Entertainment is well positioned and the procedure of meeting the authorities requirements are commencing according to plan. We have so far signed agreements with the two largest gaming operators in Italy, who together control approximately half the market. The casino operation is expected to launch after the first half of the year.

During the quarter the agreement with Bonnier was extended, who launched its online casino "vinnarum.com". Bonnier's entry onto the market for online gaming is interesting and we will likely see more media companies and other operators enter as further markets are regulated.

NEW AGREEMENTS AND CUSTOMERS

During the first quarter two new customer agreements were signed for CasinoModule™, with bwin's Italian subsidiary Gioco Digitale and Bet1128. bwin is the world's largest listed online operator with over 20 million registered users. Through Gioco Digitale and bwin.it, bwin is the leading operator of online poker, sports betting, and lotteries with a total market share of approximately 25 percent. The agreement includes delivery of CasinoModule™ to both Gioco Digitale and bwin's Italian site bwin.it.

The agreement means that Gioco Digitale and bwin.it will broaden its offering to also include casino games. In the future, there is an ambition to extend the relationship throughout the bwin group. The launch is expected to take place after the first half of 2010, after the regulatory framework is determined.

Bet1128 is a medium sized operator aiming at Europe and Asia.

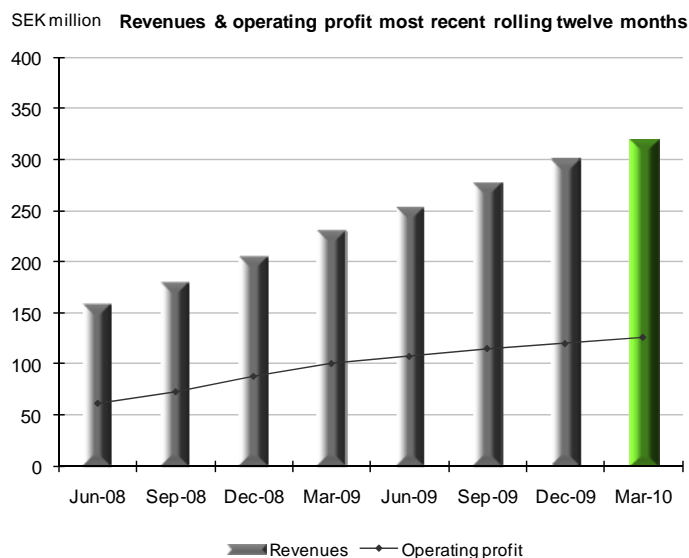
At the end of the period, the Company holds agreements for CasinoModule™ with Microgame, Expekt.com, and Gioco Digitale that have not yet launched operations. Both Microgame and Gioco Digitale are focused on the Italian market where a regulation process is commencing which means that Net Entertainment's products can be offered to a broad market. The integration process has commenced parallel to the completion of the regulatory framework. The legal framework became available at the end of March 2010 which was later than the market expected. The integration and licensing process is ongoing with an expected launch after the first half of 2010.

Expekt aims to launch Net Entertainment's casino to its customers during the second quarter.

Agreements have been terminated with a number of smaller customers who did not generate the minimum sales that the Company requires.

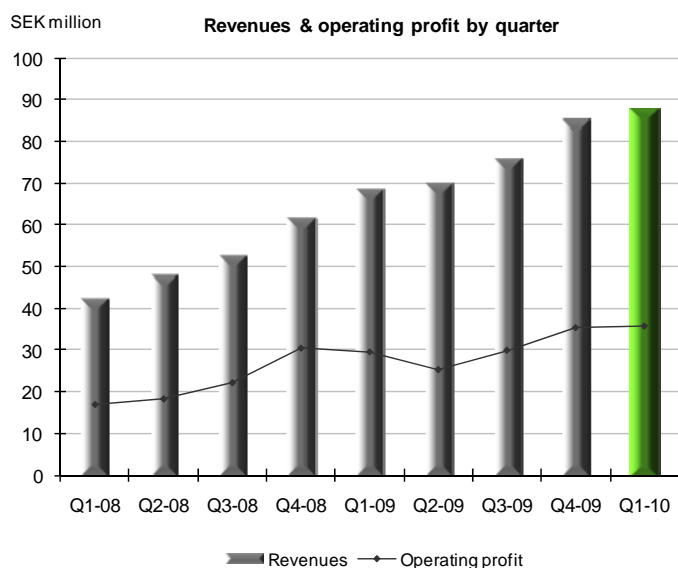
REVENUES AND PROFITABILITY

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



Revenues during the first quarter amounted to SEK 87.9 (68.7) million, which is 28 percent higher than the same period 2009. Operating profit amounted to SEK 35.7 (29.6) million and the operating margin was 40.7 (43.0) percent.

Revenues and operating profit by quarter is portrayed 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.

The number of gaming transactions continued to increase and amounted to 1.4 billion during the first quarter, which is an increase of 14 percent since the previous quarter.

Growth during the first quarter was the result of continued market growth. 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. Three new customer's casinos were launched during the quarter. During the most recent twelve months, ten new customers were launched, including Sportingbet and Paf.

Royalty revenues from CasinoModule™ were positively affected by higher volumes during the last twelve months compared with the same period last year, a development that continued in the first quarter of 2010. However, the higher volumes have also meant a somewhat lower average price since the customers have staggered pricing systems whereby a higher volume generates a lower price. At the same time, the average revenue per game transaction is lower. The royalty levels for each step remained stable throughout the quarter. Royalty revenues for the first quarter increased 31 percent compared to the corresponding period last year. In Euros, which is the main invoicing currency, royalty revenues increased 44 percent.

Currency fluctuations that began in the fourth quarter 2008 have contributed positively to Net Entertainment's revenue growth during 2009 due to the weakened Swedish Krona compared to 2008. However, since the second quarter 2009 the Krona has strengthened and the positive currency effect has diminished. In the first quarter 2010, the Krona was nine percent stronger compared to the same period 2009. The increase in royalty revenues in the first quarter would have been 42 percent higher compared to the same period last year if the currency had not changed.

PROFITABILITY

Operating profit for the first quarter increased by 21.0 percent to SEK 35.7 (29.6) million. Operating expenses increased during 2010 compared to the previous year due to the Company's expansion and strengthening of the organization within areas such as marketing, product management, operations, and monitoring. The expansion of the organization is enabled through own personnel as well as through external consultants and out-sourcing both within and outside Europe. The increased development pace for games and the platform results in an increased volume of intangible assets being capitalized regarding development as well as higher operating expenses to the extent development costs are not capitalizable.

The operating margin amounted to 40.7 percent during the first quarter compared to 43.0 percent the year before. The difference in the operating margin compared to one year earlier is mainly a result of the strengthened Swedish currency.

The financial net, that amounted to SEK -2.3 (6.1) million for the first quarter, consists of the return on cash and cash equivalents, and exchange rate effects on cash and cash equivalents, and financial receivables and liabilities. The magnitude of the return is negatively affected by the low interest rate level. The volatility in the Swedish currency has led to significant effects on inter-company transactions which are items included in the financial net.

The Group had an effective tax rate of 7.3 (10.7) percent during the first quarter. The Group's effective tax rate is primarily affected by the distribution of profit between Sweden and the countries in which the Group conducts operations and can vary from one reporting period to the next. Since the taxable profit in Sweden for the period is lower than previous periods, the tax expense is lower than previously.

CASH AND CASH EQUIVALENTS, FINANCING AND FINANCIAL POSITION

The Group's cash flow from operating activities declined during the first quarter to SEK 36.6 (69.4) million. The decline in cash flow is due to the pay-out of jackpot winnings of SEK 40.0 (0.0) million through changes in working capital and cash and cash equivalents by this amount. Included in the amount for tax received/paid SEK 14.5 million for previous year, is the refund received for previously paid income tax. Cash flow from investing activities amounted to SEK -15.9 (-15.9) million. Cash flow from financing activities amounted to SEK 0.0 (0.0) million. The Group's consolidated cash and cash equivalents amounted to SEK 122.2 (118.8) million on March 31, of which SEK 27.4 (39.7) million refers to funds held on behalf of licensees for pooled jackpots. The Group's strong liquidity is attributed to the large cash flow generated by operating activities.

CAPITAL INVESTMENTS

The Group's expenditure for capitalized development projects as intangible assets amounted to SEK -11.5 (-8.4) million during the first quarter and investments in property, plant, and equipment amounted to SEK -4.5 (-7.5) million.

The increased investment in intangible assets is due to intensified product development. Larger projects currently being capitalized are new functionality in the technical platform and adjustments for larger capacity, new games, and adjustments of the systems to the regulatory framework in Italy.

Fixed asset investments 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.

MARKET

The online gaming market has shown strong growth in recent years, a growth that has continued albeit at a somewhat lower pace during 2009 due to the global downturn in the economy. The expectations for growth in 2010 are high, due to the World Cup in soccer for example. The global gross gaming yield for online gaming is expected to amount to USD 30.4 billion in 2010 compared to USD 26.6 billion in 2009¹. In coming years, Europe is expected to represent close to half of the global gaming revenues, making it the single largest gaming market¹.

Deregulation and reregulation of national gaming laws is taking place in many European countries. Italy has created a working licensing system. France will soon implement a licensing system that is somewhat less attractive to private operators due to high taxation. 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 across borders. EU member states are now given increased opportunities to secure tax revenues provided the licensing systems create better competitive conditions that are formally open for all operators who meet certain requirements.

The Italian gambling market, for all types of gaming, is expected to generate approximately EUR 20 billion in gross gaming yield in 2010, making it the largest market in Europe¹. Italy is today a regulated market with sports and horse betting, tournament poker, skill games, and scratch tickets available on the internet via licensed operators. In the future, concessions are expected to be extended to also include cash game poker, bingo and casino games. The regulatory framework was published in March and launch is expected after the first half of 2010 if the remaining regulatory guidelines are established within a reasonable time.

France is contemplating a transition from being a monopolistic to a regulated commercial market. In the beginning of October 2009, a legislation was introduced with the purpose to legalize betting on sporting events, horse racing, and poker. A new legislation was admitted in February 2010 and is expected to take effect in June 2010. The purpose is to open the market. Gaming operators are then given the opportunity to offer their services provided that a license is granted. The license requirements are relatively strict and complicated and breaking the requirements of the licensing system will be punished. This applies to operators as well as consumers.

New users that previously did not play, women and older aged persons, are also important drivers for the underlying market growth and also change the product requirements.

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 product. 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. This can be attained through organic growth, acquisitions or via in-licensing. The development pace for new games is continuously increasing. During 2010, Net Entertainment plans to develop more than 40 new games to both meet and exceed market expectations.

Net Entertainment's customers are 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 markets, Asia in particular which is estimated to become an important market for online gaming. Also South America and USA could be of interest with new legislation .

¹ Source: H2 Gaming Capital, February 2010

ABOUT NET ENTERTAINMENT

Net Entertainment is a premium supplier of digitally distributed gaming systems used by some of the world's most successful online gaming operators. The core product, CasinoModule™, is a complete gaming platform comprising high quality games and a powerful administration tool. Operators are provided a customized 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.

All technical development is carried out at the Group's Stockholm office and all commercial operations: sales, marketing, and product management are carried out from the Malta office. The company also has an office in Gibraltar.

The parent company is listed on NASDAQ OMX Stockholm since January 2009. Prior to this, the Company's share was listed on the Nordic Growth Market (NGM) Equity.

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 using a tiered scale 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 138 versus 101 people a year ago. Including consultants, Net Entertainment employed 205 (159) people.

INCENTIVE PROGRAM

The Annual General Meeting on April 29, 2009 resolved to introduce a long-term incentive program intended for management and key employees within Net Entertainment. The resolution entailed the issue of a maximum of 760,000 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 were issued at market value determined to SEK 7.10 which generated SEK 4.2 million to equity for the group. The strike price for the shares amounts to SEK 71.70 which represents 130 percent of the average share price during the measurement period in May 2009. Subscription of shares can be made during the period May 15 to July 15, 2012. The additional 43,000 share option rights that were held by the wholly owned subsidiary Mobile Entertainment ME AB were cancelled in February 2010.

At the end of the quarter, the total outstanding share option rights amounted to 586,225, corresponding to the same number of shares. In the case of full subscription of these share option rights the parent company's equity will increase by SEK 42.0 million.

To stimulate participation in the program the board has resolved to offer a loyalty compensation which will be paid out no later than June 15, 2012 to participants who are still employed at the date of payment and have not resigned. The compensation can amount to a maximum of 50 percent of paid premium for the share option rights net after tax or a total of SEK 5.4 million including social security costs paid by the Company. This commitment is accrued for in the accounts on an ongoing basis considering forecasted employee turnover and interest.

PARENT COMPANY

The parent company's revenues for the quarter were SEK 50,0 (42.7) million. Operating profit was SEK 0.5 (2.8) million for the first quarter. In the financial items of SEK -2.4 (6.4) million are mainly currency effects on inter-company transactions, such as anticipated dividends from subsidiaries. Profit after tax was SEK -1.9 (6.7) million.

Revenues in the parent company come from services provided to the subsidiaries. No development expenses are capitalized in the parent company as projects are ordered and owned by subsidiaries on Malta. The original 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 54.6 (86.8) million.

ACCOUNTING POLICIES

Net Entertainment prepares its financial statements in accordance with the International Financial Reporting Standards (IFRS) as approved by the European Union. This 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 2.1, Accounting for Legal Entities. The same accounting and valuation principles have been used as in the 2009 annual report. For further information on the principles, please refer to the annual report on www.netent.com.

Of the new or revised standards that came into effect on December 31, 2009 no changes have been relevant for the Group.

The potential shares issued from the share option rights are considered, when calculating the number of shares and earnings per share after dilution, to the extent that they affect dilution in accordance with IAS 33. According to IAS 33 there is a dilution effect when the quoted stock price exceeds the strike price, taking into consideration the subscription price.

Amounts are expressed in SEK thousands (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 its 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 2009 Annual Report, pages 34-36 and page 59.

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 means that the Group is permitted to supply its customers with systems and certain associated services. It is crucial that this license is maintained and extended.

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. The Group's competitors and general market fluctuations naturally also affect the company's situation.

FINANCIAL RISKS AND TAXES

The Group's results are exposed to changes in exchange rates as the majority of its sales are in Euro, and most costs are in Swedish kronor. Profit and equity are also affected by changes in exchange rates when foreign subsidiaries' profits, assets, and liabilities are translated to SEK. The Group does not hedge its exposure to currency fluctuations.

The Group's effective tax rate is primarily affected by the distribution of profit between Sweden and the countries in which the Group conducts operations. 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 carried out.

The provision of the company's services from Malta is exempt from VAT. However, the relevant authority's interpretation of the applicable Maltese VAT regulations relating to the company's liability to Malta VAT on services purchased was revised in 2007 and 2008 and may come to affect the Maltese subsidiaries' purchases from other group companies. The Company has together with legal experts assessed how the rules affect the operations and has taken measures to reduce the risk of additional VAT in the future. Net Entertainment is reporting and paying to the Maltese tax authorities the VAT amounts that are deemed correct by the company. However, the amounts may be insufficient if the Maltese tax authority interprets the VAT regulations more restrictively than the Company assesses and deems as correct.

EVENTS AFTER THE END OF THE PERIOD

After the end of the period a license agreement for CasinoModule™ has been signed with an anonymous European so-called Tier 1 operator. The contract was awarded due to the impressive platform features adding value to the already acknowledged games portfolio. The operator, who wishes to remain anonymous at this time, has an extensive player base making it one of Europe's leading gaming sites.

Further, Betsson has renewed its license agreement with Net Entertainment for another three years. The CasinoModule™ has been in operation at Betsson for the past seven years providing browser based casino games. With the renewal of the agreement Betsson will introduce also the Net Entertainment download casino as well as the suite of mini games which has great potential to further grow Betsson's overall business.

REDEMPTION OF SHARES AND TRANSFER TO SHAREHOLDERS

On April 14, 2010 the Annual General Meeting decided to approve the Board's proposal for share split and automatic redemption procedure, involving a 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 22, 2010 and the record date for withdrawal of the redemption shares to May 12, 2010. According to the timetable for the redemption procedure trading in redemption shares will be possible between April 26 and May 7. Cash will be transferred to the redemption share holders on May 18 through Euroclear.

PRESENTATION OF INTERIM REPORT

On Thursday April 29, at 9.00 the report will be presented by Johan Öhman, CEO and Bertil Jungmar, CFO at the company's office at Luntmakargatan 18 in Stockholm. The presentation can also be viewed via live webcast on Net Entertainment's web site www.netent.com.

FINANCIAL INFORMATION

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

Interim report April – June 2010	August 26, 2010
Interim report July – September 2010	October 28, 2010
Earnings report 2010 and quarterly report for the fourth quarter	February 10, 2011

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 interim 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 28, 2010

Rolf Blom
Chairman of the Board

Vigo Carlund

Fredrik Erbing

Niclas Eriksson

Mikael Gottschlich

Peter Hamberg

Johan Öhman
President and CEO

Questions may be directed to:

Johan Öhman
President and CEO
Phone: +46-8-5785 4500
johan.ohman@netent.com

Bertil Jungmar
CFO
Phone: +46-8-5785 4500
bertil.jungmar@netent.com

Website: www.netent.com

THIS INTERIM REPORT HAS NOT BEEN SUBJECT TO SPECIAL REVIEW BY THE COMPANY'S AUDITOR.

LEGAL DISCLAIMER

Certain statements in this interim 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

Net Entertainment NE AB (publ) is required to publicly disclose the information in this earnings report and quarterly report under the Securities Market Act and/or Financial Instruments Trading Act. The information was submitted for publication on April 29, 2010 at 7.30 am.

CONSOLIDATED INCOME STATEMENTS

INCOME STATEMENT	Jan-Mar 2010	Jan-Mar 2009	Jan-Dec 2009
Revenues	87 835	68 571	299 722
Other revenues	100	135	328
Total operating revenues	87 935	68 706	300 050
Personnel expenses	-20 894	-15 752	-71 242
Depreciation and amortization	-6 219	-6 046	-22 298
Other operating expenses	-25 073	-17 358	-86 328
Total operating expenses	-52 186	-39 156	-179 868
Operating profit	35 749	29 550	120 182
Financial items	-2 301	6 149	-2 966
Profit before tax	33 448	35 699	117 216
Tax on the period's profit	-2 456	-3 811	-9 539
Profit for the period	30 992	31 888	107 677
<i>Earnings per share before dilution (SEK)</i>	<i>0.78</i>	<i>0.81</i>	<i>2.72</i>
<i>Earnings per share after dilution (SEK)</i>	<i>0.78</i>	<i>0.81</i>	<i>2.72</i>
<i>Average number of shares during the period</i>			
- before dilution	39 553 716	39 553 716	39 553 716
- after dilution	39 614 846	39 553 716	39 553 716
Operating margin	40.7%	43.0%	40.1%
Effective tax rate	7.3%	10.7%	8.1%
Profit for the period attributable to parent company shareholders	30 992	31 888	107 677

STATEMENT OF TOTAL INCOME

Profit for the period	30 992	31 888	107 677
Other total income			
Exchange differences arising from the translation of foreign operations	-5 269	-7 074	-4 872
Sum of other total income for the period, net after tax	-5 269	24 814	-4 872
Total income for the period	25 723	24 814	102 805

CONSOLIDATED BALANCE SHEETS

ASSETS	2010-03-31	2009-03-31	2009-12-31
Intangible assets	52 491	36 036	47 732
Property, plant, and equipment	33 281	16 112	31 942
Other long-term receivables	-	5	-
Total non-current assets	85 772	52 153	79 674
Accounts receivable	1 995	13 986	3 841
Prepaid expenses and accrued revenues	56 566	38 495	54 176
Other receivables	4 648	1 842	5 982
Cash and cash equivalents ¹	122 225	118 827	105 009
Total current assets	185 434	173 150	169 008
TOTAL ASSETS	271 206	225 303	248 682
EQUITY AND LIABILITIES	2010-03-31	2009-03-31	2009-12-31
Share capital	1 191	1 191	1 191
Other capital contributed	38 362	34 200	38 362
Reserves	3 706	6 773	8 975
Retained earnings incl. profit for the period	156 482	99 143	125 490
Total equity	199 741	141 307	174 018
Deferred tax liabilities	-	1 682	-
Total non-current liabilities	-	1 682	-
Accounts payable	10 375	12 386	12 007
Current tax liabilities	10 256	8 636	8 828
Other liabilities	31 545	44 839	37 657
Provisions	19 289	16 453	16 172
Accrued expenses and prepaid revenues	71 465	82 314	74 664
TOTAL EQUITY AND LIABILITIES	271 206	225 303	248 682
¹ Closing cash and cash equivalents include funds held on behalf of licensees with	27 354	39 720	33 216

CONSOLIDATED CASH FLOW STATEMENTS

	Jan-Mar 2010	Jan-Mar 2009	Jan-Dec 2009
Operating profit	35 749	29 550	120 182
<i>Adjustments for items not included in cash flow:</i>			
Depreciation and amortization	6 219	4 918	21 161
Other	-616	-222	- 1 938
Interest received/paid	62	187	264
Tax received/paid	-1 028	14 466	7 343
Cash flows from operating activities before changes in working capital	40 386	48 899	147 011
Changes in working capital	-3 836	20 548	3 031
Cash flows from operating activities	36 550	69 447	150 042
Capitalized intangible assets	-11 481	-8 354	-33 154
Acquisition of property, plant, and equipment	-4 465	-7 532	-28 982
Cash flows from investing activities	-15 946	-15 886	-62 136
Transfer to shareholders	-	-	-49 442
Received premium for share option rights	-	-	4 162
Cash flows from financing activities	-	-	-45 280
Cash flow for the period	20 604	53 695	42 626
Cash and liquid assets at beginning of period	105 009	65 132	65 132
Exchange rate differences in cash and cash equivalents	-3 388	134	-2 749
Cash and liquid assets at end of period¹	122 225	118 827	105 009
¹ Closing cash and cash equivalents include funds held on behalf of licensees with	27 354	39 720	33 216

CONSOLIDATED CHANGES IN EQUITY

	Share capital	Other capital contributed	Reserves	Retained earnings	Total equity
2009					
Opening equity 2009-01-01	1 191	34 200	13 847	67 255	116 493
Total income for the period Jan-Mar	-	-	-7 074	31 888	24 814
Closing equity 2009-03-31	1 191	34 200	6 773	99 143	141 307
Transfer to shareholders	-	-	-	-49 442	-49 442
Premium received for share option rights	-	3 473	-	-	3 473
Total income for the period Apr-Jun	-	-	-690	22 589	21 899
Closing equity 2009-06-30	1 191	37 673	6 083	72 290	117 237
Premium received for share option rights	-	688	-	-	688
Total income for the period Jul-Sep	-	-	1 709	20 789	22 498
Closing equity 2009-09-30	1 191	38 362	7 792	93 079	140 424
Total income for the period Oct-Dec	-	-	1 183	32 411	33 594
Closing equity 2009-12-31	1 191	38 362	8 975	125 490	174 018
2010					
Opening equity 2010-01-01	1 191	38 362	8 975	125 490	174 018
Total income for the period Jan-Mar	-	-	-5 269	30 992	25 723
Closing equity 2010-03-31	1 191	38 362	3 706	156 482	199 741

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

CONSOLIDATED KEY DATA AND FIGURES

	Jan-Mar 2010	Jan-Mar 2009	Jan-Dec 2009
Revenues (SEK thousands)	87 835	68 706	299 722
Revenues (EUR thousands)	8 833	6 265	28 312
Operating margin (percent)	40.7	43.0	40.1
Profit margin (percent)	38.0	52.0	39.1
EBITDA margin (percent)	47.7	51.8	47.5
Return on shareholders' equity (percent)	16.6	24.7	74.1
Equity/assets ratio (percent)	73.6	62.7	70.0
Quick ratio (percent)	259.5	210.4	226.4
Net interest-bearing liabilities (SEK thousands) ¹	-122 225	-118 827	-105 009
Net debt/equity ratio (multiple)	-0.6	-0.8	-0.6
Average number of employees	136	92	110
Employees at period's end	138	101	133
Employees and consultants at period's end	205	159	187
Earnings per share	0.78	0.81	2.72
Equity per share (SEK)	5.05	3.57	4.40
Average number of outstanding shares before dilution	39 553 716	39 553 716	39 553 716
Average number of outstanding shares after dilution	39 614 846	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	39 677 991	39 553 716	39 553 716

¹ A negative figure means that the Group has a net cash position (positive cash flow and no debt)

CONSOLIDATED KEY DATA AND FIGURES BY QUARTER

	2010		2009		2008				
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenues (SEK millions)	87.8	85.3	75.7	70.1	68.6	61.6	52.6	48.2	42.5
Revenues (EUR millions)	8.8	8.2	7.3	6.5	6.3	6.1	5.6	5.2	4.5
Operating profit (SEK million)	35.7	35.4	30.0	25.3	29.6	30.5	22.2	18.3	16.9
Operating margin (percent)	40.7	41.4	39.5	36.1	43.0	49.1	42.1	37.9	39.6
EBITDA-margin (percent)	47.7	48.2	46.5	43.5	51.8	57.4	48.3	46.6	46.4
Growth (SEK) vs previous quarter (percent)	2.9	12.7	8.0	2.2	11.4	17.2	9.0	13.5	17.9
Growth (EUR) vs previous quarter (percent)	7.7	13.1	11.6	3.7	2.7	9.9	7.7	14.6	15.1
Growth (SEK) vs previous year (percent)	28.1	38.6	44.1	45.4	61.5	70.9	64.4	48.1	80.9
Growth (EUR) vs previous year (percent)	41.0	34.4	30.7	26.1	39.3	56.1	61.3	47.8	78.0
Cash and cash equivalents	122.2	105.0	96.7	77.4	118.8	65.1	46.7	28.6	36.9
Funds held on behalf of licensees	27.4	33.2	40.1	23.7	39.7	12.2	4.9	2.8	2.3
Equity/assets ratio (percent)	73.6	70.0	64.7	64.1	62.7	71.9	68.3	60.3	67.3
Return on shareholders' equity (percent)	16.6	22.3	16.2	19.3	24.7	32.0	30.3	31.9	25.4
Net debt/equity ratio (multiple)	-0.6	-0.6	-0.7	-0.7	-0.8	-0.6	-0.6	-0.5	-0.5
Earnings per share	0.78	0.82	0.53	0.57	0.81	0.69	0.50	0.44	0.39
Equity per share (SEK)	5.05	4.40	3.55	2.96	3.57	2.95	1.98	1.43	1.73
Cash flow per share (SEK)	0.52	0.20	0.56	-1.04	1.35	0.40	0.45	-0.21	0.28
Average number of employees	136	131	114	103	92	80	71	66	69

DEFINITIONS

Operating margin

Operating profit in relation to revenues.

Profit margin

Profit after financial items in relation to revenues.

EBITDA-margin

Operating profit excluding depreciation and amortization in relation to 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 period-end

The number of employees at the end of the period.

Number of employees and consultants at period-end

The number of employees and consultants 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.

PARENT COMPANY INCOME STATEMENT

	Jan-Mar 2010	Jan-Mar 2009	Jan-Dec 2009
Operating revenues	50 034	42 731	154 104
Other external expenses	20 717	-20 090	-52 603
Personnel expenses	-26 726	-17 931	-80 965
Depreciation and amortization	-2 052	-1 876	-7 269
Other operating expenses	-	-	-
Operating profit	539	2 834	13 267
Financial items	-2 402	6 373	71 693
Profit after financial items	-1 863	9 207	84 960
Tax on the period's profit	-	-2 486	-3 817
Profit for the period	-1 863	6 721	81 143

PARENT COMPANY BALANCE SHEET

ASSETS	2010-03-31	2009-03-31	2009-12-31
Intangible assets	443	3 831	986
Property, plant, and equipment	22 386	5 536	20 593
Shares in subsidiary	512	512	512
Other long-term receivables	-	5	-
Total non-current assets	23 341	9 884	22 091
Accounts receivable	125	1 348	1 265
Receivables from Group companies	132 908	60 332	294 651
Prepaid expenses and accrued revenues	5 391	3 005	3 872
Current tax recoverable	-	-	-
Other receivables	4 648	1 843	5 982
Cash and cash equivalents	54 637	86 840	54 297
Total current assets	197 709	153 368	360 067
TOTAL ASSETS	221 050	163 252	382 158
EQUITY AND LIABILITIES	2010-03-31	2009-03-31	2009-12-31
Share capital	1 191	1 191	1 191
Statutory reserve	38	38	38
Premium received for share option rights	3 473	-	3 473
Retained earnings	96 387	64 686	15 244
Profit for the period	-1 863	6 721	81 143
Total equity	99 226	72 636	101 089
Accounts payable	9 342	10 994	10 312
Liabilities to Group companies	90 948	61 658	252 219
Current tax liabilities	1 018	990	1 571
Other liabilities	2 627	1 561	1 939
Accrued expenses and prepaid revenues	17 889	15 413	15 028
Total current liabilities	121 824	90 616	281 069
TOTAL EQUITY AND LIABILITIES	221 050	163 252	382 158

NET ENTERTAINMENT'S PRODUCTS

CASINO

The company's core product, CasinoModule™, is a complete gaming platform consisting of more than 90 casino related games and a powerful administration system. Games are divided into four categories: table games, video poker, slot machines, 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.

MULTIPLAYER GAMES

Net Entertainment has developed a poker game for the Turkish market. The Company has also developed a multiplayer blackjack game for simultaneous playing and will also launch a multiplayer roulette.

CASINOCAFÉ™

CasinoCafé™ is a product that allows gaming in a physical environment. A very small initial investment allows an operator to set up a mini casino using standard PCs where gaming can be operated through one-time accounts.

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

Releasing new products continuously ensures that the licensees are always able to offer a new and exciting selection of games.

Two new games are Gonzo's Quest and Wild Witches.



Gonzo's Quest is a video slot based on Gonzalo Pizarro and his journey in search for the lost city of gold - Eldorado. In this game there is a possibility to win 112,500 EUR.

Wild Witches is a video slot that holds an exciting theme of magic. The maximum winnings in this game is over 300,000 EUR