



# NETENT

## NET ENTERTAINMENT SHARE REDEMPTION 2014

## DEFINITIONS

Net Entertainment or the Company refers to Net Entertainment NE AB (publ) or the group in which Net Entertainment NE AB (publ) is the parent company.

The Group refers to the group in which Net Entertainment NE AB (publ) is the parent company.

NASDAQ OMX Stockholm refers to NASDAQ OMX Stockholm AB (the Stockholm Stock Exchange).

Euroclear refers to Euroclear Sweden AB.

## SHARE INFORMATION

Redemption shares (class A)  
ISIN code: SE00 0283 3046  
Ticker: NET IL A

Redemption shares (class B)  
ISIN code: SE00 0283 3053  
Ticker: NET IL B

## FINANCIAL CALENDAR

AGM	24 april 2014
Q1 Report	23 april 2014
Q2 Report	11 July 2014
Q3 Report	23 October 2014
Q4 Report	12 February 2015

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This information brochure provides information on the Board of Directors' proposal of capital distribution to the shareholders of Net Entertainment through an automatic redemption of shares. The purpose of this information brochure is to provide the shareholders of Net Entertainment with information for the Annual General Meeting on 24 april 2014. This information brochure is not intended for shareholders whose participation in the redemption procedure requires additional information or the implementation of registration measures or other measures beyond those required by Swedish law. This information brochure may not be distributed to countries requiring additional information or measures pursuant to the preceding sentence or to countries in which distribution would conflict with applicable regulations. It is the responsibility of each individual to observe the restrictions ensuing from foreign law.

Erik Penser Bankaktiebolag has assisted the Company in compiling this information brochure and has relied on information provided by the Company. Erik Penser Bankaktiebolag assumes no responsibility for the accuracy of the information in this information brochure or any decision taken based on the information in this brochure.

Disputes arising from the redemption procedure pursuant to this information brochure shall be settled exclusively according to Swedish law in a Swedish court.

## The Redemption Procedure in Summary

Upon approval by shareholders at the Annual General Meeting on 24 april 2014, each Net Entertainment share, both class A and B shares, is split into two shares (share split 2:1) of which one will be named redemption share in the Euroclear system.

The redemption share is automatically redeemed at SEK 3.00 in cash, with payment expected to be settled on 28 May 2014.

The redemption procedure is automatic and requires no action from shareholders.

Record date for the share split and entitlement to redemption shares is 5 May 2014.

Trading in redemption shares of class B will take place on NASDAQ OMX Stockholm between 7 May and 20 May 2014.

Trading in redemptions shares of class A will be offered through Erik Penser Bankaktiebolag.

Shareholders resident outside of Sweden may have a favourable tax situation when selling the redemption shares during the trading period instead of having them redeemed.

For questions regarding the redemption procedure, please contact Net Entertainment at (phone) +46 8 578 54 500 or by e-mail to [info@netnet.com](mailto:info@netnet.com)

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# BACKGROUND AND REASONS

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The Board of Directors of Net Entertainment proposes that the Annual General Meeting on 24 april 2014 authorises distribution to shareholders of SEK 118.7 million, corresponding to SEK 3.00 per share. The proposed distribution of capital is in line with the dividend policy established by the Board of Directors, stating the ambition that the ordinary capital distribution should be at least 50 percent of the consolidated profit after tax, after taking longterm capital requirements into account.

Net Entertainment has a good level of profitability and financial position. Since substantial investments have been made during the year in order to develop the business for the future, the Board of Directors proposes that the transfer to shareholders increase to SEK 3.00 (2.25) per share.

Provided that the Annual General Meeting on 24 april 2014 approves the proposal of the Board of Directors, each

Net Entertainment share will be divided into two shares, of which one will be named redemption share. The redemption shares of class B will be traded on NASDAQ OMX Stockholm between 7 May and 20 May 2014. After this date the redemption shares will be automatically redeemed for SEK 3.00 per redemption share in cash. No action will be required by the shareholders in order to receive payment from the redemption, which is expected to be settled on 28 May 2014. Additional information about the redemption procedure can be found in this brochure, which has been compiled with regard to the proposed capital distribution to shareholders through an automatic share redemption procedure.

Stockholm in April 2014

**Net Entertainment NE AB (publ)**

The Board of Directors

# THE REDEMPTION PROCEDURE

The Board of Directors proposes that the Annual General Meeting on 24 April 2014 authorises distribution of capital to the shareholders through an automatic share redemption procedure.

## IMPORTANT DATES

### 29 April 2014

Last day of trading in Net Entertainment shares including the right to redemption shares.

### 30 April 2014

First day of trading in Net Entertainment shares excluding the right to redemption shares.

### 5 May 2014

Record date for entitlement to redemption shares.<sup>1</sup>

### 7 May - 20 April 2014

Trading in redemption shares on NASDAQ OMX Stockholm (class B shares) or through Erik Penser Bankaktiebolag (class A shares).

### 28 May 2014

Payment in cash of redemption amount.

<sup>1</sup> The Board of Directors has proposed that the Annual General Meeting authorises the Board to decide on the record date, which could be changed if for any reason necessary.

## The Board of Directors' proposal in brief

Provided that the proposal is approved, each Net Entertainment share is split into two shares, of which one will be named redemption share. Each redemption share will be automatically redeemed at SEK 3.00 in cash. The total capital distribution of the proposal amounts to SEK 118.7 million.

Shareholders that are registered with Euroclear on the record date, which is 5 May 2014, will be entitled to redemption shares. The last day of trading in Net Entertainment shares including entitlement to redemption shares is 29 April 2014.

After having received the redemption shares, the shareholder has two options:

### ALTERNATIVE 1

Receive payment of SEK 3.00 per redemption share. This payment will be automatic unless alternative 2 is chosen.

### ALTERNATIVE 2

Sell the redemption shares on NASDAQ OMX Stockholm (class B shares) or through Erik Penser Bankaktiebolag (class A shares) during the trading period of 7 May – 20 May 2014. Shareholders resident outside of Sweden may have a favourable tax situation when selling the redemption shares during the trading period instead of having them redeemed.

## Time Plan - 2014

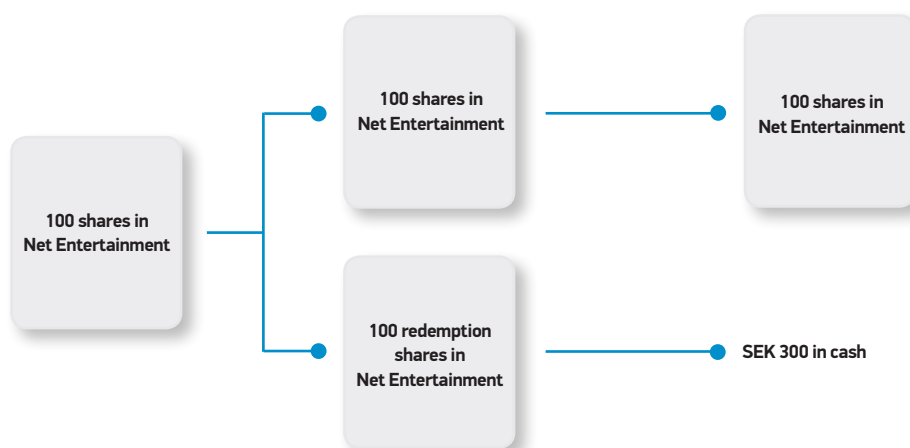


# THE REDEMPTION PROCEDURE

## This is how it works

### BEFORE

Upon approval at the Annual General Meeting on 24 april 2014 each Net Entertainment share (both class A and B shares) is split into two shares, of which one will be named redemption share.



### AFTER

The redemption shares are then automatically redeemed at a price of SEK 3.00 per redemption share in cash.

The redemption shares of class B will be traded on NASDAQ OMX Stockholm during the trading period 7 May- 20 May 2014, providing you as a shareholder the opportunity to sell your redemption shares.

Trading in redemption shares of class A will be offered through Erik Penser Bankaktiebolag. Holders of redemption shares of class A may contact Erik Penser Bankaktiebolag at (phone) +46 8 463 82 78 in order to sell your redemption shares of class A.

### ILLUSTRATIVE EXAMPLE

As of the record date for the redemption procedure, you are the registered owner of 100 Net Entertainment shares. In this example, the current share price is assumed to be SEK 160 per share. Hence, the value of your shares is:

- 100 Net Entertainment shares × SEK 160 = SEK 16 000

When the redemption procedure starts, each share will be split into one Net Entertainment share and one redemption share. Net Entertainment will automatically redeem the redemption share at SEK 3.00 in cash. The theoretical price for the Net Entertainment share after the split is approximately SEK 157, that is, the difference between the share price before the split (SEK 160) and the value of the redemption share (SEK 3.00). The value of your holding then becomes as follows:

- 100 Net Entertainment shares × SEK 157 = SEK 15 700
- 100 redemption shares × SEK 3.00 = SEK 300

Net Entertainment will then redeem your redemption shares for SEK 3.00 each in cash. This does not require any action on the shareholder's part. After the redemption procedure is completed, you will hold:

- 100 Net Entertainment shares × SEK 157 = SEK 15 700
- Cash payment for 100 redemption shares × SEK 3.00 = SEK 300

Hence, you will still own the same number of ordinary shares in Net Entertainment as you did prior to the share redemption procedure and you will have received SEK 3.00 in cash for each redemption share.

Please note that this example does not include any tax effects arising from the redemption procedure.

Please see the sections under the headings "Tax Issues in Sweden" and "Questions and Answers".

# TERMS AND CONDITIONS

## RECORD DATE

The record date for the share split and entitlement to redemption shares is 5 May 2014.

## LAST DAY OF TRADING

The last day of trading in Net Entertainment shares including right to redemption shares is 29 April 2014.

## Share split and redemption

Shareholders of Net Entertainment registered with Euroclear on the record date for the share split on 5 May 2014 are entitled to redemption shares. Each Net Entertainment share (both class A and B) is split into two shares, of which one will be named redemption share in the Euroclear system. Each redemption share will be automatically redeemed at a cash payment of SEK 3.00.

## Last day of trading in shares including the right to redemption shares

The last day of trading in Net Entertainment shares including the right to redemption shares is 29 April 2014. Starting 30 April 2014, the Net Entertainment share will be listed excluding the right to redemption shares.

## Record date

The record date at Euroclear for the share split of the Net Entertainment share and entitlement to redemption shares is 5 May 2014. The redemption shares are thereafter booked into the shareholder's securities account. The shareholder will receive a notice from Euroclear as confirmation of the number of redemption shares received.

## Payment of redemption amount

In connection with the payment of the redemption amount, the redemption shares registered in the shareholder's securities account will be removed. A notice from Euroclear relating to this will not be sent out.

A cash payment of SEK 3.00 per redemption share is expected to be settled on 28 May 2014. The payment will be made through Euroclear to the yield account linked to the shareholder's securities account. A notice from Euroclear will be sent out as confirmation of payment.

## Shares registered with nominees

Shareholders of Net Entertainment whose shares are registered with a nominee, for example a bank or other securities company, will receive redemption shares in accordance with the information given by each nominee.

## Foreign shareholders

Shareholders who are not tax resident in Sweden who participate in the redemption procedure and have shares redeemed are normally obliged to pay Swedish withholding tax on the redemption amount, see the section "Tax Issues in Sweden". Withholding tax will thus be withheld from shareholders residing outside of Sweden in connection with the payment of the redemption amount. However, no Swedish withholding tax should be payable on sales proceeds if the redemption shares are sold in the market during the trading period.

## Trading in redemption shares

Trading in redemption shares of class B will take place on NASDAQ OMX Stockholm during the trading period of 7 May- 20 May 2014, under the ticker NET IL B and ISIN code SE00 0283 3053. Banks and other securities companies with the necessary permits will assist with trading in redemption shares.

Trading in redemption shares of class A will be offered through Erik Penser Bankaktiebolag. For assistance in trading in redemption shares of class A, please contact Erik Penser Bankaktiebolag on (phone) +46 8 463 82 78.

## New ISIN code on original shares

In connection with the redemption procedure, the ISIN code on the original Net Entertainment share (A- and B-series) will be changed. The new ISIN code is valid from 30 April 2014.

New ISIN code on share A: SE00 0587 6935

New ISIN code on share B: SE00 0587 6943

# FINANCIAL IMPLICATIONS

## Financial effects of the Redemption Procedure for Net Entertainment

In order to illustrate how the redemption procedure would affect Net Entertainment's and the Group's consolidated financial statements as of 31 December 2013, proforma figures are presented below for certain balance sheet items and key ratios.

### FINANCIAL EFFECTS OF THE REDEMPTION FOR THE GROUP, PRO FORMA

Key ratios as of 31 December 2013	Before redemption	Adjustments for redemption	Pro forma after redemption
Shareholders' equity including minority interests, SEK million	380.7	118.7	262.0
Equity-to-assets ratio <sup>1</sup>	71.4%	-8.2%	63.3%
Return on total capital <sup>2</sup>	38.7%	4.8%	43.5%
Return on equity <sup>3</sup>	49.5%	10.6%	60.1%

<sup>1</sup> Shareholders' equity at the end of the period as a percentage of the balance sheet total at the end of the period.

<sup>2</sup> Income after financial items with the addition of financial expenses relative to average total capital.

<sup>3</sup> Net income relative to average equity.

The accounts have been prepared as if the redemption procedure was completed on 31 December 2013, fully financed by a decrease in the Company's cash and cash equivalents.

### CHANGES IN SHAREHOLDERS' EQUITY FOR THE GROUP, PRO FORMA (SEK MILLION)

Shareholders' equity as of 31 december 2013	Before redemption	Share split 2:1	Redemption of shares	Bonus issue	Pro forma after redemption
Share capital	1.2		-0.6	0.6	1.2
Other paid-in capital	41.6				41.6
Reserves	-3.7				-3.7
Retained earnings including this year's profit	341.5		-118.1	-0.6	222.8
<b>Total equity</b>	<b>380.7</b>	<b>0.0</b>	<b>-118.7</b>	<b>0.0</b>	<b>262.0</b>
Quotient value, SEK	0.030	0.015	0.015	0.030	0.030
Number of shares, million	39.6	79.1	39.6	39.6	39.6

The capital distribution from Net Entertainment through the redemption procedure will only have a marginal effect on the Group's net interest income and on the profit for the period. Hence, this effect has been left out in the pro forma accounts.

### CHANGES IN SHAREHOLDERS' EQUITY FOR THE PARENT COMPANY, PRO FORMA (SEK MILLION)

Shareholders' equity as of 31 december 2013	Before redemption	Share split 2:1	Redemption of shares	Bonus issue	Pro forma after redemption
Share capital	1.2		-0.6	0.6	1.2
Statutory reserve	0.0				0.0
<b>Total restricted equity</b>	<b>1.2</b>	<b>0.0</b>	<b>-0.6</b>	<b>0.6</b>	<b>1.2</b>
Share premium fund	6.7				6.7
Retained earnings including this year's profit	119.6		-118.1	-0.6	0.9
<b>Total unrestricted equity</b>	<b>126.3</b>	<b>0.0</b>	<b>-118.1</b>	<b>-0.6</b>	<b>7.7</b>
<b>Total equity</b>	<b>127.5</b>	<b>0.0</b>	<b>-118.7</b>	<b>0.0</b>	<b>8.9</b>
Quotient value, SEK	0.030	0.015	0.015	0.030	0.030
Number of shares, million	39.6	79.1	39.6	39.6	39.6

# TAX ISSUES IN SWEDEN

The following is a summary of certain Swedish tax consequences that may arise from the proposed share split and redemption procedure for shareholders in Net Entertainment. Each shareholder is recommended to consult a tax advisor for information on special tax consequences that may arise from the proposed share split and redemption procedure, including the applicability and effect of foreign tax legislation, provisions contained in tax treaties for the avoidance of double taxation or other rules which may be applicable.

**This summary is based on Swedish tax legislation as of the date of this brochure and is intended only as general information for shareholders who are fiscally domiciled in Sweden, unless otherwise indicated.**

**The summary does not include all tax consequences that may occur in this context.**

**For instance, it does not cover the specific rules on so-called "qualified shares" in closely held companies, nor situations where shares are held by a partnership or held as current assets in a business operation. Neither does it deal with the provisions that apply to flat-rate assets, such as investment savings account or endowment policy.**

**Special tax consequences that are not described below may also apply for certain categories of taxpayers, including investment companies and mutual funds, as well as foundations and non-profit organisations.**

## **Share split and receipt of redemption shares**

Taxation is not triggered by the share split or the receipt of redemption shares. However, the redemption or other disposal of redemption shares does trigger capital gains taxation, see the section "Redemption and sale of redemption shares" below.

## **Redemption and sale of redemption shares INDIVIDUALS**

Individuals are subject to capital gains tax when listed shares are sold or redeemed. The current tax rate on capital gains is, as a main rule, 30 percent.

The capital gain is calculated to equal the difference between the proceeds received when the shares are sold or redeemed, after deduction for potential sale expenses, and the acquisition cost for tax purposes. The acquisition cost is normally determined according to the so-called average method. This means that the cost of acquiring all shares of the same type and class are added together and calculated collectively, with respect to changes to the holding. Alternatively, the so-called standard rule, according to which the acquisition cost is equal to 20 percent of the net proceeds received when the shares are sold or redeemed, may be applied to the disposal of listed shares and certain listed securities that are taxed in the same manner as shares.

In the case of Net Entertainment, the redemption shares of class B will be listed on NASDAQ OMX Stockholm during the trading period 7 May – 20 May 2014. The redemption shares of class A should not be classified as listed, despite the possibility to trade redemption shares of class A through Erik Penser Bankaktiebolag.

Net Entertainment will request the Swedish Tax Agency to issue recommendations regarding the allocation of the pre-split acquisition cost between the remaining shares and the redemption shares, respectively, see the example on the opposite page.

As a main rule, 70 percent of a capital loss is deductible against any other taxable income from capital. Capital losses on listed shares and securities other than listed shares in mutual funds containing only Swedish receivables are,

however, fully deductible against taxable capital gains on such assets or on non-listed shares in Swedish limited liability companies and foreign legal entities. Moreover, only five sixths of capital losses on non-listed shares in Swedish limited liability companies and foreign legal entities are deductible, which accordingly should be applicable to the redemption shares of class A in the case of Net Entertainment.

If capital losses pertain to both listed and non-listed shares, the losses pertaining to the listed shares are deductible prior to the losses on the non-listed shares. 70 percent of any excess amount is deductible according to the main rule or five sixths of 70 percent is deductible if the capital loss relates to non-listed shares. Capital losses on listed shares in mutual funds containing only Swedish receivables are fully deductible in the income from capital category.<sup>1</sup>

If a deficit arises within income from capital, a reduction of the tax on income from employment and from business operations, as well as the real estate tax and the municipal real estate fee, is allowed. The tax reduction amounts to 30 percent of any deficit not exceeding SEK 100,000 and 21 percent of any deficit in excess of SEK 100,000. Deficits may not be carried forward to a subsequent fiscal year.

## **LEGAL ENTITIES**

For limited liability companies and economic associations, capital gains on shares that are held for business purposes are normally tax-exempt and capital losses on such shares are normally non-deductible. Non-listed shares are considered held for business purposes. Listed shares held as capital assets are considered to be held for business purposes provided that the holding represents at least 10 percent of the voting rights or if the shares are held for business reasons. Moreover, a holding period requirement applies in respect of listed shares.

For limited liability companies and other legal entities, capital gains on shares that are not tax-exempt, are normally taxed as income from business activities at a flat rate of 22 percent. For the calculation of capital gains and losses, see the section "Redemption and sale of redemption shares – Individuals" above.

<sup>1</sup> It could be questioned whether the same rule should also apply in relation to mutual funds containing foreign receivables under the provisions on free capital movement in the Treaty on the Functioning of the European Union (see RÅ 2009 ref 33).



# TAX ISSUES IN SWEDEN

A capital loss on shares incurred by a corporate shareholder may be offset only against taxable gains on shares or other securities that are taxed in the same manner as shares. Such capital losses may however, under certain circumstances, also be deducted against capital gains within the same group of companies on shares and securities taxed in the same manner as shares, provided that the requirements for group contributions (tax consolidation) are met. Capital losses on shares and securities taxed in the same manner as shares which are not deducted within a certain year, may be carried forward and offset against capital gains on such assets in future years without any limitation in time.

## **Acquisition cost of the redemption shares EXAMPLE**

The pre-split acquisition cost is normally allocated between the redemption share and the remaining share based on their respective market value at the time of the share split. Recommendations as to the allocation are normally issued by the Swedish Tax Agency. Information about the recommendations is expected to be made available on the Swedish Tax Agency's website, [www.skatteverket.se](http://www.skatteverket.se), and Net Entertainment's website, [www.netent.com](http://www.netent.com), in the summer of 2014. These principles are described in the example to the right.

The acquisition cost for any redemption shares that have not been acquired as a consequence of the share split is calculated using the average method. The calculation is based on the actual acquisition cost for such shares. When applying the average method, redemption shares and remaining shares are not considered to be of the same type and class.

The standard rule may be used when calculating the acquisition cost of listed shares. This means that if the acquisition cost of the redemption share in the example above was less than SEK 0.60, the standard rule would be more favourable, provided that the price paid for the redemption share is SEK 3.00.

## **Shareholders residing outside of Sweden WITHHOLDING TAX**

For shareholders not resident in Sweden and not conducting business from a permanent establishment in Sweden, payments due to a reduction of the share capital by way of a redemption procedure are treated as dividend distributions, which normally means that a 30 percent Swedish withholding tax is levied on the redemption proceeds. The withholding tax rate is often reduced under double taxation treaties between Sweden and other countries.

The withholding of tax is normally effected by Euroclear or, if the shares are registered with a nominee, by the nominee. The withholding tax liability arises when the redemption proceeds are distributed. Please note that there should be no withholding tax on sale proceeds from selling redemption shares prior to the redemption date.

A shareholder may reclaim the amount of withholding tax that is attributable to an amount equal to the acquisition cost of the redemption share. Alternatively, the amount of withholding tax attributable to 20 percent of the redemption proceeds may be reclaimed, provided that the shares are listed. The acquisition cost should be calculated as explained in the example to the right. The refund application must be made in writing and submitted to the Swedish Tax Agency no later than by the end of the fifth calendar year following the redemption payment.

For shareholders that are legal entities resident within the EU, there is normally no Swedish withholding tax if the shareholder holds 10 percent or more of the capital in the company whose shares are redeemed, provided that certain conditions are met. Furthermore, since the beginning of 2012 foreign investment funds are not liable to withholding tax in Sweden if they meet certain conditions, for example foreign UCITS-funds.

## **INCOME TAX**

Generally, individual shareholders who are not fiscally domiciled in Sweden are normally not liable to Swedish tax on the sale of shares. Individuals who are resident outside of Sweden which have previously been resident in Sweden may, however, be liable to tax on the sale of shares if they have been resident in Sweden or permanently lived in Sweden during the calendar year of the sale, or at any time during the ten preceding calendar years. The application of this rule may, however, be limited by double taxation treaties between Sweden and other countries.

Foreign legal entities are normally not liable to income tax on capital gains on Swedish shares unless the gains are connected to a so-called permanent establishment in Sweden.

Please note that the amounts below only serve as an example.

### **Example**

A shareholder owns 100 Net Entertainment shares of class B with an average acquisition cost of SEK 120 per share immediately prior to the share split.

It is assumed that the lowest price paid on the last day of trading in the Net Entertainment shares of class B before the split and separation of the redemption shares is SEK 160, that the redemption shares are listed and that the lowest price paid on the first day of trading in the redemption shares is SEK 3.00.

Further, it is assumed that the Swedish Tax Agency based on this issues a recommendation that 1.875 percent (SEK 3.00 divided by SEK 160) of the pre-split acquisition cost should be allocated to the redemption share and that 98.125 percent should be allocated to the remaining share.

Accordingly, the acquisition cost allocated to each redemption share should be SEK 2.25 (1.875 percent of SEK 3.00) and the acquisition cost allocated to each remaining share of class B should be SEK 117. (98.125 percent of SEK 50).

Should the redemption shares be disposed of (through sale or redemption) at a price of SEK 3.00 per share, the total capital gain would be  $(3.00 \times 100) - (2.25 \times 100) = \text{SEK } 75$ .

# QUESTIONS AND ANSWERS

**Provided that the Annual General Meeting on 24 april 2014 resolves on an automatic redemption of shares in Net Entertainment according to the Board of Directors' proposal, shareholders do not need to take any action in order to receive payment of the redemption amount.**

## **Why is Net Entertainment proposing a share redemption?**

The background for the high ambition for capital distribution is explained by strong cash flows, a positive view of the future and that forthcoming investments in operations are within the current liquidity framework. In addition to the redemption procedure being a simple and efficient way for Net Entertainment to distribute capital to the shareholders, it may be favourable for shareholders residing outside of Sweden.

## **Why is the capital not invested in the business instead of being distributed?**

The Board of Directors believes that the financial position of Net Entertainment is satisfying and that the business may continue to develop with existing cash funds even after the proposed redemption procedure.

## **What does the automatic redemption of shares entail?**

Automatic redemption means that the shares that are named redemption shares in the Euroclear system, once the share split has taken place, are redeemed in exchange for a predetermined cash consideration, with no need for any action on the part of shareholders. It is a simple and efficient way for Net Entertainment to distribute funds to its shareholders.

## **As a shareholder, do I need to do anything?**

Provided that the Annual General Meeting on 24 april 2014 resolves on an automatic redemption procedure in accordance with the Board of Directors' proposal, shareholders do not need to take any action. Net Entertainment will automatically redeem your redemption shares and you will receive SEK 3.00 in cash for each redemption share.

## **What day will be the record day?**

The record date for the share split and entitlement to redemption shares is 5 May 2014.

## **What day is the last day to buy Net Entertainment shares in order to receive redemption shares?**

The last day of trading in Net Entertainment shares including the entitlement to redemption shares is 29 April 2014.

## **What options do I have as a shareholder?**

Once the share redemption is approved at the Annual General Meeting on 24 april 2014, you can await the redemption procedure without taking any further action. The redemption shares allocated to you will be automatically redeemed at SEK 3.00 per share in cash. Alternatively, you may sell your redemption shares before the redemption procedure is completed. Trading in redemption shares will take place during the period 7 May - 20 May 2014.

## **When is the redemption amount paid to holders of redemption shares?**

Payment for redeemed shares is expected to be made on 28 May 2014.

## **Can I sell my redemption shares of class A?**

Trading in redemption shares of class A will be offered through Erik Penser Bankaktiebolag during the same trading period as for the redemption shares of class B. Holders of redemption shares of class A may contact Erik Penser Bankaktiebolag at +46 8 463 82 78 in order to sell redemption shares of class A.

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# QUESTIONS AND ANSWERS

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## **How many shares will I have?**

You will have the same number of shares in Net Entertainment before and after the redemption procedure is completed, provided that you do not buy or sell any Net Entertainment shares. The redemption shares created will all be subject to automatic redemption.

## **How and when will the Net Entertainment share price be affected?**

It is impossible to predict in detail how the share price will be affected by the split into Net Entertainment shares and redemption shares. Theoretically, the price of the Net Entertainment share should decrease by the redemption payment of the redemption share, that is, SEK 3.00. This share price change should occur two trading days prior to the record date for the split of the Net Entertainment share.

## **Why is the redemption procedure automatic?**

An automatic redemption procedure is relatively simple and cost efficient since there is no need for action on the part of the shareholders.

## **What are the tax consequences of the share redemption procedure?**

The tax consequences for shareholders will vary depending on their particular situation. Certain tax consequences for Swedish and foreign shareholders are described in the section "Tax Issues in Sweden". In case you need more information on your personal tax consequences, we recommend you to contact a tax advisor for assessment of possible tax consequences and any required measures.

## **SWEDISH SHAREHOLDERS**

Upon the split of the Net Entertainment share into two shares, of which one is named redemption share, the pre-split acquisition cost will be allocated between the remaining Net Entertainment share and the redemption share. The redemption share is deemed as disposed of upon redemption. Any capital gain that arises will be subject to capital gains taxation. The capital gain is calculated as the difference between the redemption payment (SEK 3.00 per share) and the acquisition cost for the redemption share (see further the example in the section "Tax Issues in Sweden").

## **FOREIGN SHAREHOLDERS**

If you are tax resident outside of Sweden, you will normally be subject to withholding tax in Sweden on the redemption amount upon redemption of shares, regardless of the redemption shares being received through the share split or acquired. The tax rate is 30 percent but is often reduced under tax treaties between Sweden and other countries. Refund for the part of the withholding tax that is attributable to the acquisition cost of the shares or, provided that the shares are listed, to 20 percent of the redemption payment, may be admitted if a claim for refund is filed with the Swedish Tax Agency. However, no Swedish withholding tax should be payable if the redemption shares are sold.

## **What will the withholding tax rate be?**

The withholding tax rate for shareholders tax resident outside of Sweden may vary depending on the shareholder's tax residence. For further information, please visit the Swedish Tax Agency's website, [www.skatteverket.se](http://www.skatteverket.se).



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