

**INFORMATION REGARDING
PROPOSED REDEMPTION OF SHARES IN
NET ENTERTAINMENT NE AB (PUBL) 2009**

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DEFINITIONS

Net Entertainment or **the Company** refers to Net Entertainment NE AB (publ) or the Group where Net Entertainment NE AB (publ) is the parent company.

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

The Board refers to the Board of Directors of Net Entertainment NE AB (publ).

The Redemption procedure or **the Redemption** refers to the automatic Redemption procedure proposed by the Board to the Annual General Meeting to be held the 29 April 2009 in Net Entertainment that is described in this information brochure.

NASDAQ OMX refers to NASDAQ OMX Stockholm AB.

Euroclear refers Euroclear Sweden AB (formerly VPC)

MISCELLANEOUS

ISIN code of the redemption shares:

Class A share:	SE00 0283 3046
Class B share:	SE00 0283 3053

Abbreviations for the redemption shares:

Class A share:	NET IL A
Class B share:	NET IL B

CALENDAR

■ Interim report first quarter 2009	27 April
■ Annual General Meeting 2009	29 April
■ Interim report second quarter 2009	27 August
■ Interim report third quarter 2009	28 October

THE REDEMPTION PROCEDURE IN SUMMARY

- Upon approval of shareholders at the Annual General Meeting on 29 April 2009, each Net Entertainment share (both Class A and B shares) is split into two shares (share split) of which one will be named redemption share in the Euroclear system.
- The redemption share is automatically redeemed at SEK 1.25 in cash and payment will be settled on 3 June 2009.
- The redemption procedure is automatic and requires no action from the shareholder.
- Record date¹ for the share split and entitlement to redemption shares is 8 May 2009.
- Trading in redemption shares of Class B on the NASDAQ OMX will take place between 12 May and 26 May 2009. Trading with redemptions shares of Class A will be offered by 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 +46 8 55 69 67 00.

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 procedure. The purpose of this information brochure is to provide the shareholders in Net Entertainment with information for the Annual General Meeting on April 29 2009. This information brochure is not intended for persons whose participation in the redemption procedure requires additional information or the implementation of registration measures or other measures beyond those required by Swedish law. The 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 duty of each individual to observe the restrictions ensuing from foreign law.

Erik Penser Bankaktiebolag has assisted the Company with this information brochure and has relied on information from 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 by Swedish law in a Swedish court.

¹ The day you need to be registered with Euroclear as shareholder in Net Entertainment. The Board of Directors has proposed that the Annual General Meeting authorizes the Board to decide on the record date, which governs the time plan of the Redemption procedure. The time plan is presented in the summons as described in this information brochure.

BACKGROUND AND REASONS

The Board of Directors proposes that the Annual General Meeting of shareholders authorise distribution to shareholders of SEK 49.4 million, corresponding to SEK 1.25 per share. The proposed distribution of capital is in line with the dividend policy established by the Board of Directors with the ambition that the ordinary capital distribution should be at least 50 percent of consolidated profit after tax, after taking the long term capital requirements into account. Net Entertainment has a strong cash flow and the Board of Directors believes that the Company will have a good cash position and financial situation to finance and develop the business even after the proposed Redemption procedure. Net Entertainment continuously evaluates potential acquisitions that may complement the product portfolio. It is intended that future acquisitions, also after the proposed Redemption, will be financed either with the Company's own cash funds, with the Company's own shares, through external financing or a combination of those. The choice of financing will be based on which of those generates the best shareholder value at any particular time.

Provided that the Annual General Meeting of shareholders on 29 April 2009 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 the NASDAQ OMX between 12 May and 26 May 2009. After this date redemption shares will be automatically redeemed for SEK 1.25 SEK per redemption share in cash. No action will be required by the shareholders to receive payment of the redemption which is expected to be settled on 3 June 2009.

Additional information about the Redemption procedure can be found in this brochure, which has been produced as information documentation on account of the proposed Redemption procedure in advance of the Annual General Meeting of shareholders on 29 April 2009.

Stockholm in April 2009

Net Entertainment NE AB (publ)
The Board of Directors



DESCRIPTION OF THE REDEMPTION PROCEDURE

THE PROPOSAL OF THE BOARD OF DIRECTORS IN BRIEF

The Board of Directors proposes that the Annual General Meeting on 29 April 2009 authorise distribution of capital to shareholders by a Redemption procedure. Provided that the proposal is taken each share is split into two shares of which one will be named redemption share. The redemption share is the automatically redeemed at SEK 1.25 per redemption share. The total capital distribution of the proposal will be SEK 49.4 million.

Shareholders that are registered with Euroclear by the record date, which is 8 May 2009, will be entitled to redemption shares. Last day of trading in Net Entertainment shares including entitlement to redemption shares is 5 May 2009.

After reception of redemption shares the shareholder has two options:

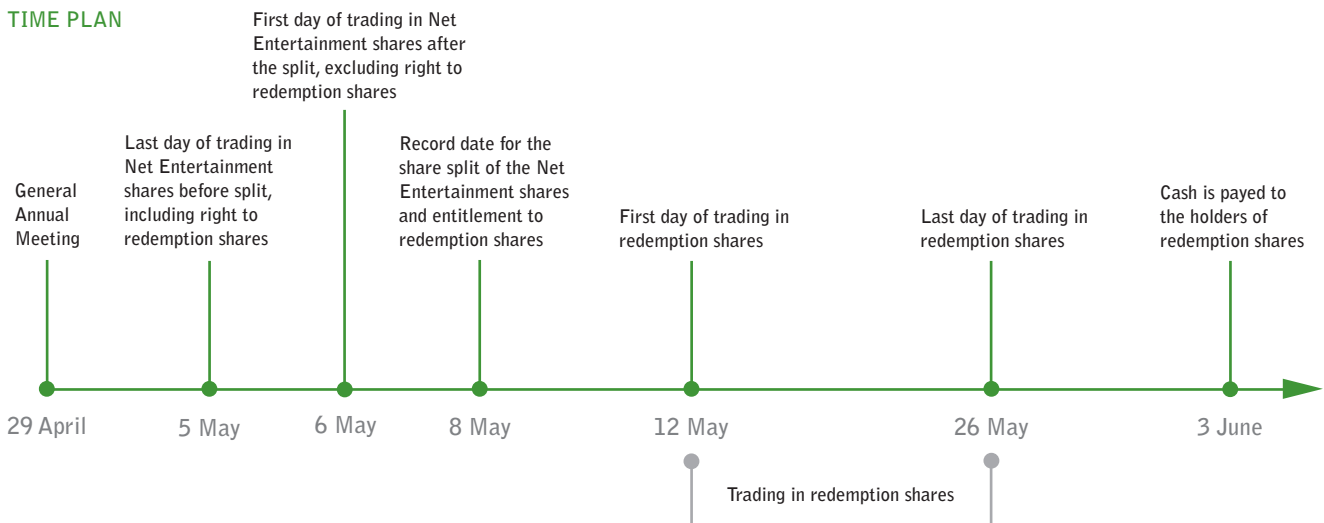
Alternative 1:

Receive payment of SEK 1.25 per redemption share. This payment will be automatic unless alternative 2 is chosen.

Alternative 2:

Sell the redemption shares on NASDAQ OMX (Class B shares) or through Erik Penser Bankaktiebolag (Class A shares) during the trading period of 12 May to 26 May 2009. Shareholders resident outside of Sweden may have favourable tax situation when selling the shares instead of having them redeemed.

TIME PLAN



IMPORTANT DATES

- **5 May 2009:** Last day of trading in Net Entertainment shares before share split, including right to redemption shares
- **6 May 2009:** First day of trading in Net Entertainment shares after share split, excluding right to redemption shares
- **8 May 2009:** Record date for entitlement of redemption shares¹
- **12–26 May 2009:** Trading in redemption shares at NASDAQ OMX (Class B shares) or through Erik Penser Bankaktiebolag (Class A shares).
- **3 June 2009:** Payment in cash of redemption amount

¹ The Board of Directors has proposed that the Annual General Meeting authorizes the Board to decide on the record date which could be changed if it for any reason is necessary.

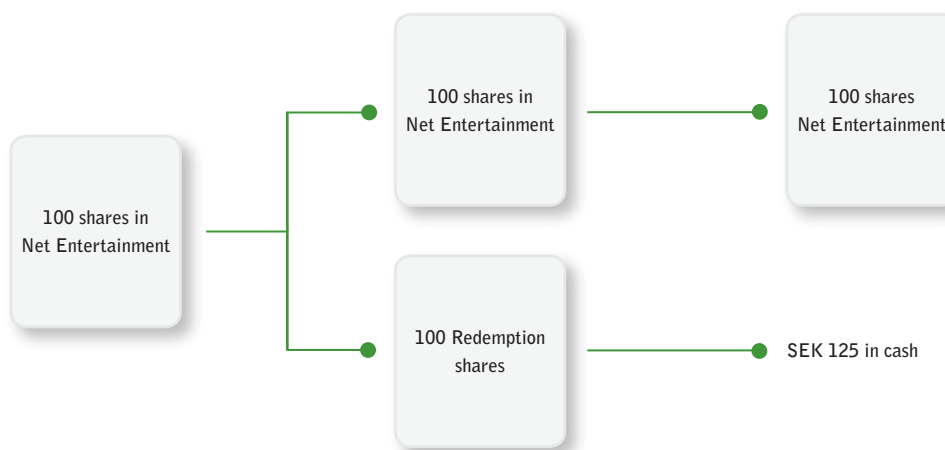
HOW IT WORKS

Before

After decision at the Annual General Meeting on 29 April 2009 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 share is then automatically redeemed at a price of SEK 1.25 per redemption share in cash.



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 45 per share. Your shares are thus worth:

$$100 \text{ Net Entertainment shares} \times \text{SEK } 45 = \text{SEK } 4.500$$

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 1.25 in cash; accordingly the theoretical price for the Net Entertainment share after the split is calculated at approximately SEK 43.75, that is, the difference between the price per share before the split (SEK 45) and the value of the redemption share (SEK 1.25). The value of your holding then becomes as follows:

$$100 \text{ Net Entertainment shares} \times \text{SEK } 43.75 = \text{SEK } 4.375$$

$$100 \text{ redemption shares} \times \text{SEK } 1.25 = \text{SEK } 125$$

Net Entertainment will then redeem your redemption shares for SEK 1.25 each in cash. This does not require any action on the shareholder's part. After the Redemption procedure is completed, you will hold:

$$100 \text{ Net Entertainment shares} \times \text{SEK } 43.75 = \text{SEK } 4.375$$

$$\text{Cash payment for 100 redemption shares} \times \text{SEK } 1.25 = \text{SEK } 125$$

Thereby you will still own the same number of ordinary shares in Net Entertainment as you did prior to the Redemption. For summary of tax consequences, please see the sections under the headings "Tax issues in Sweden" and "Questions and answers" for further information. The redemption shares of Class B will be listed on NASDAQ OMX during the period of 12 May up to and including 26 May 2009 providing you as a shareholder the opportunity to sell your redemption shares. Shareholders of redemption shares of Class A may contact Erik Penser Bankaktiebolag at + 46 8 463 84 11 in order to sell Class A redemption shares.

TERMS AND CONDITIONS

SHARE SPLIT AND REDEMPTION

Those registered with Euroclear as shareholders in Net Entertainment on the record date Friday 8 May 2009 for the share split 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 1.25 per redemption share.

LAST DAY FOR TRADING IN SHARES INCLUDING THE RIGHT TO REDEMPTION SHARES

The last day for trading in Net Entertainment shares before share split and including the right to redemption shares will be 5 May 2009. Starting 6 May 2009 the Net Entertainment share will be listed after share split and 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 8 May 2009. The redemption shares are thereafter booked into the shareholders VP-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 VP account will be removed. A notice from Euroclear relating to this will not be sent out. Cash payment of SEK 1.25 for redemption shares will be 3 June 2009. Payment will be made via Euroclear to the yield account linked to the shareholder's VP account. A notice from Euroclear will be sent out as confirmation of payment.

SHARES REGISTERED WITH NOMINEES

Shareholders in 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 for foreign shareholders in connection with the payment of the redemption amount. However, no Swedish withholding tax is payable if the redemption shares are sold.

TRADING IN REDEMPTION SHARES

Trading in redemption shares of Class B will take place on NASDAQ OMX during the period 12 May up to and including 26 May 2009, under the short name NET IL B with 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 handled by Erik Penser Bankaktiebolag, who can be contacted on +46 8 463 84 11.

FINANCIAL IMPLICATIONS FOR NET ENTERTAINMENT

To illustrate how the Redemption procedure would affect Net Entertainment's and the Group's consolidated financial statements as of 31 December 2008, pro forma figures are presented below for certain balance sheet items as well as certain key data. The accounts are prepared assuming that the Redemption procedure was completed as of

31 December 2008 fully financed by a decrease of the Company's cash and cash equivalents. The capital distribution from Net Entertainment through the redemption procedure will therefore only have a marginal effect on the Group's net interest income and on the result for the period. This effect is left out in the accounts below.

FINANCIAL EFFECTS OF THE REDEMPTION FOR THE GROUP, PRO FORMA

MSEK	Before Redemption	Adjustment for Redemption	Pro forma after Redemption
KEY RATIOS AS OF 31 DECEMBER 2008			
Total equity including minority interests	116,5	49,4	67,1
Equity/assets ratio ¹	71,9%	-12,3%	59,6%
Return on total capital ²	73,3%	18,3%	91,6%
Return on equity ³	94,3%	38,8%	133,1%

¹ Equity at the end of the period as a percentage of the balance sheet total at the end of the period.

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

³ Income after tax relative to average equity.

CHANGES IN SHAREHOLDERS' EQUITY IN THE GROUP, PRO FORMA

MSEK	Before Redemption	Share split 2:1	Redemption of shares	Bonus issue	Pro forma after Redemption
EQUITY INCLUDING MINORITY INTERESTS AS OF 31 DECEMBER 2008					
Share capital	1,2		-0,6	0,6	1,2
Other paid-in capital	34,2				34,2
Reserves	13,8				13,8
Retained earnings including annual income (including minority interests)	67,3		-48,8	-0,6	17,8
Total equity	116,5	0	-49,4	0	67,1
Quotient value, SEK	0,03	0,015	0,015	0,03	0,03
Number of shares in total, million	39,6	79,1	39,6	39,6	39,6

CHANGES IN SHAREHOLDERS' EQUITY IN THE PARENT COMPANY, PRO FORMA

MSEK	Before Redemption	Share split 2:1	Redemption of shares	Bonus issue	Pro forma after Redemption
EQUITY AS OF 31 DECEMBER 2008					
Share capital	1,2		-0,6	0,6	1,2
Statutory reserve	0,0				0,0
Total restricted equity	1,2	0	-0,6	0,6	1,2
Retained earnings including this year's profit	64,7		-48,8	-0,6	15,2
Total unrestricted equity	64,7	0	-48,8	-0,6	15,2
Total equity	65,9	0	-49,4	0,0	16,4
Quotient value, SEK	0,03	0,015	0,015	0,03	0,03
Number of shares in total, 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. The summary is based on Swedish tax legislation as at the date of this summary and is intended only as general information for shareholders who are resident in Sweden for tax purposes, unless otherwise indicated. The summary does not deal comprehensively with 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 asset in a business operation. Special tax consequences that are not described below may also apply for certain categories of taxpayers, including investment companies and mutual funds. Each shareholder is recommended to consult a tax advisor for information with respect to the 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.

SHARE SPLIT AND RECEIPT OF REDEMPTION SHARES

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

REDEMPTION AND SALE OF REDEMPTION SHARES

Individuals

Individuals are subject to capital gains tax when shares are sold or redeemed. The current tax rate on the gain is 30 percent on listed shares and 25 percent on non-listed shares. In the case of Net Entertainment the redemption shares of Class B will be listed on NASDAQ OMX during the trading period of 12 May to 26 May 2009, while the redemption shares of Class A not will be listed despite the possibility to trade the shares through Erik Penser Bankaktiebolag.

The capital gain is calculated to equal the difference between the proceeds received when the shares are sold or redeemed, after deductions 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.

Net Entertainment will request that the Swedish Tax Agency issue

recommendations regarding the allocation of the pre-split acquisition cost between the remaining shares and the redemption shares, respectively, see sections "Acquisition cost of the redemption shares – Example" below.

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 listed securities taxed in the same manner as shares (except for listed shares in mutual funds containing only Swedish receivables), are, however, fully deductible against taxable capital gains on such asset 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 is applicable to redemption shares of Class A in the case of Net Entertainment.

If deficit arises in the income source of 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

Limited liability companies and other legal entities are normally taxed on all income as income from business activities at a flat tax rate of 26.3 percent. For the calculation of capital gains and losses, please see section "Individuals" above.

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 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.

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. Unlisted shares are always considered held for business purposes. Listed shares 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, for listed shares, the shares must qualify as business related shares for a holding period of at least one year immediate prior to the sale of the shares.

ACQUISITION COST OF THE REDEMPTION SHARES

Example

The pre-split acquisition cost is normally allocated between the redemption shares and the remaining shares based on their 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 available at the Swedish Tax Agency's web page, www.skatteverket.se, and Net Entertainment's web page, www.netent.com, in the summer 2009.

These principles may be described by the following example.

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

A shareholder owns 100 Net Entertainment shares of Class B with an average acquisition cost of SEK 30 per share immediately prior to the share split. It is assumed that the lowest price paid on the last day of trade in the Net Entertainment shares of Class B before the split and separation of the redemption shares is SEK 45, that the redemption shares are listed and that the lowest price paid on the first day of trade in the redemption shares is SEK 1.25. Further, it is assumed that the Swedish Tax Agency on this basis issues a recommendation that 2.8 percent (SEK 1.25/SEK 45) of the pre-split acquisition cost should be allocated to the redemption shares and that 97.2 percent should be allocated to the remaining shares. Accordingly, the acquisition cost allocated to each redemption share should be SEK 0.84 (2.8 percent out of SEK 30) and the acquisition cost allocated to each remaining share of Class B should be SEK 29.16 (97.2 percent out of SEK 30).

Should the remaining shares be disposed of (through sale or Redemption) at a price of SEK 1.25 per share, the total capital gain would be $(1.25 \times 100) - (0.84 \times 100) = \text{SEK } 41$.

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 on listed shares. This means that if the allocated acquisition cost of the redemption share in the example above was less than SEK 0.25, the standard rule would be more favourable, provided that the price paid for the redemption share is SEK 1.25.

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 programme are treated as dividend distributions, which mean 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 the tax is normally effected by Euroclear or, if the shares are registered with a nominee, by the nominee. The withholding tax liability arises on the record date. Please note that there should be no withholding tax on the disposal of redemption shares by means of a sale to a third party.

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 amount may be reclaimed, provided that the shares are listed. The acquisition cost should be calculated as explained in section "Acquisition cost of the redemption shares – Example". 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.

Income Tax

Generally, individual shareholders who are not liable for Swedish income tax will not be liable for Swedish tax on the sale of Swedish shares. Individuals who are resident outside of Sweden and previously have been resident in Sweden are liable for Swedish 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 is, however, in many cases limited by double taxation treaties between Sweden and other countries.

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

QUESTIONS AND ANSWERS

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 investment in operations is within the current liquidity framework. Besides that the Redemption procedure is a simple and efficient way for Net Entertainment to distribute capital to the shareholders, it may be favourable for shareholders resident outside of Sweden.

WHY IS NOT THE CAPITAL INVESTED IN THE BUSINESS INSTEAD OF DISTRIBUTED?

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

WHAT DOES AUTOMATIC REDEMPTION OF SHARES ENTAIL?

Automatic redemption entails that the shares that are named redemption shares in Euroclear, once the share split has taken place, are redeemed from shareholders 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 shareholders.

AS A SHAREHOLDER, DO I NEED TO DO ANYTHING?

Provided that the Annual General Meeting on 29 April 2009 resolves on an automatic Redemption procedure in accordance with the Board of Directors' proposal, you who are a shareholder do not need to do anything. Net Entertainment will automatically redeem your redemption shares and you will receive SEK 1.25 per redemption share in cash.

WHAT DAY WILL BE THE RECORD DAY?

The record date for the share split and entitlement to redemption shares is 8 May 2009.

WHAT DAY IS THE LAST DAY TO BUY NET ENTERTAINMENT SHARES IN ORDER TO RECEIVE THE REDEMPTION SHARE?

The last day of trading in Net Entertainment shares including the entitlement to redemption shares is Tuesday 5 May 2009.

WHAT OPTIONS DO I HAVE AS SHAREHOLDER?

Once the Redemption is approved at the Annual General Meeting the 29 April 2009, you can await the Redemption procedure without doing anything. The redemption shares you are allocated will then be automatically redeemed at SEK 1.25 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 12 May 2009 up to and including 26 May 2009.

WHEN IS THE REDEMPTION AMOUNT PAID TO HOLDERS OF REDEMPTION SHARES?

Payment for redeemed shares is estimated to be made 3 June 2009.

CAN I SELL MY REDEMPTION SHARES OF CLASS A?

Shareholders of redemption shares of Class A may contact Erik Pensser Bankaktiebolag at + 46 8 463 84 11.

HOW MANY SHARES WILL I HAVE?

You will have the same number of shares in Net Entertainment before and after the Redemption procedure is carried out presuming 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 1.25. 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 shareholder.

WHAT ARE THE TAX CONSEQUENCES OF THE SHARE REDEMPTION PROCEDURE?

The tax consequences for you as a shareholder will vary depending on your particular situation. Certain tax consequences for Swedish and foreign shareholders are described in the section “Tax issues in Sweden”. In the case that you feel a need for 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

At 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 at 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 1.25 per share) and the acquisition cost for the redemption share (see further an example under heading “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 at redemption of shares regardless of the redemption shares being received by the split or acquired. The tax rate is 30 percent but it 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. No Swedish withholding tax is payable when 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.



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