



Our Winning Numbers

Annual Report 2015


CASINOS AUSTRIA
Das Erlebnis.

Our Key Numbers

| Sales <i>in millions EUR</i> | Group (consolidated) | Casinos Austria AG | Casinos Austria International (consolidated) | Österreichische Lotterien Ges.m.b.H. |
|---------------------------------|-------------------------|---------------------------|--|--|
| 2015 | 3,599.69 | 310.73² | 133.75 | 3,084.05 |
| 2014 | 3,619.57 ¹ | 258.34 ² | 139.13 | 3,150.98 |

| Taxes, duties and social security contributions in Austria <i>in millions EUR</i> | | | | |
|---|---------------|---------------|----------|---------------|
| 2015 Total | 589.35 | 118.93 | – | 461.28 |
| Gaming-related taxes and duties | 518.83 | 88.25 | – | 429.39 |
| Other taxes, duties and social security contributions | 70.52 | 30.68 | – | 31.89 |
| 2014 Total | 566.50 | 93.00 | – | 464.77 |
| Gaming-related taxes and duties | 505.94 | 70.21 | – | 434.40 |
| Other taxes, duties and social security contributions | 60.56 | 22.79 | – | 30.37 |

| Annual surplus <i>in millions EUR</i> | | | | |
|--|----------|--------------|----------|--------------|
| 2015 | – | 20.35 | – | 60.32 |
| 2014 | – | 16.63 | – | 35.88 |

| Operating result/operating profit <i>in millions EUR</i> | | | | |
|---|--------------------|--------------|-------------|--------------|
| 2015 | 100.47 | 20.99 | 8.08 | 62.79 |
| 2014 | 69.15 ¹ | 8.91 | -5.72 | 57.69 |

| Group result <i>in millions EUR</i> | | | | |
|--|--------------|----------|--------------|----------|
| 2015 | 55.28 | – | -3.81 | – |
| 2014 | 41.72 | – | -10.98 | – |

| Employees <i>full-time equivalent (FTE); annual average</i> | | | | |
|--|--------------------------|--------------------------|--------------|------------|
| 2015 | 4,256³ | 1,689⁴ | 1,787 | 497 |
| 2014 | 4,539 ³ | 1,670 ⁴ | 2,004 | 532 |

| Casino guests <i>in millions</i> | | | | |
|-------------------------------------|-------------|-------------|-------------|----------|
| 2015 | 7.57 | 2.72 | 4.85 | – |
| 2014 | 7.66 | 2.50 | 5.16 | – |

| Gaming tables <i>actual number</i> | | | | |
|---------------------------------------|------------|------------|------------|----------|
| 2015 | 545 | 211 | 334 | – |
| 2014 | 558 | 235 | 323 | – |

| Slot machines <i>actual number</i> | | | | |
|---------------------------------------|--------------|--------------|--------------|----------|
| 2015 | 6,365 | 2,072 | 4,293 | – |
| 2014 | 6,207 | 2,010 | 4,197 | – |

¹ Adjusted

² Excl. ancillary revenues from F&B and events (2015: 15.15 million euros; 2014: 13.24 million euros)

³ Incl. Lotaria Kombëtare/Albania, win2day, WINWIN, tipp3 and Rabcat

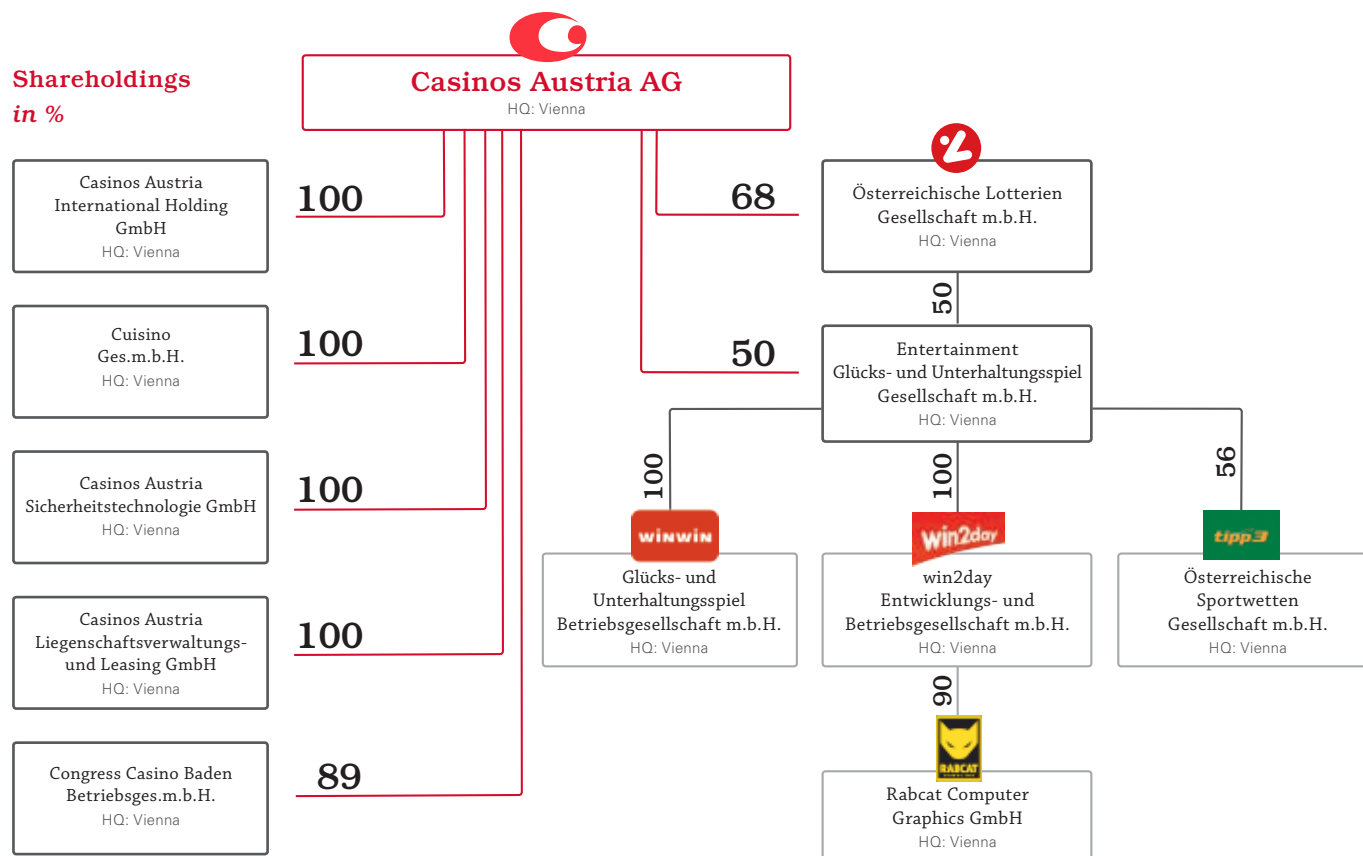
⁴ Incl. Cuisino, CAST, CCB and CALL

The Company

Overview 2015

Shareholdings

in %



Locations in Austria

12

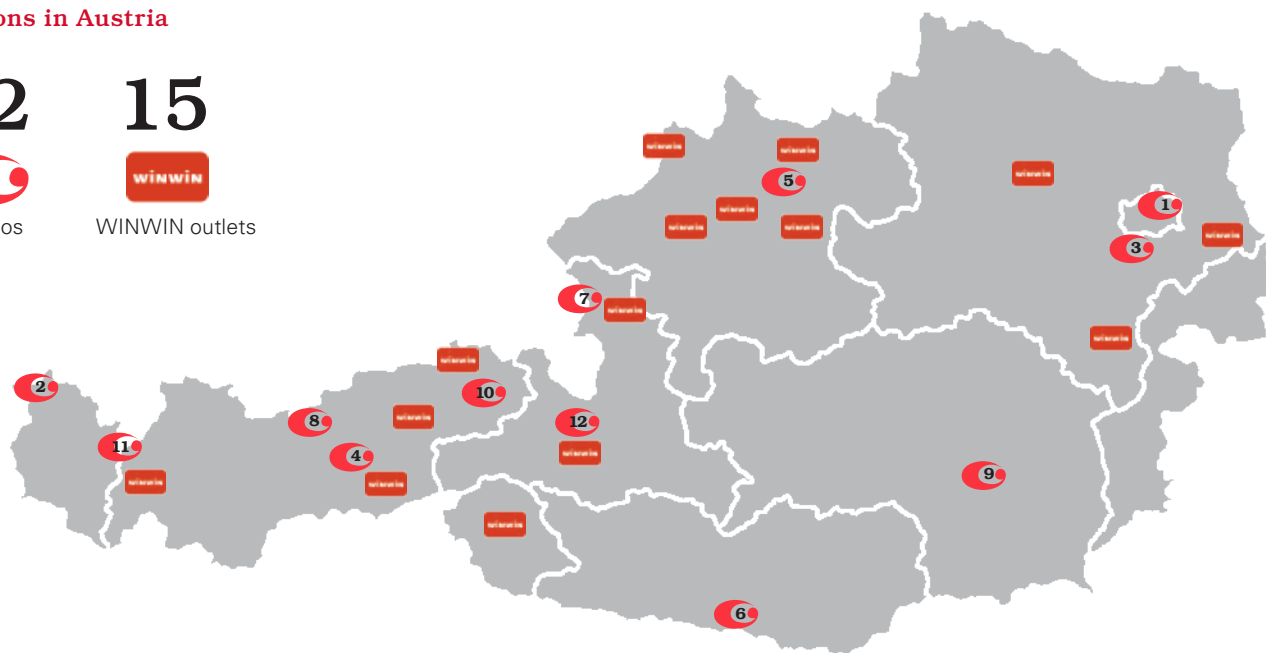


casinos

15



WINWIN outlets



• 5,193

lottery sales outlets

• @ win2day on win2day.at

• tipp3 in

3,458

lottery sales outlets and on tipp3.at

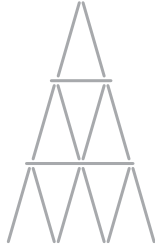
Employees
total number

4,256

1,689



Austria



worldwide

Casino guests
total number

2,720,699



Tournaments
total number

849

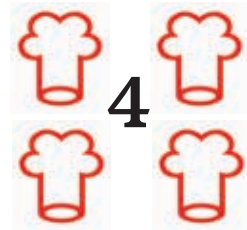


Dinner & Casino packages
number sold

107,801



Gault Millau toques
total number



Investments
in millions EUR

23



Gaming revenues by casino
in millions EUR

- 1 Wien
- 2 Bregenz
- 3 Baden
- 4 Innsbruck
- 5 Linz
- 6 Velden
- 7 Salzburg
- 8 Seefeld
- 9 Graz
- 10 Kitzbühel
- 11 Kleinwalsertal
- 12 Bad Gastein*

82.3

69.4

27.2

24.8

23.6

23.1

21.2

13.7

12.6

8.2

3.5

1.0

1

2

3

4

5

6

7

8

9

10

11

12

Total revenues 2015
in EUR

310,729,545

* Casino Bad Gastein
was closed with effect
from 13 September 2015.

Contents



- 2 Mission
- 2 Corporate Profile
- 3 Foreword by the Management Board
- 6 The Management Board
- 7 Leo Wallner (1935–2015)



Responsibility

- 52 Responsible Gaming
- 56 Corporate Social Responsibility
- 58 Security
- 62 Employees
- 64 Sponsoring



The Company

- 8 Group
- 9 Organization
- 10 Supervisory Board Report/The Supervisory Board
- 11 Regulatory Framework
- 12 Management Systems
- 16 Play Fair –
Open Days at the Casinos Austria Group
- 20 Casinos in Austria
- 34 Casinos Austria International
- 38 Austrian Lotteries
- 44 win2day – Online Gaming
- 46 WINWIN – Video Lottery Terminals
- 48 tipp3 – Sports Betting



2015 Financial Year

- 70 Economic Update
- 71 Revenues and Earnings
- 73 Innovation and Developments
- 76 Casino Gaming Experience
- 80 Cuisine and Casino
- 86 Multifaceted Event Provider
- 89 Outlook



2015 Financial Statements

- 90 Profit and Loss Statement
- 92 Balance Sheet
- 94 Consolidated Profit and Loss Statement
- 95 Consolidated Balance Sheet
- 96 Imprint

Mission

● Casinos Austria AG and its affiliates and subsidiary companies provide gaming and entertainment of the highest order. Integrity, years of experience and absolute respect for the particular socio-political responsibility that goes hand-in-hand with gaming guarantee the trust and confidence of our guests, customers, investors and, above all, the licensing authorities. Shared visions and innovativeness foster the development of the group and safeguard the workplaces of our employees, whose active participation and constructive input we both encourage and value.

Corporate Profile

● Casinos Austria is a leading national and international gaming corporation that offers its guests fun gaming and entertainment in stylish settings. Responsibility towards each and every one of these guests is an integral part of our corporate culture.

The company is founded on the principle of absolute integrity, and our commitment to this principle far exceeds the statutory requirements.

These ethical and socio-political objectives can only be realized if Austria's casinos continue to be managed by one single company.

Casinos Austria places great importance on sponsoring and provides support and resources – both financial and otherwise – to a wide range of projects and activities in many different sectors, including the arts, sports, social causes and tourism.

Alongside loyalty, customer service excellence and social responsibility, our guiding principles also embrace a clear commitment to supporting and developing our employees.

At Casinos Austria, the way we do business is defined by the socio-political objectives enshrined in the Austrian Gaming Act (*Glücksspielgesetz*). This includes, above all, protecting the economic well-being of our guests and recognizing that increased competition contradicts such protection.

Our Winning Numbers

Foreword by the Managing Board



> (l. to r.) Karl Stoss,
Bettina Glatz-Kremsner,
Dietmar Hoscher

Dear Reader,

When you can look back at the end of the day at a job well done, you feel a sense of satisfaction and even a little pride. All the more so, of course, when you can report in your capacity as members of the board on a business year that will go down as one of the most successful in your corporate history. And even more so when you know that this was achieved through the dedication and support of an excellent team of staff.

Higher guest numbers, higher revenues and, above all, significantly higher profits – these are the keywords that sum up the 2015 business year at Casinos Austria. New additions to our gaming mix, large-scale investments in our casinos and the expansion and enhancement of our food and beverage (F&B) services all contributed to Casinos Austria welcoming over 2.7 million guests in the 2015 business year, a plus of

8.6 % compared to 2014. This led, in turn, to a strong increase in revenues: for the first time in history, total revenues at the twelve casinos in Austria broke the 300-million-euro mark, with these casinos posting total revenues of 310.73 million euros, an increase of 20.3 % year-on-year. Organic growth, but also the takeover of existing gastronomy facilities – and, of course, the opening of the restaurant in Casino Wien – produced top results in the F&B sector, with our new Cuisino brand posting revenues of 15.2 million euros.

We invested almost 23 million euros in 2015 in the development of our domestic casinos. The second phase of the construction project at Casino Bregenz was concluded, thereby expanding the F&B areas and completing the work that had already been begun on the façade. We also completed the necessary adaptations required by both the takeover of the gastronomy facilities in Casino Linz as well as by the relaunch and expansion of the Jackpot Café in Casino Graz. At Casino Wien, the gaming areas on the second floor of Palais Esterházy were totally refurbished and a new VIP room was introduced. Casino Salzburg – and in particular Schloss Klessheim – was modernized in the course of a large-scale refurbishment project. Of particular note is also the construction of the new casino in Zell am See, which opened in the town's Grand Hotel on 1 January 2016. Over a period of just nine months, a new casino was created from scratch that not only blends in perfectly with the hotel's Belle Époque style but also offers the unique charm and ambience found in all of Casinos Austria's casinos.

Casinos Austria also demonstrated its inimitable quality in 2015 on a culinary level. Our recently established "Cuisino – Genuss Events by Casinos Austria" gastronomy brand was successfully positioned and expanded. In the meantime, gastronomy services at ten of our domestic casinos are now provided by Cuisino, with the casinos in Baden, Bregenz, Innsbruck, Kitzbühel, Seefeld, Velden, Vienna and Kleinwalsertal joined here from 8 April 2015 by Casino Salzburg and from 1 August 2015 by Casino Linz. Cuisino offers an impeccable combination of highest quality cuisine and perfect service, and already numbers among the top ten gastronomy service providers in Austria.

In the lottery sector, and particularly in the case of the electronic lotteries offered on the win2day online gaming platform, new casino games products and the expansion of the mobile gaming services were reflected in an increase in sales of over ten percent to 1.3 billion euros. The traditional Lotto "6 aus 45" national lottery and Bingo products both recorded a five percent increase in sales. The WINWIN Video Lottery Terminals (VLT) outlets had to cope with new regulatory parameters – a reduction in the number of terminals per outlet to a maximum of 50 and the introduction of a new mandatory player card – and reported a slight drop in guest numbers. tipp3 had a successful year, with preparations already in full swing for the major football event that is due to take place in 2016.

At Casinos Austria International (CAI), overall operating results were significantly improved. The roll-out of VLTs in Macedonia and the opening of a new casino in the Georgian port city of Batumi returned CAI from its years of consolidation and restructuring to a phase in which it now has new projects underway and is able once again to cautiously expand. At the end of December 2015, Casino Sopron Kft. was issued with a new license that came into effect on 15 January 2016 and also for the first time includes a license to operate an online gaming service.

It is precisely these positive developments, our position in the gaming market and our strong reputation for responsible gaming that are some of the reasons why shares in Casinos Austria and Austrian Lotteries are so sought after. In this particular business year, there were changes in the shareholders of both companies, changes that are, however, not yet complete. In this context, we would like to stress that we can indeed count ourselves very lucky – our staff continue to do their jobs with the utmost professionalism even in such times of change and always show total commitment and dedication to our companies.

In the 2015 business year, the Casinos Austria and Austrian Lotteries Group posted consolidated sales of 3.6 billion euros and a group result of 55.28 million euros. A total of 589 million euros in taxes, duties and social security contributions were contributed to the

federal budget. Our group also places great value on awarding contracts – e.g. for major casino renovation projects – to domestic suppliers and thus making a significant contribution to the Austrian economy. The value-added thus generated for the respective region – combined with the fact that the Casinos Austria and Austrian Lotteries Group employs almost 2,200 people across Austria – clearly demonstrates the significance of our group for Austria. Yet to appreciate our real significance, you need to look a little further: some of Casinos Austria's sponsoring partnerships, for instance, date back almost to the year the company was founded. From the Wiener Festwochen (arts festival in Vienna) to the

Bregenz Festival, the group makes an important contribution to humanitarian, social, sports, environmental, arts, culture, science and research projects alike. We see this as a key aspect of our corporate social responsibility strategy.

Respect, socio-political responsibility, sustainability and fairness in business are core values that are intrinsically linked with a man to whom we sadly had to bid farewell in 2015: Leo Wallner. He laid the cornerstone for the success of our group, and we will do our utmost to uphold his memory and continue to maintain these values long into the future.



Karl Stoss



Bettina Glatz-Kremsner



Dietmar Hoscher

The Management Board

Karl Stoss **Director General**

After studying Business Administration at the University of Innsbruck, Karl Stoss lectured at the university's Institute of Industry and Trade while completing his PhD. From 1984 he worked for an Austrian insurance company in Vorarlberg before becoming a Partner and Head of Division at MZSG Management Centre St. Gallen in Switzerland two years later. He moved to Vienna in 1996, where he initially worked as a consultant to the Österreichische Postsparkasse (Austrian Postal Savings Bank) before being appointed Deputy Chairman of the bank's Managing Board and Deputy Director General. He served as a Board Member at Raiffeisen Zentralbank Österreich AG from 2001 before joining the Managing Board of Generali Holding Vienna AG on 1 October 2004, where he was subsequently appointed Chairman in early 2005. On 1 January 2007, he joined the Management Board of Casinos Austria AG, where he assumed the function of Director General and Chairman of the Board in May of the same year. In this capacity, he also holds the function of Chairman, Managing Director, Board Member or Supervisory Board Member in numerous subsidiary companies in the Casinos Austria Group. He was appointed to the Management Board of Casinos Austria International Holding GmbH in May 2011 and moved to the latter's Supervisory Board with effect from 12 December 2013. Karl Stoss has been President of the Austrian Olympic Committee since October 2009. He also sits on a range of other supervisory or advisory boards.

Bettina Glatz-Kremsner **Director**

Bettina Glatz-Kremsner has a degree in Commercial Studies from Vienna University of Economics and Business. She began her professional career at Austrian Lotteries, where she was initially appointed CEO of the Hungarian subsidiary Lotto Union. This joint venture with the Hungarian National Savings Bank was Austrian Lotteries' first international endeavor and lasted until 1996. She was then appointed Assistant to the Management Board of Casinos Austria AG and Deputy Head of the Executive Secretariat & Controlling unit at Austrian Lotteries. From 2000 to 2003, she coordinated synergies between Casinos Austria and Austrian Lotteries and was subsequently appointed Head of the Synergies Division in both companies. She joined the Management Board of Austrian Lotteries in 2006 and has also been Chief Financial Officer and a Member of the Management Board of Casinos Austria AG since 2010. Bettina Glatz-Kremsner was appointed to the Management Board of Casinos Austria International Holding GmbH in May 2011 and moved to the latter's Supervisory Board with effect from 12 December 2013. She has been an Honorary Consul for the Republic of Hungary in Vienna and Lower Austria since January 2013. On 21 January 2016, Bettina Glatz-Kremsner was appointed President of the Supervisory Board of EVN AG. She also sits on the supervisory boards of Flughafen Wien AG and Niederösterreichische Kulturwirtschaft.

Dietmar Hoscher **Director**

After completing his degree in Economics, Dietmar Hoscher managed a research project at the Ludwig Boltzmann Institute before being appointed Economic Advisor to the Österreichische Nationalbank in 1987. Two years later, he became an Economic Policy Advisor to the Austrian Parliament, serving in this capacity from 1995 under Ministers of Finance Staribacher, Klima and Edlinger. He served as a Member of the Upper House of the Austrian Parliament from 1999 to 2002 and as a Member of Parliament from 2002 to 2006. He joined Casinos Austria in 1998. He became a Director of Österreichische Sportwetten GmbH (tipp3) in 2000, where he was appointed Chairman of the Management Board in June 2008 and Chairman of the Supervisory Board in 2010. In 2007, he joined the Management Board of Casinos Austria AG. In May 2011, he was appointed to the Management Board of Casinos Austria International Holding GmbH, moving to the latter's Supervisory Board with effect from December 2013. Dietmar Hoscher has been a Member of the Board of the European Casino Association (ECA) since June 2011 and an ECA Vice President since 2015. He also serves as a lay judge at the Supreme Cartel Court. He is Chairman of the Advisory Committee of the Association for Integrity in Sports (Play Fair Code), Chairman of the Advisory Board of the Österreichische Bundessportförderungsfond and, since May 2014, Chairman of the Board of Trustees of ORF. In recognition of his commitment to arts and culture, he was given the title of Professor by the Austrian President in 2014.

Leo Wallner (1935–2015)

Our long-serving Director General and Chairman of Casinos Austria AG, Leo Wallner, passed away very unexpectedly on 29 July 2015.

Gaming in Austria, and with it the success story that is the Casinos Austria and Austrian Lotteries Group, is inextricably linked with the name and the man Leo Wallner.

Leo Wallner began his professional career in 1967. As a graduate of Vienna's University for International Trade, he was working as an Economic Advisor to Federal Chancellor Josef Klaus when he was given the mandate to completely revamp casino operations in Austria. He sought to find an Austrian solution to the task and in doing so foresaw the establishment of a new casino corporation for this purpose. His concept centered on creating value-added from foreign currency and the vision of turning Austria's casinos into tourist attractions that offered a portfolio of leisure services extending far beyond just games of chance. At the insistence of the Federal Chancellor, Leo Wallner was appointed Director General of this new company, Spielbanken AG (since 1985: Casinos Austria), on 15 February 1968.

What then followed was "Gaming Made in Austria", with Leo Wallner expanding Spielbanken AG into a profitable company of international renown. The company began its internationalization in 1976 with a commission in the Netherlands which created a sensation far beyond Austria's borders. With this project, Wallner demonstrated that he had developed a service product that also promised to be successful in the international gaming market and, in 1977, he thus founded Österreichische Spielbanken Consulting AG (now Casinos Austria International). He subsequently went on to realize more than 200 international casino projects worldwide.

In 1986, Wallner embarked on his second major success story in the Austrian gaming market. Commissioned by the country's then Finance Minister Herbert Salcher to develop a concept to introduce additional forms of gaming in Austria, he launched the Lotto "6 aus 45" national lottery. A new company, the Lotto Toto Gesellschaft (since 1991: Austrian Lotteries) was founded for this purpose, with Wallner appointed



Chairman on 2 July 1986. Lotto "6 aus 45" was a great success right from the very first draw on 7 September 1986.

Leo Wallner also soon recognized the significance and importance of the internet both for future forms of gaming and as a new sales channel for classic casino games. The launch of the first games offered via the internet in 1998 was a milestone that subsequently led to the establishment of the internet gaming platform win2day.at.

In May 2007, Wallner's function as Director General of Casinos Austria and Chairman of the Board of Austrian Lotteries ended. He assumed a new role as Vice President of the Supervisory Board of both companies, a function he held until June 2011.

His extraordinary career also earned Leo Wallner a host of further honorary and voluntary functions: he served as President of the Austrian Olympic Committee from December 1990 to October 2009 and as a Member of the International Olympic Committee from February 1998 to December 2014.

The Company

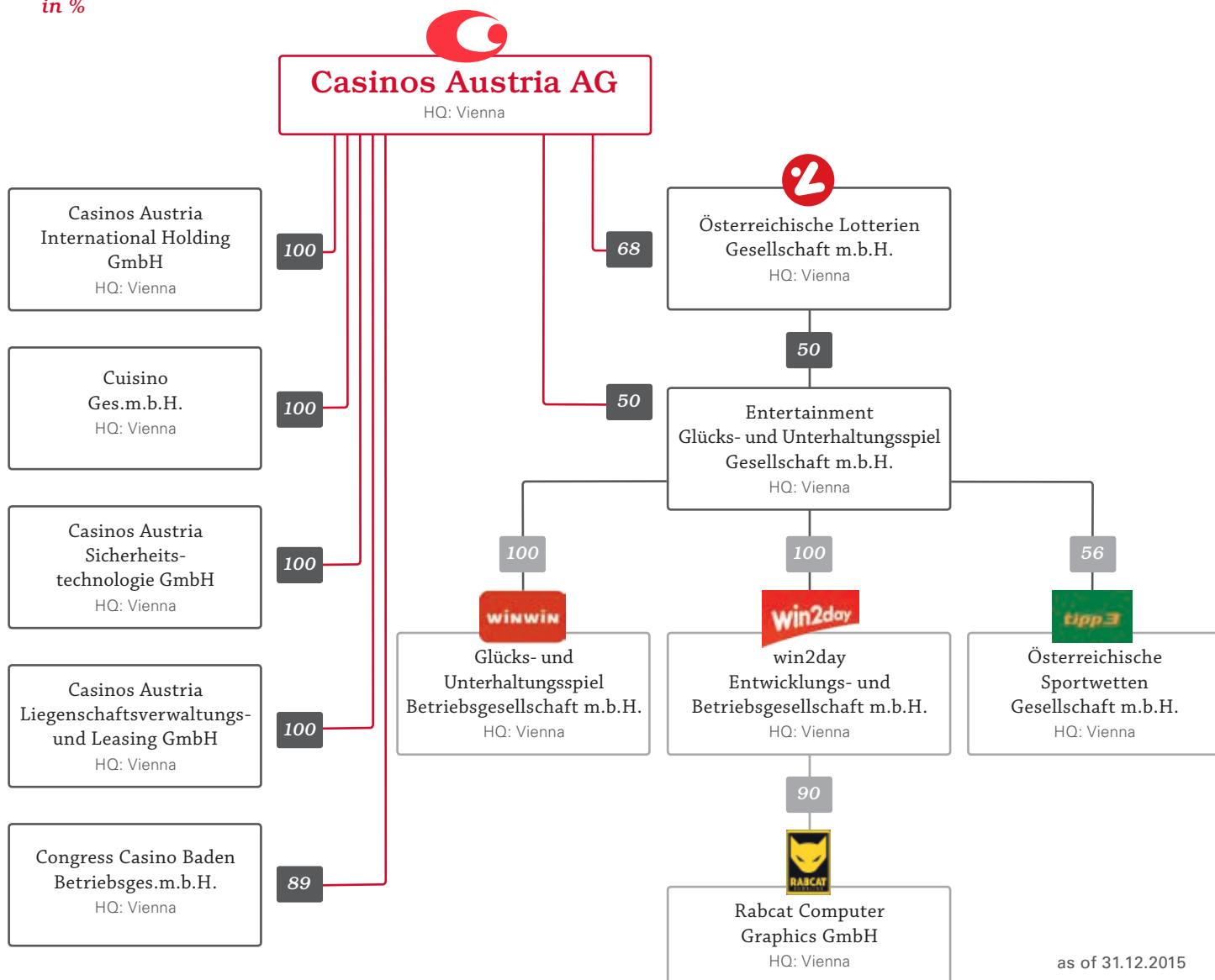
Group

● Casinos Austria and its affiliates and subsidiary companies offer gaming and entertainment of the highest order and is one of the few gaming groups in the world that is in a position to offer comprehensive and innovative solutions for all sectors of the gaming industry from a single source.

Shareholders

- Bankhaus Schelhammer & Schattera AG **5.3 %**
- ÖBIB Österreichische Bundes- und Industriebeteiligungen GmbH **33.2 %**
- Medial Beteiligungs-GmbH **38.3 %**
- Private Shareholders **23.2 %**

Shareholdings in %



as of 31.12.2015

Organization

● The group's individual areas of business are organized into separate business units which draw on the services provided by the corporate functions.

Each business unit (BU) and each corporate function (CF) is assigned strategically to one or more member(s) of the Casinos Austria or Austrian Lotteries management boards. Operational management is











handled by the respective executive and divisional management teams.

Services that are required across the entire group are bundled into so-called corporate functions. These are also assigned strategically to one or more board member(s) and managed by one or more head(s) of division.

Business Units

| | | |
|---|--|---|
| Casinos in Austria Head of Business Unit: Christian Schütz | International Business Managing Directors: Alexander Tucek, Christoph Zurucker-Burda | Lotteries Head of Business Unit: Peter Ulovec |
| Betting & Sports-Related Skill Games Managing Directors: Philip Newald, Georg Weber | VLT/ Slot Machine Business Managing Directors: Robert Vierziger, Fritz Pühringer | Online Gaming Managing Directors: Martin Jekl, Emmerich Hager |

Corporate Functions

| | | | |
|--|--|--|---|
| |  Corporate Development Extended CF Management: Peter Ulovec, Reinhard Summerer, Christian Schütz |  Internal Audit Extended CF Management: Erhard Peinthor |  Human Resources Extended CF Management: Erich Valenta |
|  Corporate Communications Extended CF Management: Martin Himmelbauer |  Finance & Group Controlling Extended CF Management: Wolfgang Sperl |  Legal Affairs Extended CF Management: Peter Erlacher |  Public & European Affairs, CSR, Compliance Extended CF Management: Markus Eder |
|  Information Technologies Extended CF Management: Erich Schuster |  Services Extended CF Management: Nathan Bomze |  Responsible Gaming, Advertising & Sponsoring Extended CF Management: Herbert Beck | |

as of 31.12.2015

Supervisory Board Report

● The Supervisory Board has performed the duties incumbent upon it pursuant to statutory provisions and the Articles of Association in its meetings. The Management Board has provided regular reports on business progress.

The Casinos Austria AG financial statements and management report were audited by the independent auditor appointed at the Annual General Meeting on 5 May 2015, BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft. The completed audit raised no grounds for objection. The independent auditor has therefore confirmed that the Casinos Austria AG annual financial statements and management report comply with statutory provisions.

The Supervisory Board confirms that it concurs with the Management Board's management report and the proposed distribution of profits and that it formally approves the annual financial statements of Casinos Austria AG, which are hereby adopted pursuant to Section 96 of the Austrian Stock Corporation Act (*Aktiengesetz*).

Furthermore, the Supervisory Board recommends that the aforementioned audit firm, BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, also be appointed as independent auditor for the 2016 fiscal year at the Annual General Meeting.



The Supervisory Board
Walter Rothensteiner
(Chairman)

Vienna, 31 March 2016

Supervisory Board (as of 31 December 2015) Presidium of the Supervisory Board

Walter Rothensteiner, President, Director General
(Chairman)
Gerhard Starsich, Vice President, Director General
(1st Deputy Chair, from 5 October 2015)
Elisabeth Stadler, Vice President, Director General
(2nd Deputy Chair, from 5 May 2015)
Leonhard Romig, Vice President, Attorney-at-Law
(3rd Deputy Chair, from 5 October 2015)
Kurt Pribil, Vice President, Director
(1st Deputy Chair, to 5 October 2015)
Johanna Stefan, Vice President, Director General
(2nd Deputy Chair, to 5 May 2015)
Maria Theresia Bablik, Vice President
(3rd Deputy Chair, to 5 October 2015)

State Commissioners

Alfred Lejsek
Alfred Katterl
Johannes Pasquali

Members of the Supervisory Board

Maria Theresia Bablik
(Member of the SB from 5 October 2015)
Andreas Bierwirth, Chairman of the Management Board
(from 5 October 2015)
Hannes Bogner, Director
Wolfgang Horak (from 5 October 2015)
Helene Kanta, Director (from 5 October 2015)
Friedrich Karrer, Director (to 5 May 2015)
Peter Mooslechner, Director (to 5 October 2015)
Gerald Neuber, Director
Thomas Polzer
Josef Pröll, Director
Leonhard Romig, Attorney-at-Law
(Member of the SB to 5 October 2015)
Gerhard Starsich, Director General
(Member of the SB to 5 October 2015)

Central Works Council (CWC) Delegates

Manfred Schönbauer, CWC Chairman
Reinhard Aichinger
Thomas Bergmann
Christian Holz
Peter Löb
Alexander Nachbaur

Regulatory Framework

● **In Austria, the state holds a monopoly on games of chance, whereby the Austrian Gaming Act regulates what constitutes a game of chance.**

Gambling is, by its very nature, a leisure service, but also one that must go hand-in-hand with an especially strong sense of responsibility and a particular respect for the related risks to society. With gambling also comes the risk of gambling addiction, which can go as far as to threaten a person's economic existence. Likewise, measures must be taken to effectively counter the penetration of organized crime – from gambling fraud to money laundering – into the gambling sector. Accordingly, from a health and regulatory perspective, a liberalized gambling market would not be desirable – competition between providers would lead to an excessive expansion of gambling services, rendering measures like player bans or advertising restrictions almost unenforceable in practice.

Despite these risks, a total ban on games of chance is conversely also not meaningful, since it would simply result in the emergence of an illegal gambling market that cannot be controlled. An approach which imposes appropriate restrictions to prevent the undesirable side effects of gambling and monitors compliance with these restrictions is far more effective. Since legal, licensed gambling thus also has the task of suppressing illegal gambling, legal gambling must, correspondingly, also be promoted.

In Austria, the state holds a monopoly on games of chance pursuant to Article 10 (1) 4. of the Federal Constitutional Law (*Bundes-Verfassungsgesetz*). Those games that fall under the title of “games of chance” are determined by the legislator in Sections 1 and 2 of the Austrian Gaming Act (*Glücksspielgesetz*) and are further restricted by the exceptions stipulated in Sections 4 and 5 of said Act. The explanatory notes that accompany this Act also clarify why the legislator has elected to establish a national gambling monopoly. These principles are in keeping with established case law of the Court of Justice of the European Union (ECJ), which has in summary ruled in several findings (e.g. Schindler 1994, Gambelli 2003, Placanica 2007, Liga Portuguesa 2009, Engelmann 2010, Dickinger 2011, Hit Larix 2012) that

the provision of games of chance is a service of a special nature and that national restrictions of this market – up to and including the establishment of a monopoly – are justified when they serve to limit the overall supply as well as to combat gambling addiction and crime. ECJ rulings also confirm that appropriate advertising and some expansion of the legal supply is required to combat illegal operators.

The Austrian Gaming Act stipulates that the state can award one license for lotteries (including electronic lotteries) as well as 15 casino licenses. Electronic lotteries include (online) games of chance and video lottery terminals. In addition to these national licenses, Section 5 of the Austrian Gaming Act also accords the nine federal states in Austria the right to issue licenses for the operation of gaming machines (*Landesausspielungen mit Glücksspielautomaten*). Each individual federal state has the right to issue a maximum of three such licenses. The total number of permissible gaming machines in each federal state is restricted by federal law.

Sports betting games are classed as games of skill and, as such, are not governed by the provisions of the Gaming Act. The statutory basis for the operation of sports betting on a quota basis is regulated in Article 15 (1) of the Federal Constitutional Law and in the respective regulations for bookmakers and totalizators in each of the individual federal states. The regulation of the operation of bookmaker and totalizator betting (sports betting) falls under individual federal state law.

Casinos Austria holds all twelve casino licenses currently issued under the provisions of the Austrian Gaming Act, i.e. the Federal Law of 28 November 1989 on the Regulation of Games of Chance (*Bundesgesetz zur Regelung des Glücksspielwesens*; Federal Law Gazette (BGBl.) No. 620/1989, as amended in BGBl. I No. 105/2014) and operates these casinos at the following locations: Baden, Bregenz, Graz, Innsbruck, Kitzbühel, Kleinwalsertal, Linz, Salzburg, Seefeld, Velden, Vienna and Zell am See (since 1 January 2016).

The call for tenders for the three additional casino licenses (for the locations Vienna “South-West”, Vienna “North-East” and “Lower Austria 2”) was launched on

26 November 2012. The deadline for the submission of bids was 10 June 2013. Casinos Austria participated in this call for tenders and submitted corresponding bids for all three locations. Casinos Austria lodged ordinary appeals with the Federal Administrative Court (*Bundesverwaltungsgericht*) against the three decisions of the Federal Ministry of Finance awarding these licenses to other bidders, on grounds of serious substantive and formal errors within the stipulated time limit for appeal on 24 July 2014. The judgments of the Federal Administrative Court issued on 21 July 2015 repealed the decisions of the Federal Ministry of Finance and declared the ordinary revisions inadmissible. Both the Federal Ministry of Finance and the other bidders have lodged extraordinary revisions with the Federal Administrative Court.

The 2010 Amendment to the Austrian Gaming Act (*Glücksspielgesetz-Novelle*; BGBl I No. 73/2010, published 18 August 2010) stipulated that video lottery terminals in Austria must be connected to the Federal Computing Center, reduced the number of terminals per outlet and required the introduction of a new mandatory player card for VLT outlets with effect from 1 January 2015. These provisions were implemented in all WINWIN outlets at the turn of the year 2014/2015.

The 4th EU Money Laundering Directive, which was adopted in 2015 and must be incorporated into Austrian law by 26 June 2017, focuses on the responsible handling of flows of money. The primary aim of this Directive is to make money transfers traceable. This should serve, among other things, to also put a stop to the financing of terrorism. The Directive obliges EU Member States to set up central registers with details of the true beneficiaries of financial transactions. The Casinos Austria Group operates a certified management system for the prevention of money laundering and criminal activities. The recommendations of the 4th EU Money Laundering Directive, which will in future also be incorporated into national law in Austria, were already taken into consideration in the course of our annual anti-money-laundering analysis in 2015.

Management Systems

● **Casinos Austria's quality awareness is reflected both in its service excellence and in its compliance with the strict regulatory and responsible gaming directives that apply to the licensed gaming industry. Compliance and comprehensive management systems serve here as effective tools in our quest for continuous improvement.**

Casinos Austria is synonymous with highest quality gaming. This reputation is founded on our absolute commitment to quality awareness – a commitment that is shared by the members of our management board and by our staff and is reflected both in our service excellence and in our compliance with the strict regulatory and responsible gaming provisions that apply to the licensed gaming industry. Absolute responsibility towards each and every player, towards society and towards the licensing authorities is an integral part of our corporate culture. With our strict Code of Conduct, the company and its staff pledge to conduct business in an ethical, legal and socially responsible manner.

A joint process framework based on the ISO 9001 and 27001 standards has been defined for all our existing management systems. In addition to the joint process elements, this framework also covers the specific elements of each individual management system. This joint process framework is the prerequisite for the amalgamation of multiple management system certification audits and thus for reducing and optimizing our certification overheads.

Certified quality management

Casinos Austria's guests appreciate our high quality service, our professional handling of the games and the responsible, personal service they encounter in all our casinos. Our quality management system is certified to the EN ISO 9001:2008 international standard and is audited each year by independent, external auditors. The ISO certificate for our quality management system was re-issued in 2015 without reservation. The external auditors from the Swiss Association for Quality and Management Systems (SQS) confirmed the outstanding quality of the service awareness of all our staff, their professional handling of the games on offer,

their adherence to the defined work processes as well as their extraordinary efforts to continually improve the already very high level of quality encountered at Casinos Austria. The audit report likewise confirms that the quality management system, practices, systematics and processes are identical in all locations. The management system also meets and is capable of meeting the complex internal and external requirements. Casinos Austria thus once again impressively lives up to its leading reputation as a reliable and responsible operator of games of chance.

Data protection

Our rigorous identity checks for casino guests and transparency in prize transactions make it far easier for the authorities to rule out criminal activity. All security procedures in our domestic casinos far exceed the typical levels of control found in the gaming industry. These include entrance identity checks, the monitoring of all cash transactions and the provision of target group specific training for our staff. Data security and conformity with data protection provisions is accorded highest priority in the planning and development of any software programs. This ensures, for example, that data can only be accessed on a need-to-know basis by authorized members of staff. Casinos Austria has been certified under the GoodPriv@cy standard since February 2010. The GoodPriv@cy seal of approval for data protection confirms our systematic adherence to data protection and information security guidelines and regulations in all areas of our business and provides us with a means of objectively documenting and effectively communicating our data protection measures and activities to our guests, customers, business partners, the authorities and the general public. Mandatory annual GoodPriv@cy re-certification audits, such as the one successfully carried out in July 2015, serve as a guarantee of continuity.

Information security

The security organization and the security measures implemented by Casinos Austria are operated in accordance with the ISO/IEC 27001:2013 information security management standard, the internationally recognized standard for operational security in all business

processes. This guarantees that all business processes relevant to information security are subjected to a regular improvement cycle. Our information security focus in 2015 lay on the operation of our information security management system, which serves as the basis for certification under the GoodPriv@cy data protection management standard (see also the section on Data Protection in this chapter). Particular emphasis was placed here on the implementation of and adherence to the data security measures required to meet data protection requirements. Training was provided to new members of staff to strengthen their awareness of information security. Internal information security audits were also carried out.

Anti-corruption compliance

Casinos Austria takes the prevention of corruption very seriously. We orient ourselves on the IDW PS 980 auditing standard for all our anti-corruption activities. Issued by the Institute of Public Auditors (IDW) in Germany, this international standard defines the elements that a compliance management system must contain in order to be considered appropriate. It helps compliance officers to identify areas where formal arrangements may be required and outlines how any such arrangements may be established and justified. Under the PS 980 standard, a risk analysis could, for example, be used to identify those areas of business or business units for which a compliance measure is required and those where no such measures are necessary.

The stricter statutory anti-corruption provisions recently introduced in Austria have been met at Casinos Austria by, for example, the introduction of a new directive that is applicable across the entire Casinos Austria and Austrian Lotteries Group. Four compliance officers certified to the ÖNORM standard set by the Austrian Standards Institute manage and enforce compliance to the legislative provisions and to the internal rules that are obligatory for all our staff. An anti-corruption officer has also been appointed. The design of our compliance management system (CMS) was successfully audited in April 2013 by independent, external auditors. The effectiveness of this system was subsequently verified in a performance audit conducted in spring 2014. The system was subjected to an internal audit in 2015.

Combatting money laundering and the financing of terrorism

Casinos Austria uses an ISAE 3000 (International Standard on Assurance Engagements) approved management system in the prevention of money laundering and criminal activities and continually assesses any money laundering risks. We use a range of measures to demonstrably and systematically enforce the “know your customer” principle required by the Austrian Gaming Act and the Austrian Banking Act (*Bankenwesengesetz*). Our established security structures and the ISO 27001 compliant security measures that are in place for our central computer center guarantee adherence to the applicable security regulations for the operation of data storage systems.

All relevant statutory provisions in the Austrian Gaming and Banking Acts are categorized and assigned into risk groups at regular intervals. These risk groups are then subjected to a series of internal tests and subsequently plotted on a risk and risk maturity map. All business processes are documented to ensure full transparency for our management team and our anti-money laundering officer. In addition, our internal monitoring and control system ensures that the statutory provisions are reviewed at regular intervals and, where necessary, incorporated into our business processes. The recommendations of the 4th EU Money Laundering Directive, which will in future also be incorporated into national law in Austria, were already taken into consideration in the course of our annual anti-money-laundering analysis in 2015.

These procedures and the management and measurement criteria defined in accordance with the ISAE 3000 standard ensure that the combatting of money laundering is consciously recognized and accepted at Casinos Austria as a management task. An important aspect in this regard is the regular updating of the group-wide process map and related guidelines. These updates are carried out at least once a year.

Risk and opportunity management

The Casinos Austria and Austrian Lotteries Group has comprehensive strategic risk and opportunity

management procedures in place. The permanent overview of key strategic corporate risks and opportunities and timely introduction of corresponding measures support decisions to promote our continued existence and corporate growth.

These standardized procedures allow us to better capitalize on new business opportunities and consciously manage the associated risks. In addition to meeting the provisions of the Austrian Company Law Amendment Act 2008 [*Unternehmensrechtsänderungsgesetz*], this creates added value when it comes to the potential development of new opportunities.

Unified risk and opportunity categories have been established for all companies and divisions in the group. Through their participation in this group-wide process, the risks and opportunities for the group become the targeted concern of all managers.

Our risk and opportunity management system allows us to manage the risks relating to product security and quality, player protection, the protection of minors and the reliability of our gaming operations in a controlled manner. At the same time, it also allows us to make increased use of associated opportunities to optimize product quality and customer satisfaction.

Internal control system

An internal control system (ICS) that is regularly monitored by our internal auditors ensures the conformity and cost effectiveness of procedures with regard to asset security and compliance with corporate principles. As an integral part of the ICS, the controlling system ensures consistency in corporate planning and reporting and thus supports the continual improvement process.

Process management

Centralized process management supports effective cooperation across the corporate group. Establishing greater transparency with regard to processes and responsibilities minimizes inefficiencies. Certified process managers support the process management activities. The process4.biz tool is used to update

the group's operational and organizational model at regular intervals. A copy of this model is also made available to staff via the intranet. Process optimization activities serve as a means of improving the efficiency and effectiveness of our corporate processes. In 2015, our process management focus lay on expanding our managed processes. A process can be designated as a managed process when process goals are defined and the actual values are measured at agreed intervals. The measured values are checked at regular intervals. The causes of any deviations from the target values are analyzed by the process manager in conjunction with the process holders. Managed processes are thus subject to a continual improvement process.

Responsible gaming management system

All responsible gaming and responsible advertising measures at Casinos Austria are managed through our responsible gaming management system. Casinos Austria obtained certification for this system in February 2014 when the Austrian Standards Institute defined corresponding criteria that could be used to audit a responsible gaming management system. These criteria are based, in turn, on the responsible gaming principles established by the European Casino Association (ECA). Our responsible gaming management system was positively assessed in a subsequent maintenance audit in fall 2015. The certification process involved an intensive audit of several areas of activity, namely staff training in responsible gaming, information for casino guests, access controls, advertising and marketing, alcohol sales, stakeholder involvement and researching/raising awareness of risk factors in the development of new gaming products. Casinos Austria is the first gaming company worldwide to have its responsible gaming management system certified, thereby reinforcing and once again living up to our reputation as a pioneer in this field.



The Company

Play Fair – Open Days at the Casinos Austria Group

● Exciting gaming, fun, top cuisine, perfect service and absolute security in the handling of all games – that's what the Casinos Austria and Austrian Lotteries Group offers its guests and customers each and every day. At the end of September 2015, the group presented its complete portfolio of products and services in Studio 44.

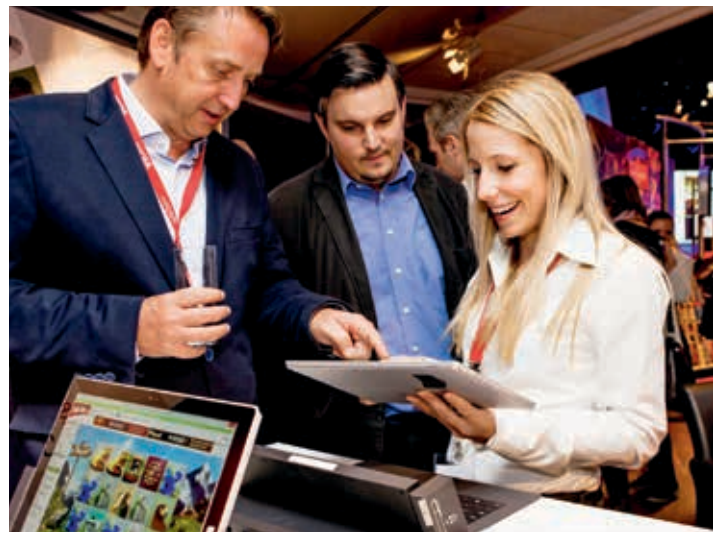


- > Play Fair visitors watch the action at the Casinos Austria booth
- > win2day presents its games for laptops, tablets and smartphones
- > The Cuisino team provided the catering

23 and 24 September 2015 saw the Studio 44 event location in Vienna transformed into a veritable world of gaming, when the Casinos Austria and Austrian Lotteries Group hosted its first-ever in-house fair. All members of staff and their families and friends were invited to come along and see the full portfolio of services offered by the group. Needless to say, this invitation was also extended to representatives of all stakeholders in the group, providing them with an ideal opportunity to experience the group's broad range of products and services for themselves.

All Business Units in the group were represented with their own booths and provided information on their products and services – each with their own playful twist. Casinos Austria set up an American Roulette and a Blackjack table at the fair and also presented its new single-croupier tables. Casinos Austria International put staff from its casinos around the globe on the catwalk – modelling the uniforms worn in its casinos in Canada, Australia, Belgium, Germany, Hungary, Denmark and Switzerland as well as on its cruising casinos. Guests could even try their luck “abroad” on the Casinos Austria International stand: the croupier at the Blackjack table was none other than Casino Copenhagen’s very own European Dealer Champion. At the Austrian Lotteries booth, they could also play the lottery or try their luck with a Rubbellos scratch-off card before moving on to try out the games on the win2day online platform on various devices. WINWIN presented its video lottery terminals, and tipp3 offered an insight into the calculation of betting odds and presented its new tippBox.

A separate area in the Studio 44 Loft was reserved for responsible gaming, allowing guests to find out about the broad range of important, group-wide issues in this



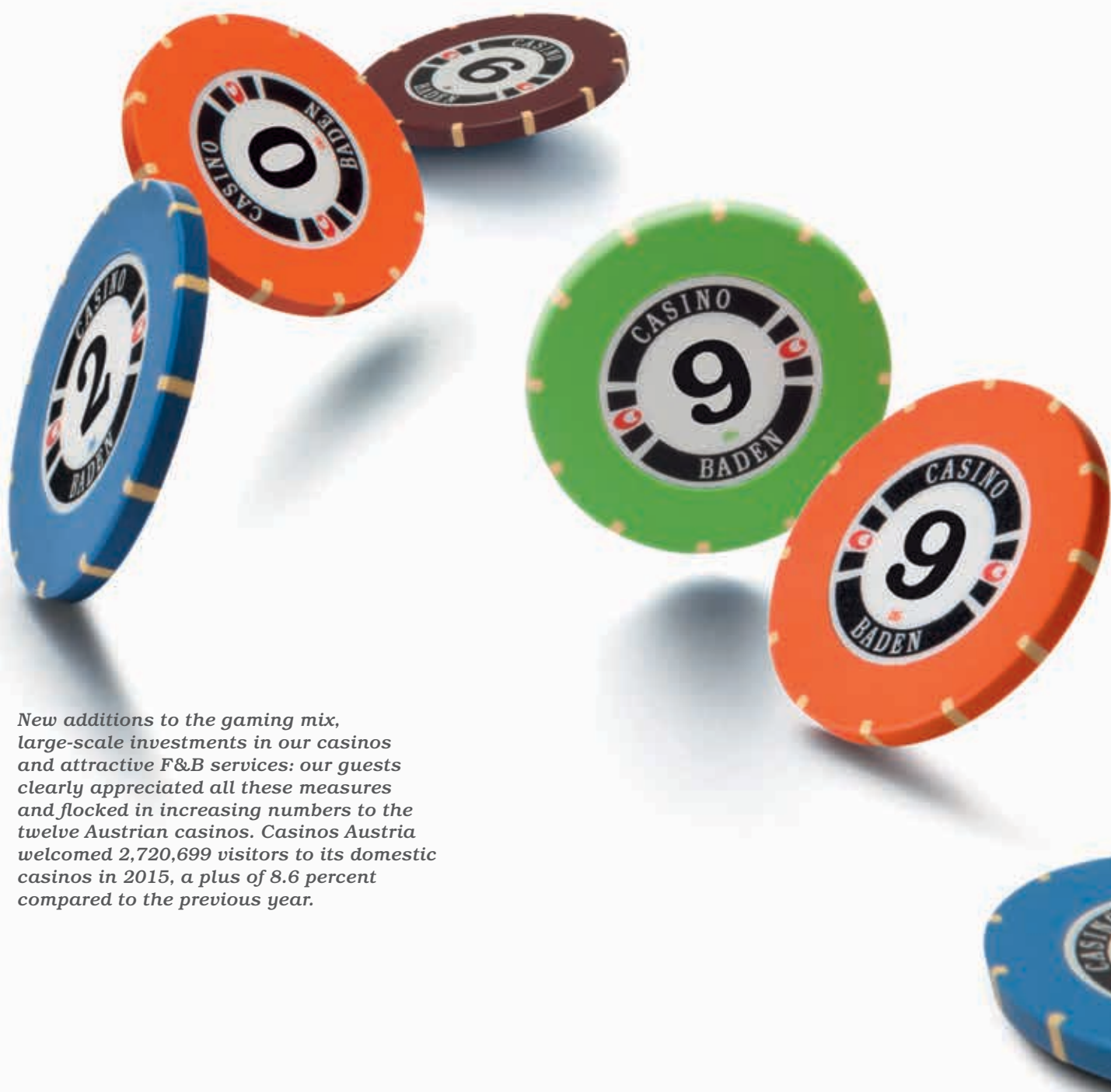
field – from responsible gaming, CSR, sponsoring and compliance through to human resources. Our IT and Purchasing units offered an insight into internal services and product development processes. Guests also had the opportunity to visit our computer center, the room where lotteries are drawn and our security control center.

Catering for the event was supplied by the group's own gastronomy subsidiary – “Cuisino – Genuss Events by Casinos Austria”.

Interest in the Play Fair was huge. More than 1,000 guests came along on each of the two days to experience first-hand the great enthusiasm with which the Casinos Austria and Austrian Lotteries Group does business.



Our Record Number



New additions to the gaming mix, large-scale investments in our casinos and attractive F&B services: our guests clearly appreciated all these measures and flocked in increasing numbers to the twelve Austrian casinos. Casinos Austria welcomed 2,720,699 visitors to its domestic casinos in 2015, a plus of 8.6 percent compared to the previous year.

Casinos in Austria

● The twelve casinos in Austria offer experiences for all the senses. A wide variety of games, superb choice of culinary delights and a diverse range of leisure and tourism options all go together to ensure that a visit to one of our casinos is always one to remember. We invested extensively in these casinos in 2015. From Bregenz to Zell am See and from Salzburg to Graz and Vienna – our guests can now enjoy the results in the relaxed atmosphere that is so typical of a Casinos Austria casino.

Each Casinos Austria casino is a veritable world of experiences and offers its guests a diverse range of leisure options. Gaming is our core competence, and the impressive gaming mix in our Austrian casinos is of a truly international standard. It is constantly updated in line with guest demands, with innovative new products frequently added to the portfolio to permanently maintain the attraction of our gaming facilities. Highest quality service is a matter of course; reputable

and transparent handling of the games an absolute priority. Our gaming mix is carefully designed to offer something for everyone: from regular casino-goers and gaming enthusiasts to first-time guests. Each and every one of our guests can thus simply relax and enjoy the fun – and, of course, the experience.

A visit to one of our casinos is a real culinary and cultural experience too. Each of them is also a cultural meeting place as well as a host to a broad range of social and cultural events – from literary readings, art exhibitions, cabaret shows and concerts to gala events, balls and festivals. And with first-class cuisine to round it all off, the result is a real all-round experience – from Baden to Bregenz.

Last, but by no means least, the opening of Casino Zell am See on 1 January 2016 adds yet another casino to the Casinos Austria success story.





Casino Baden

In Casino Baden, the glamor of the Belle Époque era remains alive to this day. The impressive building on the edge of the town's spa gardens is home to one of the largest and most attractive casinos in Europe – with its own congress and event center. While its exterior is still resplendent in the classic style of a bygone age, its interior boasts cutting-edge, contemporary gaming areas. Baden's casino has always been a meeting place for celebrities and a venue for spectacular events – from drama awards ceremonies to the annual Miss Austria beauty pageant.

Casino Baden bets successfully on the winning concept of “gaming, events and cuisine under one roof”. And it is precisely this mix that makes the casino *the* place to go in the south of Vienna and a leading tourist operation in the region. Its gaming areas offers guests the full range of options in the Casinos Austria gaming mix.

With its in-house event company, Congress Casino Baden (CCB), the casino counts as one of the top event centers in Lower Austria and serves as host to an extensive range of events. In 2015, these included the

Austrian live marketing sector's “Who is Who” event on 27 May, which was held to honor the first members inducted into the “Hall of Fame of Austrian Events”, namely André Heller, Helga Rabl-Stadler, Günter Rhomberg, Lotte Tobisch-Labotýn and (posthumously) Helmut Zilk.

The “Wine in the Park” event organized in cooperation with the Wienerwald Tourismus GmbH and the Weinforum Thermenregion proved particularly popular, with the casino's banqueting hall also incorporated into this event for the first time. Keeping with the wine theme, the “WineBeats – Next Generation” event established a platform for wine lovers with a clubbing format.

The Summer Lounge at Casino Baden is always a popular meeting place in the summer months. With its view of the adjacent spa gardens, the terrace is the perfect place to relax – for example, at one of the casino's popular barbeque nights. In 2015, the Summer Lounge also hosted the first-ever Casinos Austria “Barbeque Chef” competition. Casino Baden is also known far and wide for its superb cuisine – supplied by Cuisino – and its renowned restaurant with one *Gault Millau* toque.



Casino Bregenz

Casino Bregenz is a popular leisure destination in the festival city on the shores of Lake Constance. Embedded in the city's festival and convention center, floating stage and Hotel Mercure ensemble, the casino is a shining example of elegance and glamor. Casino Bregenz offers its guests international-caliber gaming, quality entertainment, top-class cuisine, countless "in" events and great promotions under one roof – directly at the spot where three countries meet.



2,000 square meters of gaming floor and 1,000 square meters of F&B and event space: Casino Bregenz is now even bigger and even more attractive. The casino successfully completed its extensive renovation program in good time for its 40th anniversary, leaving the whole venue resplendent in its brand-new look.

The new, floodlit façade is a real eye-catcher, with the extension of the dining and bar areas also forming a central element in the renovations. The FALSTAFF Lounge, which is located over the Jackpot Casino directly adjacent to the casino restaurant, now has a

floor space of 360 square meters. The redesigned Casino Bar, where guests can sink into comfortable lounge sofas and enjoy the view of the lake through a 20-meter panorama window, lies in the heart of the casino. It links the main gaming room, slots gaming room and Poker area in the Arik Brauer room with the expansive new, 360-square-meter Casino Lounge.

Casino Bregenz is also a highly successful event venue. In 2015, it established the *Kulturpreis Vorarlberg* ("Vorarlberg Culture Award") initiative in collaboration with the Sparkasse Bregenz bank and with the support of both the State of Vorarlberg and ORF Vorarlberg. The award supports innovative formats and genres and provides upcoming young artists with a worthy platform to present their creative talents. The first-ever *Kulturpreis Vorarlberg* award in the "Performing Arts" category was awarded to the actress Michaela Bilgeri.



Casino Graz

Casino Graz is a typical city casino – with a catchment area that extends well into the surrounding region and as far as neighboring Slovenia. Business travelers, wine enthusiasts touring the South Styrian wine route and city-break visitors drawn by one of the many festivals in the Styrian capital all flock to the popular casino in equal numbers for an exciting evening at the tables.



Great gaming, fine dining and superb entertainment are the three main pillars of success at Casino Graz. As a leading attraction in the region, the casino is a meeting place for old and young, for gaming enthusiasts and for those with a taste for fine wining and dining alike. The casino responded to popular customer demand in 2015 and extended its slot machine facilities. Additional floor space was also acquired from Congress Graz to extend the Jackpot Café, thus allowing work to begin on a relaunch of all guest areas.

Casino Graz is also *the* destination for cabaret shows in Styria. Audiences in its Casineum event hall were treated in 2015 to great performances by Austrian

superstars like Andreas Vitasek, Roland Düringer and Klaus Eckel as well as superb shows by Styrian comedy stars like Paul Pizzera, Mike Supancic or Marion “Fischgrete” Petric. The Casineum is also an ideal and popular location for card tournaments (e.g. Sixty-Six or Bridge), sports association functions or culinary events like the “Dinner in the Dark” evenings and the wine tastings organized by the “Styria-Burgenland Wine Friends”. Casino Graz was also a key player in the events surrounding the Formula 1 Grand Prix in Spielberg, offering various VIP packages for the race and hosting an F1 gala event in the casino.



Casino Innsbruck

Casino Innsbruck's elegant glass architecture lends the popular casino in the center of the city its own particular flair. Its prime location at the foot of the imposing Nordkette mountain adds to its charm and makes Casino Innsbruck a very special place indeed. The casino is not just the venue of choice both for tourists and for Roulette and Blackjack fans from Austria, Italy, Germany, Switzerland and further afield, its event calendar is also full to the brim – making it a firm fixture in the city's culture scene.

Casino Innsbruck once again demonstrated its multi-faceted talents in 2015. Guests flocked to the popular casino in large numbers throughout the year to take advantage of its diverse and colorful portfolio of events.

The casino's own Casineum event room is the perfect location for cabaret shows, exhibitions and even musicals. At the end of November, Casino Innsbruck presented the fourth book in the popular *Zeitzeugen* ("Witnesses of our Times") series in cooperation with ORF Tyrol and the *Tiroler Tageszeitung* newspaper. In

this series, leading figures in Tyrolean society reveal interesting and frequently new insights into their exciting careers. In the 2015 edition of the *Zeitzeugen* interviews, sculptor Rudi Wach, Alpine legend Reinhold Messner, Tyrol's first female mayor Helga Machne, former state governor Wendelin Weingartner, the *grande dame* of the Athesia publishing house Martha Ebner, und Stanglwirt hotelier Balthasar Hauser took to the stage to share their life stories.

Casino Innsbruck also reaffirmed its strong commitment to charity throughout the year, hosting several high-caliber events to raise funds for good causes like the Tyrolean Branch of the Austrian Cancer Support Society's "Pink Ribbon" initiative, the Homeless Association, the Legal Aid Platform and the Nepal Aid fund. Money was also collected at special charity tables throughout the year as well as at the casino's staff Christmas party. All in all, Casino Innsbruck raised over 40,000 euros for charity in 2015.



Casino Kitzbühel

At first glance, you wouldn't initially expect to find a modern casino behind the colorful Tyrolean façade with its characteristic, traditional *Lüftermalerei* murals. But the casino in this chic and legendary Alpine resort is *the* place to be in Kitzbühel and plays an important and lively role in the town's nightlife scene.

Casino Kitzbühel's guests appreciate the cozy and charming ambience in this popular venue, which offers everything for the discerning guest. Its broad choice of gaming options are spread over two separate levels, while its elegant Cuisino restaurant, well-stocked wine cellar, tasteful bar and welcoming bistro all contribute to making a visit to Kitzbühel's casino an unforgettable experience.

For many tourist visitors to the region, a night at Casino Kitzbühel is a "must-do" in their vacation schedule; for local guests, the casino is a valued and popular meeting place. The many cabaret shows and concerts held in the casino each year are especially popular with the local clientele. In 2015, these included performances

by comedienne Andrea Händler and pianist Christoph "Boogie Wolf" Steinbach. The "Casino & Friends" clubbing events, with fashion shows, live music and great entertainment likewise attract a particularly large crowd. The addition of a new stage in the Casineum event room in 2015 proved a valuable upgrade to the casino's event facilities.

To provide guests with even greater comfort, the slot and table gaming areas at Casino Kitzbühel were also refurbished in 2015, with the seating at the slot machines and Blackjack tables replaced with modern, ergonomic, height-adjustable stools.

The casino bar was also adapted and given a new look in light, contemporary tones. The new chairs and tables in the bar reflect the casino setting: the glass tables are decorated with various gaming motifs like Roulette wheels or Poker chips, thus putting people in the mood for their next game.

A newly installed "Infotainment" system provides guests with on-screen information about what is going on in the casino and when.



Casino Kleinwalsertal

Its unique location in a geographical enclave that is easily reachable from Allgäu in Germany, but almost inaccessible from Austria, makes Casino Kleinwalsertal a favorite destination for German guests and one of the main tourist attractions in this popular skiing and hiking region. Open all year round, the casino is an important visitor magnet for the Kleinwalsertal valley.

A successful combination of casino, restaurant, club and event facilities makes Casino Kleinwalsertal a popular meeting place in the region and one that attracts both regular punters and leisure guests as well as first-time casino-goers alike.

Casino Kleinwalsertal thoroughly enjoys its role as host and is the perfect venue for small and large-scale events with up to 1,000 guests. Events hosted in the casino in 2015 included the “Captain’s Dinner”, a fund-raising gala for the Riezlern Brass Band and the “Get2Gether” event – probably the biggest class reunion in the region. The casino also provided a charity Roulette table at the *Allgäuer Zeitung* annual Press Ball. Its Cuisino event room can be booked for all

manner of events and adapted to individual customer needs. Its Tanzbar club is the ideal place to dance the night away after a fun evening at the casino. And the culinary delights on offer in its award-winning Cuisino restaurant cater superbly to every taste.

The gaming room at Casino Kleinwalsertal offers a choice of Roulette, Blackjack and Poker tables as well as a selection of some 70 slot and gaming machines. And with its daily Slots Happy Hour from 4 pm to 6 pm, the casino offers guests attractive gaming options even in the afternoon.



Casino Linz

Its central location on the Linzer Landstraße, Austria's busiest shopping street outside Vienna, and close proximity to many of the city's hotels, theaters, concert halls and art galleries are just two of the many plus points for this modern city casino. The interior design of this popular venue is really something special with its fascinating color and lighting effects beautifully complemented by a colorful mosaic-like window frieze by the Austrian artist Hans Staudacher.



With its diverse gaming mix and attractive range of events, Casino Linz scored highly with guests in 2015 as a leisure destination. It also successfully established itself as a tournament venue. An absolute highlight on its tournament calendar was the Casinos Austria Poker Tour (CAPT), whose fifth stop took it in September to Linz. The casino also hosts plenty of classic Roulette and Blackjack tournaments as well as tournaments for so-called non-casino games like Tarock, chess or Schnapsen (an Austrian variant of the Sixty-Six card game).

Casino Linz introduced a change to its gastronomy services in 2015: in August, gastronomy services at the venue were taken over by the Casinos Austria subsidiary "Cuisino – Genuss Events by Casinos Austria", which now

looks after the culinary well-being of the casino guests. The calendar of events in the Casineum event room was full to the brim with top events in 2015. A particular highlight was the Miss Upper Austria Pageant, which – as in 2014 – ultimately produced not only the Miss Upper Austria, but also the Miss Austria.

Casino Linz is well-known as a venue for great events. The city's football team LASK celebrated its 50th anniversary in the casino, and fun was had by all when its supporters chose Casino Linz as the venue for their fan club event and enjoyed a great evening meeting the LASK players and challenging them at the Poker tables. In addition to the local football, volleyball and fistball associations, the Upper Austrian table tennis association also invited the champions in all regional table tennis leagues to a fun night at the casino for the first time in 2015. An impressive selection of literary readings, podium discussions, book launches and comedy events also ensured there was plenty of culture on the calendar in 2015. One especially attractive event was organized to coincide with the launch of the new James Bond movie *Spectre*. The day after the movie premier, the James Bond feeling was the order of the day in the casino. Guests in tuxedos and evening gowns sipped martinis to the sound of a live band playing the theme tunes from all the Bond movies.



Casino Salzburg

Casino Salzburg is located in the majestic Klessheim Palace, providing its guests with fun and entertainment in the breathtaking setting of a regal baroque building created by Johann Fischer von Erlach. The generous interior design provides plenty of space, while the juxtaposition of baroque elegance and modern gaming give the casino a very special flair.



Casino Salzburg has been undergoing extensive renovations since spring 2015. Yet despite all the construction work, gaming operations continued without impediment throughout the year. The goals of this large-scale renovation project are to refurbish the palace, give it a facelift and extend the capacity of the casino in the process. Security and safety standards have been further improved, with changes made to the escape routes and fire prevention facilities. Barrier-free access has also been established along with new facilities to protect non-smokers.

The renovation project has provided the casino with additional, high-class guest areas. The gaming areas have been extended by 54 percent and the F&B capacity

by 43 percent, thus providing guests with even more dining options. The new Casino Lounge event area has a floor space of 330 square meters and also features a separate bar specially for events, making it the ideal venue for all kinds of different functions. The two extensions on the building's west façade extend over an area of around 1,100 square meters.

Work also commenced on the step-by-step refurbishment of the building's outer shell in 2015. The focus here lies on the restoration of the façade as well as the renovation of the roof, attic and windows – all in close cooperation with the Austrian National Heritage Agency.

The new-look Casino Salzburg is set to become one of the most attractive leisure destinations in the Salzburg region.



Casino Seefeld

Seefeld lies at the heart of the Inn valley plateau and is a paradise for downhill skiers, cross-country ski enthusiasts and horse-drawn coaching fans in the winter months and an Eldorado for golfers in the summer. A visit to the town's casino is the perfect end to a day of outdoor fun – and with its prime location in the heart of Seefeld's pedestrian zone, the casino is the ideal meeting place for groups of friends congregating from the various hotspots around town.

facelift: the façade was totally renovated and is now a diverse and unusual talking point that really awakens the curiosity of passers-by. The refurbished wood paneling is particularly eye-catching. To achieve the look, the original wood paneling was treated with crushed ice, lending the façade a more modern, lighter and friendlier touch. The paintwork on the remainder of the building, signage with alternating lighting and countless LED installations now make the casino really stand out in the town's pedestrian zone.

Rustic and down-to-earth, yet at the same time elegant and diverse – that sums up the Alpine-look casino in the Seefeld Olympic region. The many visitors to the casino love the combination of laidback atmosphere, traditional casino flair and international gaming mix. With its diverse selection of gaming options and plenty of chances to win, any visit to this casino is sure to be one to remember.

With its cozy, rustic ambience, Casino Seefeld is always a popular meeting place and leisure destination. To maintain its Alpine look and feel, a great deal was invested last year in giving the casino a very special



Casino Velden

Life in Velden is pulsating and vibrant in the summer months. The casino terrace with its superb view over Lake Wörth is one of the best places around to sit back on a summer evening, soak up the Carinthian flair and enjoy the Mediterranean atmosphere of the lakeside promenade. With its colorful event program, Casino Velden remains a constant focal point in the Lake Wörth region's nightlife scene.



Casino Velden enjoys a particularly striking location directly on the shores of Lake Wörth and is well-known for its diverse gaming mix and attractive events. The casino has also been making a name for itself for many years as a Poker destination. In July 2015, it hosted the Casinos Austria European Poker Championship for the first time. The 11-day event saw 18 tournaments take place at 34 Poker tables, with over 100 croupiers in action. With a prize pool of more than 1.5 million euros and a superb program of accompanying events like the "Red Carpet Show" on the square in front of the casino in which the Poker stars themselves played a starring role, the European Poker Championship in Casino Velden set new standards. With more than 1,000 players from over 25 nations, the international Poker scene

was out in force in Carinthia, making this amazing event also a success for tourism in the region: all in all, the European Poker Championship brought more than 7,500 overnight stays and an international clientele to Lake Wörth.

Glitz and glamour transformed Casino Velden into a spectacular fantasy world at the *Bal du Cirque Fantastique* on 25 April 2015. Around 80 artistes and extravagant dancers partied the night away with more than 2,000 ball guests and countless national and international celebrities in the *manège*.

Eurovision Song Contest fever could also be felt in Carinthia and Velden in May when the casino was selected as the official public viewing location for this event of the year. On 23 May, the ORF regional studio in Carinthia and Casino Velden invited all song contest fans to come along and watch the event live.



Casino Wien

Casino Wien is a classic city casino in the traditional sense and style. Located in the Palais Esterházy, a 15th century baroque palace, the popular casino is situated directly on the Kärntner Straße, one of the most elegant shopping streets in Vienna. Gaming at Casino Wien expands over three impressive floors. Its award-winning Cuisino restaurant offers a top-class dining experience.

National and international guests alike love the all-round offer they encounter at Casino Wien, where an extensive gaming mix, professional handling of the games and service excellence all go hand-in-hand to create a very special atmosphere.

By popular demand, a new VIP area for high rollers and guests from Asian countries was established on the first floor of the casino in 2015. The new, club-style Private Room features a choice of American Roulette and Blackjack tables and also offers Macau Baccarat, a game that is extremely popular in Asia.

The slots area on the second floor was also adapted in 2015 and now offers guests a superb choice of slot machines in an attractive setting with a small bar.

The gastronomy services at Casino Wien also cater perfectly to every taste. The casino is particularly proud of the fact that its new Cuisino-run restaurant was awarded its first *Gault Millau* toque at the end of October 2015 after only 11 months in operation. The red and gray salons in the restaurant are also the ideal setting for events: in November, Casino Wien invited well-known figures from the worlds of business, politics and the arts to its first Casino Charity Gala. The celebrity guests were invited to participate in an entertaining charity Roulette game and bet generously on red or black. If a guest bet on the right color, Casino Wien doubled the amount bet, thus raising 15,000 euros for the *Licht ins Dunkel* (literally: “Light into Darkness”) children’s charity.



Casino Zell am See

The new casino in Zell am See is set in the town's Grand Hotel, which enjoys a prestigious location directly on the shores of Lake Zell and is the most prominent building in – and the ultimate postcard image for – the famous Alpine town.

Casino Zell am See is the newest casino in the Casinos Austria portfolio. It opened on 1 January 2016 and offers contemporary gaming, professional handling of the games, highest quality service, top-class cuisine and a diverse range of events. Its unique location in the north wing of the Grand Hotel, directly on the shores of picturesque Lake Zell, is not only easy to reach, it also underscores the casino atmosphere and the typical ambience found in a Casinos Austria casino.

The casino offers 1,000 square meters of cutting-edge gaming. Its gaming mix includes five American Roulette tables, four Blackjack tables, three Poker tables and a Wheel of Fortune as well as twelve Easy Roulette terminals and 50 gaming machines. A 60-strong team of staff are on hand to ensure that all gaming activities are handled with the utmost

professionalism and that guests enjoy the highest possible level of service.

In addition to the superb gaming facilities, guests at Casino Zell am See can also relax over a drink in the casino bar and enjoy the spectacular view from the lake-side terrace over the lake to Mount Kitzsteinhorn.

Paul Vogel was appointed Director of Casino Zell am See right from the start of the planning and construction phase in August 2014. He also served as Director of Casino Kitzbühel until 31 December 2015.

Casino Directors in Austria as of 1 January 2016

| | |
|-------------------------|-----------------------|
| • Casino Baden | Edmund Gollubits |
| • Casino Bregenz | Bernhard Moosbrugger |
| • Casino Graz | Andreas Sauseng |
| • Casino Innsbruck | Hannes Huter |
| • Casino Kitzbühel | Gerhard Heigenhauser |
| • Casino Kleinwalsertal | Bernhard Moosbrugger |
| • Casino Linz | Josef Kneifl |
| • Casino Salzburg | Wolfgang Haubenwaller |
| • Casino Seefeld | Robert Frießer |
| • Casino Velden | Othmar Resch |
| • Casino Wien | Reinhard Deiring |
| • Casino Zell am See | Paul Vogel |

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Casinos Austria International

● With its restructuring program successfully completed, Casinos Austria International can look back on a positive business year in 2015. In October, its new casino in the Hilton Batumi opened its doors to the public for the first time.

Casinos Austria International Holding (CAIH) and its subsidiaries form a renowned international gaming group (CAI Group). CAIH consolidates Casinos Austria's extensive international casino activities under one roof. Since it was founded back in 1977, the wholly-owned subsidiary of Casinos Austria AG has gone on to become one of the leading companies in the global casino industry. With its unique portfolio of casino management and development services, CAIH has realized more international casino projects than any other operator worldwide. Its primary markets lie in the European Union, Switzerland, Australia and Canada.

Tradition, innovation, integrity, responsibility to society, security and service excellence are the cornerstones of the company's strong international reputation. CAIH's business activities include the operation of its own casinos, the management of casinos under management contracts and the financial investment in casino operators. In all its projects, CAIH focuses on ensuring that the product is an optimal fit to the local host market.

In 2015, the CAI Group's portfolio comprised 34 operations in 13 countries around the globe: 27 land-based casinos, six cruising casinos and one video lottery. Together, these operations featured 330 gaming tables, 4,300 gaming machines and 750 VLTs and employed a total of 1,787 members of staff.

The sale of Casino Canberra at the end of the 2014 business year resulted in a slight drop in total guest numbers and revenues at the CAI Group's operations in 2015 compared to the previous year. In 2015, these operations welcomed a total of 4.8 million guests (2014: 5.2 million guests) and posted revenues of 133.8 million euros (2014: 139.1 million euros). Operating earnings rose significantly to 8.1 million euros. Casinos Austria International publishes financial reports in the Oesterreichische Kontrollbank's (OeKB) Issuer Information Centre. The 2015 financial report will be available for

download at the end of April 2016 at <http://issuerinfo.oekb.at/startpage.html>.

2015 at a glance

2015 was another very challenging year for the gaming industry. World economic growth for 2015 slowed slightly overall, showing a plus of 3.1 percent (2014: 3.4 percent). Economic growth remained relatively strong in the United States at 2.5 percent (2014: 2.2 percent); falling unemployment rates indicate a sustained upward economic trend. The economy in the Eurozone, the most important region for the CAI Group, also showed moderate growth of 1.5 percent (2014: 0.8 percent), with Germany serving as the driving force behind this figure. Consumer spending was the main pillar of this growth, with investments also rising slightly. Economic growth in the emerging nations slowed to 6.8 percent (2014: 7.4 percent) as a result of weak consumer spending in China and falling export prices for raw materials.

The rise in consumer spending was reflected in the CAI Group's casinos in 2015 in an increased drop and for the most part in a rise in guest numbers; the earnings situation likewise improved to a large extent.

In October, Casinos Austria International and a group of investors opened a new casino in the Hilton Batumi in Georgia. Batumi is rapidly developing into a major tourist center and gaming hotspot, attracting visitors from Turkey, the Russian Federation, Iran and the Middle East. The new casino employs a total of 180 staff and is expected to welcome some 90,000 guests per year. Its gaming mix includes 13 Roulette tables and 105 slot machines. Numerous VIP guests from the worlds of business, finance and politics both in the region and in Austria accepted the company's invitation to attend the gala opening of the new casino.

The National Videolottery of the Republic of Macedonia – Casinos Austria LLC – Skopje (Macedonia), which was established in January 2014, had a total of 750 video lottery terminals in operation by the end of 2015, with this figure set to rise to 1,300 terminals by the end of the first quarter of 2016. Further expansion is planned from the second quarter of 2016 onwards.



> Opening of the casino in the Hilton Batumi, (l. to r.) Karl Stoss, Alexander Tucek, Mr. Kasradze (Kilamuri Ltd.), Archil Khabadze (Head of the Government of the Autonomous Republic of Adjara)



> The Reef Hotel Casino, Cairns, Australia

On 30 December 2015, Casino Sopron Kft. was granted a new concession for a further ten years. The new concession covers the period from 15 January 2016 to 15 January 2026, with an option to extend it once for a further five years. For the first time, the concession also included an online gaming license. The award of this concession coincided with the establishment of a new company, CAI Hungary Kft., which holds the casino operating license from 2016 onwards. This license is valid for the same period as the concession.

On 31 December 2015, Casino Copenhagen and Casino Munkebjerg Vejle both celebrated their 25th anniversaries. Director General Karl Stoss, Director Bettina Glatz-Kremsner and CAIH CEO Alexander Tucek all travelled to Denmark to take part in the festivities. They were joined at the gala event by local VIPs from the worlds of politics and sport, including the President of the Danish Olympic Committee Niels Nygaard. Casino Copenhagen and Casino Munkebjerg Vejle are two of four casinos operated by the CAI Group in Denmark and can both look back on a quarter century of strong business success.

“Best Gaming Operations Europe 2015” award

In 2015, Casinos Austria International received the “Best Gaming Operations Europe 2015” award from the renowned print journal *CFI.co*. Each year, *CFI.co* recognizes those companies and organizations which it judges to have made an important contribution to the

convergence of economies and to have truly added value for all stakeholders.

In its announcement, the *CFI.co* judging panel congratulated Casinos Austria International in particular on a corporate strategy that, while steeped in tradition, is both innovative and daring. They also praised the company for its well-deserved excellent reputation in Europe.

Outlook for 2016

The CAI Group is now at the end of its stringent restructuring and cost-cutting program. After concentrating on working off legacy issues in the last few years, the group is now looking forward to a return to cautious growth.

Discussions are currently underway with the group’s partners in Skopje regarding the operation of a casino in the Macedonian capital. Plans to expand its activities in Georgia with the construction of a new casino in the capital Tiflis are likewise being discussed.

Further, the CAI Group is evaluating the possibility of submitting a joint bid with local partners in the planned call for tenders for a casino in Andorra.

The group is also currently investigating other potential expansion options and possible future investments.



Our Bonus Number



Austrian Lotteries posted total sales of 3.084 billion euros in 2015. The effects of the product launches in the Casino Games section and expansion of the mobile gaming services at win2day were clearly reflected in a 10.46 percent rise in sales. Jackpots were the name of the game for the Lotto “6 aus 45” and Bingo lotteries, which both recorded a 5 percent increase in sales compared to 2014.



The Company

Austrian Lotteries

● In 2015, Austrian Lotteries provided its customers with plenty of attractive product innovations and promotions. Total sales for the year were down by 2.12 percent year-on-year to 3.084 billion euros. The decisive factors behind this result were the drops in sales figures for the WINWIN VLT outlets as a consequence of new regulatory provisions and for the Euro-Millions lottery as a result of both the generally low trend in the Europot jackpot and the fact that there were fewer Superpot rollover jackpots.

Keeping its products up-to-date and attractive to customers is a fundamental aspect of corporate strategy at Austrian Lotteries. Consequently, since May 2015 the company has also been offering customers the possibility to crack the EuroMillions jackpot using a system ticket. The advantage of the system ticket is that customers can play multiple picks in one draw and thus raise their chances of winning. The system option has also been available since May 2015 in the form of the "Lotto Quicktipp", which allows players to combine the advantages of the system ticket with the convenience of a quick pick. A particularly interesting option for all those who like to be creative with their picks was launched in July 2015: the new Lotto and EuroMillions "System Champion" is a free program established by Austrian Lotteries in which customers can try their luck using their own tailor-made system.

2015 was also a year of anniversaries at Austrian Lotteries. Launched on 27 February 1995, the Rubbellos (scratch-off tickets) were a success right from the very start. Over the last 20 years, Austrian Lotteries has produced over 100 different scratch-off tickets and marked this 20th anniversary with a special *Geburtstags-geld* ("Birthday Money") scratch-off ticket with three top prizes of 100,000 euros each.

The Brieflos break-open tickets can look back on a success story spanning 35 years. Austrian Lotteries celebrated this fact in 2015 with the launch of a new three-category family of products: the Brieflos, Super Brieflos and Mega Brieflos tickets each feature a different name and a different top prize (100,000, 300,000 and 500,000 euros respectively). The popular Brieflos TV show has now been broadcast on Austrian television for 25 years.

A new "second chance to win" option on the **lotterien.at** website proved especially popular with customers. At the end of 2015, Austrian Lotteries offered customers a second chance to win with any *Frohe Weihnachten* ("Merry Christmas") scratch-off tickets which didn't produce a win in the first instance. These tickets could be registered on the website during a predefined period and thus became valid for the aforementioned second chance to win one of the

additional prizes that were subsequently drawn each week over an eight-week period.

Sales and earnings

Sales figures for the flagship Lotto "6 aus 45" national lottery product in 2015 were up by 5 percent compared to the previous year. This can be attributed to the high number of roll-over/high value jackpots as well as to the introduction of the "TeamTipp" ("team pick") and "Anteilsschein" ("share ticket") options in 2014, which revitalized the brand. Sales of the Bingo product were also up by 5.07 percent, while Rubbellos (scratch-off ticket) sales rose by 1.35 percent. EuroMillions sales were down 9.95 percent year-on-year. This was a result of the weaker trend in the Eurojackpot and the reduced number of Superpot rollovers. Toto football pool sales were down by 4.89 percent, while sales of the Joker add-on and Zahlenlotto numbers lottery products were also down year-on-year by 0.18 percent and 8.03 percent respectively. The Klassenlotterie class lottery recorded a drop in sales compared to 2014 of 6.65 percent, while ToiToiToi instant lottery sales were down by 4.42 percent and Brieflos break-open ticket sales by 1.54 percent.

The launch of new casino products had a positive effect on sales figures for the electronic lotteries on win2day. The online gaming platform recorded an increase in sales of 10.46 percent.

New regulatory provisions introduced by the 2010 Amendment to the Austrian Gaming Act (published on 18 August 2010) had a strong impact on sales at WINWIN (VLTs). Under the new provisions, the number of terminals in each outlet had to be reduced to a maximum of 50, and each individual VLT had to be connected to the Austrian Federal Computer Center. Furthermore, the introduction of mandatory personalized player cards with effect from 1 January 2015 led to noticeable caution on the part of many guests. All in all, WINWIN thus posted a drop in sales of 28.97 percent.



2.34 billion euros in total prize money and a record win on Lotto “6 aus 45”

237 people in Austria each won 100,000 euros or more with a lottery product in 2015 and can thus be classed as “big winners”. Of these big winners, 49 took home a win in excess of a million euros. 2015 was a record year for the Lotto “6 aus 45” national lottery and for one customer from Vienna in particular. He was the only person to pick all six numbers correctly in the five-time rollover jackpot drawn on 12 August. His Quicktipp (quick pick) thus won him precisely 9,643,151.70 euros – the highest win in the 29-year history of Lotto “6 aus 45”. In another five-time rollover jackpot drawn at the end of April, the prize for all six correct numbers exceeded the ten million euro mark for the second time in Lotto history and was shared by three lucky winners.

The 237 big wins in 2015 were spread across the individual lottery products as follows: 78 were won with the Lotto “6 aus 45” product (including 65 six-correct-number wins, 44 of which in excess of a million euros), 26 with EuroMillions (including three in excess of a million euros), 23 with the Klassenlotterie class lottery (including two in excess of a million euros), 70 with Joker, 15 with a Brieflos break-open ticket, nine with the Toto and Torwette football pools, a further nine with the ToiToiToi instant lottery, four with Bingo and three with a Rubbellos (scratch-off ticket).

A further highlight of the year also came in August for a lottery customer from Carinthia. She hit a EuroMillions Europot solo jackpot, winning more than 30.5 million euros.

1.3 billion euros for sport

Sports sponsorship is a social mandate that Austrian Lotteries has proudly embraced since 1986: over the past 29 years, the company has paid a total of almost 1.31 billion euros into the Besondere Bundes-Sport-förderung (“Austrian Special Federal Sports Fund”).

Through the sports funding provisions established in the Austrian Gaming Act, Austrian Lotteries makes a crucial contribution to the financing of sports in Austria. Amateur sports, which play a very important role in society, profit in particular from this solidarity model.

With the Amendment to the Austrian Gaming Act which came into effect on 19 July 2010 (*Glücksspielgesetz-Novelle 2008*) and beginning with the 2011 calendar year, the Austrian Federal Government sets aside an annual sum of 80 million euros from the taxes and fees paid by the license holder pursuant to Section 14 of the Austrian Gaming Act for the funding of sports. From 2013 onwards, this amount increases each year in line with the extent to which the federal gaming taxes and fees paid by the license holder pursuant to Section 14 of



> The sales outlets offer a broad range of lottery products, including the Rubbellos Cash break-open ticket

said Act rose in the previous year compared to the year before last.

461.28 million euros in taxes, duties and social security contributions

Austrian Lotteries paid 461.28 million euros in taxes in the reporting year. This figure includes gaming-related taxes as well as income taxes, other taxes and duties and social security contributions. Since it was founded in 1986, the company has paid more than 10 billion euros in taxes to the Republic of Austria. The 429.39 million euros paid in gaming taxes and duties in 2015 are made up of the license fee of 252.57 million euros, gaming taxes of 172.47 million euros and the value added tax on VLT revenues of 4.33 million euros.

Premium sales partners

Austrian Lotteries offers its sales partners a broad range of support services. High on the agenda in 2015 was the provision of in-depth follow-up training to bring sales partners up to speed on numerous gaming innovations and developments in responsible gaming. An important step towards increased customer satisfaction was taken with the “Premium Partner” pilot project. This project was started in July 2015 with 27 sales partners from the tobacconist sector. Premium sales partners are identified using a clear and highly recognizable lottery branding and offer their customers a particularly high



level of product knowledge. Premium partner sales outlets were fitted with new exterior signage with an integrated LED ticker. Premium sales partners also attend additional intensive training courses. The insights gained from this pilot project will be evaluated in spring 2016 and a decision taken regarding the form in which the experiences gained can be transferred to a larger number of interested sales partners.

International activities

The Albanisch Österreichische Lotterien Holding Gesellschaft m.b.H. was founded in September 2012 and is a wholly-owned subsidiary of Österreichische Lotterien Gesellschaft m.b.H. The company holds a 100 percent stake in Lotaria Kombëtare Sh.p.k., which is headquartered in Tirana and manages lottery operations in Albania.

Lotaria Kombëtare has been running the Loto “6 nga 39” (“Lotto ‘6 from 39’”) national lottery since April 2013 and scratch-off ticket lotteries since September of the same year. In 2015, the company’s focus lay on strengthening its brands and on the development of new instant lottery products. The company attracted particular attention from consumers with the launch of its new Tornado me Para (“Money Shower”) scratch-off tickets, which include a chance to participate in a so-called money tree TV show – like the *Money Maker* program in Austria. In accordance with Albanian law, the duties raised from lottery product sales are used each year to fund socially relevant projects and measures. In 2015, such funding was provided to the Down Syndrome Albania Foundation as well as to the hospital in Bulqizë to purchase medical equipment for its A&E and cardiology outpatients departments.

The Russisch Österreichische Lotterien Holding Gesellschaft m.b.H. is a joint venture between Österreichische Lotterien Gesellschaft m.b.H., VPB Beteiligungs Gesellschaft m.b.H. and KEBA AG). The company holds a 100 percent stake in OOO Ural Loto, which was responsible for managing lottery operations in the autonomous Russian Republic of Bashkortostan. A new Federal Lottery Act passed at short notice at the end of December 2013 forced Ural Loto to prematurely discontinue the draws for its Lotto “6 from 40” and Joker products as well as the sale of its scratch-off and break-open instant lottery tickets with effect from 30 June 2014 – despite more than six years of successful operations and the fact that its license was valid until mid-2018.



> Lotaria Kombëtare scratch-off tickets

The liquidation of the operating company, Ural Loto, has been in progress since fall 2014 and is being carried out in accordance with all deadlines and obligations stipulated by Russian law. This process will be completed in July 2016 at the latest so that the team in Vienna can also liquidate the parent company, Russisch Österreichische Lotterien Holding Gesellschaft m.b.H., according to the planned schedule in the fall of 2016.

Austrian Lotteries in numbers

| | in millions EUR |
|---|--------------------|
| Sales | 3,084.05 |
| Taxes, duties and social security contributions | 461.28 |
| of which gaming-related taxes and duties | 429.39 |
| Sports funding | 80.00 |
| Income from ordinary activities (POA) | 76.27 |
| Annual income | 60.32 |
| Retained earnings | 40.00 |
| | |
| | Number |
| Employees (FTE*) | 497 |
| Sales outlets | 5,193 |

* Full-time equivalents

Total sales in 2015 by product

| Product | Sales 2015 in EUR | Change compared to previous year |
|------------------|-------------------------|--|
| Lotto "6 aus 45" | 615,669,277.99 | +5.00 % |
| Toto | 7,672,719.08 | -4.89 % |
| Torwette | 955,832.78 | -3.83 % |
| Bingo | 10,579,729.50 | +5.07 % |
| EuroMillions* | 306,153,564.34 | -9.95 % |
| ToiToiToi | 17,935,778.00 | -4.42 % |
| Zahlenlotto 1-90 | 3,730,292.00 | -8.03 % |
| Joker | 182,605,896.71 | -0.18 % |
| Rubbellos | 129,458,750.00 | +1.35 % |
| Brieflos | 22,634,716.70 | -1.54 % |
| Klassenlotterie | 29,259,826.00 | -6.65 % |
| win2day and Keno | 1,303,514,654.89 | +10.53 % |
| win2day Poker** | 2,883,159.52 | -13.31 % |
| WINWIN | 450,991,465.08 | -28.97 % |
| Total | 3,084,045,662.59 | -2.12 % |

* including share amount

** Rake only

win2day – Online Gaming

● Computer, tablet or smartphone – win2day is the premier address for games of chance on the internet. The gaming site offers a range of classic Austrian Lotteries lottery products, sports betting as well as electronic lotteries in the form of its Casino Games, Poker Room, Bingo Room and Games Room games.

Casinos Austria and Austrian Lotteries operate the win2day online gaming site via a joint subsidiary company. win2day Entwicklungs- und Betriebsgesellschaft m.b.H. is a subsidiary of Entertainment Glücks- und Unterhaltungsspiel Gesellschaft m.b.H., in which the two companies each hold a 50 percent stake. Its purpose of business is the development and operation of electronic lotteries, which are offered via the win2day site. win2day Entwicklungs- und Betriebsgesellschaft m.b.H. holds a 90 percent share in the Vienna-based games developer Rabcat Computer Graphics GmbH.

Electronic lotteries

The electronic lotteries on win2day are games which are embedded in a multi-channel platform with an integrated virtual wallet function for participation in games of chance via the internet. Pursuant to Section 12a of the Austrian Gaming Act, electronic lotteries are draws in which the player participates directly via electronic media. The win/lose decision for electronic lotteries is calculated centrally. Österreichische Lotterien Ges.m.b.H. holds the license to operate electronic lotteries pursuant to Section 12a of the Austrian Gaming Act.

The games offered in the win2day Poker Room, Bingo Room, Casino Games section and Games Room are all electronic lotteries. Keno is run in accordance with Section 12b of the Austrian Gaming Act, but is offered exclusively via the internet on win2day.

As is the case with all their products and services, the protection of minors and the protection of players against excessive gambling are – and always have been – a priority for Casinos Austria and Austrian Lotteries on the win2day platform.



> win2day is the premier address for games of chance on the internet

New games in 2015

In 2015, American Roulette, four slot games and two video poker games were added to the win2day portfolio in the Casino Games section. The range of games available for the two leading mobile device operating systems iOS and Android was also extended.

The introduction of the new Falco game marked the launch of the first so-called branded game on win2day. The late Austrian rock legend Falco lends not only his name, but also his music to the game. Branded games are becoming increasingly popular around the globe, particularly when it comes to attracting new customers.

American Roulette with a single zero can also be played live on the win2day site since 2015. Players place their bets on the virtual table and can then get close to the action as they watch the live Roulette wheel spin and follow the ball until it lands. Users can place all classic Roulette bets and can also bet on adjacent or final numbers. The croupiers manage the table, and users even have the possibility to chat with them. Live Roulette on win2day can also be played via smartphone or tablet.

The Poker Room on win2day

In the Austria-only Poker Room on win2day, players can try their luck at the virtual Poker tables in the popular Texas Hold'em and Omaha variants of the game. All the opponents at the Poker tables are players



> win2day also offers games for tablets and smartphones

from Austria. Games are played with a 52-card deck, which is supplied by the central computer. The cards are also shuffled and dealt randomly by a central software application.

The Bingo Room on win2day

Games in the Bingo Room on win2day begin every few minutes, and players can choose how many cards they play in each game. They can also choose between games played with 75 or 90 numbers.

In August 2015, the Bingo Room was revamped and given a whole new look.

Sports betting on win2day

Sports betting on the win2day site is offered in cooperation with tipp3, and users have a choice of three types of bets. The classic sports bet is targeted at players who have a strong interest in sport and like to bet on future sporting events. In contrast, players who opt for the live bet option wager on events that are currently underway. The third option is a so-called “Quicktipp” (“quick bet”) with a 25 percent odds bonus. In 2015, win2day launched a mobile version of its sports betting portfolio for tablets and smartphones and extended its live bet program to include additional attractive sports like basketball, volleyball and handball.

All sports betting transactions are handled using the player’s existing win2day wallet (*Depot*). This ensures that sports betting customers are also guaranteed the full benefits of the responsible gaming and player protection measures in place on the win2day site.

New advertising campaign

Adverts for win2day have been broadcast on TV and the internet since September 2014. The communication concept behind the adverts centers on one core message “Gaming on win2day: relax and enjoy the fun”. While Empress Elisabeth – known affectionately throughout the land as Sisi – charmingly combined imperial Austrian flair with the modern gaming experience in the first advert, it was rock legend Falco who took to the screen for some after-show entertainment in 2015. The new advert also has a clear Austrian theme – an important mainstay of the win2day brand identity. Further adverts will continue the theme in 2016.

WINWIN – Video Lottery Terminals

● Under the motto “Café, bar and gaming”, Casinos Austria and Austrian Lotteries offer entertainment of the highest standard at multiple locations across Austria via a joint subsidiary. Activities at WINWIN in 2015 were marked by the launch of the new mandatory player card and the opening of three new outlets.

The WINWIN outlets are meeting places for fun-loving, entertainment-minded people who enjoy a good night out. All WINWIN venues offer guests aged 18 or over the opportunity to try their luck on cutting edge video lottery terminals (VLTs) in a stylish setting. They also feature bistro cuisine at fair prices, well-trained staff and regular live music events and entertainment programs.

Glücks- und Unterhaltungsspiel Betriebsgesellschaft m.b.H. is a subsidiary of Entertainment Glücks- und Unterhaltungsspiel Gesellschaft m.b.H., a joint venture between Casinos Austria and Austrian Lotteries in which each company holds a 50 percent share. Its purpose of business is the operation of video lottery terminals, which are marketed in Austria under the WINWIN brand. The concession for VLTs pursuant to Section 12a of the Austrian Gaming Act is held by Österreichische Lotterien Gesellschaft m.b.H. Austrian Lotteries predominantly contributes its innovative strength in the media and technology sectors to the joint venture, while Casinos Austria handles the operative concept and provides know-how in the gaming and F&B sectors.

Video lottery terminals (VLTs)

Video lottery terminals are optically similar to the classic slot machines found in casinos, but differ in their gaming mechanism. While each slot machine calculates its win/lose decisions independently via a random generator, this decision is calculated for VLTs by a central random generator – based on predetermined odds and payout rates. The games on VLTs constitute electronic lotteries. Electronic lotteries are defined in Section 12a of the Austrian Gaming Act as draws in which the player participates directly via electronic media.

Each WINWIN outlet is an attractive and important addition to the local and regional leisure and tourism amenities on offer in its host location. With each outlet, WINWIN also generates qualified jobs and offers a responsible, legal alternative to low-bet slot machines, border casinos and illegal gambling facilities.

Introduction of player cards and connection to the Federal Computing Center

2015 was a year of major changes at WINWIN. On 1 January 2015, new regulatory provisions introduced by the 2010 Amendment to the Austrian Gaming Act (published on 18 August 2010) came into effect for WINWIN. The new provisions meant that the number of VLTs in each venue had to be reduced to a maximum of 50, and each VLT had to be connected to the Austrian Federal Computing Center. A new mandatory personalized player card, the WINWIN Card, was also introduced with effect from 1 January and led to noticeable caution on the part of many guests. The changes required to meet the new technical requirements were completed professionally and smoothly by WINWIN at the turn of the year 2014/2015.

Opening of three new outlets

The smallest WINWIN outlet to date was opened in Linz Urfahr on 22 January 2015. It was followed on 13 May 2015 by the outlet in Schwaz in Tyrol. The 15th WINWIN outlet opened in Wiener Neustadt on 21 August 2015.



> Great entertainment on latest generation video lottery terminals

WINWIN locations in 2015

| | | |
|-------------------|---------------|------------|
| • Mayrhofen | Tyrol | 21.05.2004 |
| • Lienz | Tyrol | 14.08.2004 |
| • Schärding | Upper Austria | 21.04.2005 |
| • Zell am See | Salzburg | 23.03.2006 |
| • Bruck/Leitha | Lower Austria | 29.06.2006 |
| • Steyr | Upper Austria | 06.06.2007 |
| • Wels | Upper Austria | 27.09.2007 |
| • Landeck | Tyrol | 23.04.2008 |
| • Vöcklabruck | Upper Austria | 29.10.2008 |
| • Kufstein | Tyrol | 14.05.2009 |
| • Krems | Lower Austria | 30.03.2011 |
| • Salzburg | Salzburg | 24.05.2012 |
| • Linz Urfahr | Upper Austria | 22.01.2015 |
| • Schwaz | Tyrol | 13.05.2015 |
| • Wiener Neustadt | Lower Austria | 21.08.2015 |

tipp3 – Sports Betting

● **The Austrian national team's successful qualification for Euro 2016 in France was the focus of communication and marketing activities at tipp3 in 2015. The development of the tippBox brought the tipp3 betting program even closer to customers.**

Österreichische Sportwetten Gesellschaft m.b.H. was founded in April 2000 and began its gaming operations on 24 August 2001. The company is a subsidiary of Entertainment Glücks- und Unterhaltungsspiel Gesellschaft m.b.H. (56 percent), Mediaprint Zeitungs- und Zeitschriftenverlag GmbH & Co. KG (26 percent) and Bundesländerverlage Beteiligungsgesellschaft m.b.H. (18 percent). Casinos Austria AG and Austrian Lotteries each hold a 50 percent share in Entertainment Glücks- und Unterhaltungsspiel Gesellschaft m.b.H.

A readily accessible, always up-to-date betting information service is available in the shareholders' print media; the daily newspapers can use this service to strengthen their customer loyalty. In Austria, up to ten cumulated sports bets on a fixed odds basis do not fall under the state gambling monopoly. Licenses for sports betting of this kind are issued under the provisions established by law in the country's individual federal states. Österreichische Sportwetten Gesellschaft m.b.H. holds licenses from all nine federal states to provide such sports betting services.

tipp3 bets can only be placed – both in sales outlets and via the internet – by persons aged 18 or over.

Qualification for Euro 2016 as communication and marketing pitch

The qualification round for the 2016 European Football Championship in France was the strongest sporting event of the year for tipp3 in betting revenue terms. The strong interest in the Austrian national team's matches and a balanced mix of wins by the favorites and surprise results contributed to making this a very satisfactory event both for the considerable number of new sports betting customers and for the bookmakers. Corresponding preparations were already completed in 2015 for the upcoming football

extravaganza in 2016 and the anticipated huge level of interest. The sponsoring agreement with the Austrian Football Association and the advertising cooperation with the national team's successful trainer Marcel Koller were also both extended and expanded.

Introduction of a mobile version for win2day

In response to the growing customer trend towards mobile applications, tipp3 developed a mobile version of its betting service for the online gaming platform win2day in the run-up to the qualification round for Euro 2016. With its clear and well-arranged design, the new easy-to-use mobile version is already proving very popular with users.

Digital tipp3 betting with the tippBox

With its digital tippBox, tipp3 offers a new generation of betting devices in its sales outlets. The tippBox is a touchscreen device that is easy to use for customers and guarantees sales outlets safe and reliable transactions. Customers select and place their bets on a touchscreen, collect their printout and hand it to the tobacconist to pay and receive their customary receipt. 300 devices have already been installed across Austria (with the exception of Vorarlberg). The high usage figures confirm the demand for this innovative product.

Germany – tipp3.de and the sports betting license in Germany

With the launch of tipp3.de on 22 April 2015, Deutsche Sportwetten GmbH (DSW) established a website on which customers from Germany and Austria can bet online on international sporting events. The website focuses exclusively on professional sporting events and on football matches in particular. DSW operates this website on the basis of a joint venture between Deutsche Telekom and Österreichische Sportwetten Gesellschaft m.b.H. The tender process for the award of the German bookmaker license could again not be concluded in 2015. An emergency appeal by the unsuccessful bidders challenging the award of the 20 sports betting licenses was granted. It is thus



- > top left:
Philip Newald, CEO of Österreichische Sportwetten GmbH,
demonstrates the tippBox
- > bottom left:
The mobile sales outlet – the tipp3 Betmobil
- > top:
tipp3 is a sponsor of the Austrian Football Association

to be assumed that the German State Treaty on Gambling (*Glücksspielstaatsvertrag*) and the corresponding sports betting license tender process will need to be re-opened. It is therefore unlikely that a license will be awarded in the 2016 business year.

Better Game Solutions (BGS)

BGS is the solution provider for sports betting products in the Casinos Austria and Austrian Lotteries Group. At the same time, BGS is also the brand with which Österreichische Sportwetten GmbH targets institutional customers. BGS offers modern, failsafe systems and comprehensive consulting services in the design, marketing and operation of gaming and betting products to gaming and betting providers and other companies who wish to enter the sports betting market.



Our Supporting Number



*2,496 weeks of arts and culture at the Wiener Festwochen:
Casinos Austria has been supporting this key cultural event
for 48 years, thus once again impressively confirming
our lasting commitment to sponsoring.*

Responsibility

Responsible Gaming

● Casinos Austria has been an international pioneer in the responsible gaming field for many years. Our certified responsible gaming management system, annual Responsible Gaming Academy and strict adherence to our “Code of Conduct Responsible Advertising” serve as clear confirmation of our extensive efforts in the player protection field.

A visit to a casino should provide gambling fun in an enjoyable setting and should be an exciting leisure experience. Indeed, most people gamble responsibly and within their means. Nonetheless, gambling can, in certain circumstances, become a problem for some people. Casinos Austria is fully aware that some people need to be afforded protection, either because they belong to a so-called vulnerable group or because their gambling behavior attracts attention and is cause for concern. As a casino operator and provider of games of chance, our guest policy makes a decisive contribution to minimizing the undesired effects of gambling; this is also our regulatory mandate. Responsible gaming is also a fundamental element of business in our group companies Austrian Lotteries, Casinos Austria International, win2day, WINWIN and tipp3.

The group's Corporate Function Responsible Gaming, Advertising & Sponsoring develops and implements the corresponding strategies and measures to protect players and customers. The most important instruments here include educating and informing people about the risks of gambling, the use of responsible advertising and sponsoring strategies, the provision of self-monitoring options for players and customers and the availability of appropriate exclusion options on the part of the company. Extensive networking with external institutions like universities and research institutes establishes the basis for effective measures to prevent gambling addiction. Equally important here are cooperation activities with counseling and treatment facilities, which help to identify those products with the strongest links to the potential emergence of a gambling addiction problem.

For Casinos Austria, perfect customer service extends way beyond the actual visit to a casino. The high level of player protection that sets the company apart and guarantees fun gaming without a bitter aftertaste starts the moment a guest registers with us in the casino lobby. Since recognizing the early warning signs is a fundamental aspect of any player protection policy, we provide our employees with regular and thorough training to ensure they are equipped to recognize the tell-tale signs in a guest's gaming behavior. This training is organized in cooperation with renowned counseling centers and treatment facilities. Section 25 (3) of the Austrian Gaming Act stipulates that only so-called specially trained staff may talk to players about a potential gambling problem. The staff who do so at Casinos Austria all have sound knowledge of gambling addiction and are highly aware of the sensitive nature of this task and the issues involved. The number of staff trained to handle such situations grows each year, and all such staff are required to attend corresponding refresher courses and/or take new courses in relevant subjects every year. Our interdisciplinary training measures teach staff about gambling addiction problems, diagnostics, prevention and the basic treatment options available. In addition to the statutory requirements, our training also addresses legal, social and psychological aspects.

The high standard of training provided to our staff plays a significant role in the identification of any tell-tale signs in a person's gaming behavior. Our technical security facilities and measures make a further essential contribution and begin right at the entrance to our casinos with our strict entry check procedures. Permanent monitoring of gaming behavior also requires the continual gathering of data. If the number of visits, frequency of money exchange transactions or the amounts involved raise cause for concern, a credit report is obtained and a meeting held between the guest and a member of the casino staff. As intended by the related provisions in the Austrian Gaming Act, these meetings result in most cases in a reduction in visit frequency and in the level of amounts bet. If this should prove not to be the case, a further meeting is held with the guest to discuss the potential need for restrictive measures such as an entry ban or restriction in the number of permitted visits in a given period.

Staff from all our casinos once again participated with great interest in the responsible gaming training provided in 2015 under the guidance of Professor Herwig Scholz from the Competence Center for Behavior Dependencies and Self-Efficacy and the Casinos Austria and Austrian Lotteries Group's own responsible gaming experts. These training courses provided in-depth information on the latest findings from gambling addiction research and offered representatives of local counseling and treatment facilities an opportunity to come along and present their services. This enabled our casino staff to familiarize themselves with these services, gain a comprehensive overview of the diagnosis and treatment of gambling addiction and obtain concrete insights into the work of such counseling or treatment facilities. Some 120 members of staff at Casinos Austria have received the special training required under the provisions of the Gaming Act and are available in our casinos to offer responsible gaming support to guests.

Certified responsible gaming

All responsible gaming and responsible advertising measures at Casinos Austria are managed through our responsible gaming management system. We had always sought a possibility to obtain certification for this system and finally achieved this objective in 2014, when the Austrian Standards Institute defined corresponding criteria for the certification of a responsible gaming management system based on the responsible gaming principles developed by the European Casino Association (ECA). In the fall of 2015, our responsible gaming management system was subjected to a maintenance audit and once again given a positive assessment. The certification process involved an intensive audit of several different areas of activity, namely staff training in responsible gaming, information for casino guests, access controls, advertising and marketing, alcohol sales, stakeholder involvement and researching/raising awareness of risk factors in the development of new gaming products. Casinos Austria is the first gaming company worldwide to have its responsible gaming management system certified in this way, thereby reinforcing and once again living up to our reputation as a pioneer in this field.

Free telephone hotline (0800 202 304) and responsible gaming website

When it comes to the delicate topic of responsible gaming and player protection, a company which provides gambling products and services must be easily reachable and offer its customers professional information, help and solutions. Accordingly, the Casinos Austria and Austrian Lotteries Group runs a uniform telephone hotline for all questions relating to responsible gaming and player protection. The hotline can be contacted free of charge in Austria at the following number: 0800 202 304.

The hotline number is also displayed prominently on the homepage of the group's dedicated responsible gaming website spiele-mit-verantwortung.at. This website has been designed with the customer in mind and provides clear and easy access to detailed information on responsible gaming. A strong emphasis has been placed on the visual representation of ten recommendations for responsible gaming. Direct links are also provided to an anonymous self-test and to counseling centers across Austria where gambling addicts and their relatives can obtain professional counseling and treatment. The website also includes information on the risks of gambling, the legal situation and gambling addiction as well as key contact details. The information is rounded off with details of the odds and the probabilities of winning for the individual games and products offered by the companies in the Casinos Austria and Austrian Lotteries Group.

Responsible advertising

Casinos Austria is committed to the fundamental rules of conduct for advertising in Austria. The general principles of advertising are based on and subject to ethics and morality and the resulting demands of society and its community-building norms and goals. Advertising must therefore be socially responsible and must respect the rights, self-image, interests and sensitivities of others. Given the particular sensitivity of the products advertised in the gambling sector and the associated task of protecting players and anyone else who comes into contact with such adverts, Casinos Austria undertakes to fulfill its responsibility to society in this

field to a level that far exceeds such general advertising principles. We do so by adhering to, rigorously monitoring and continuously developing our own “Code of Conduct Responsible Advertising”.

The goal of our advertising measures is to inform and educate customers. In doing so, we focus on the advantages of the advertised product in order to raise the attractiveness of our gaming mix and thus – in line with the regulatory intentions – channel demand as desired into legal, state-licensed and controlled gambling. At the same time, we also make sure our advertising provides the required protection for so-called vulnerable groups.

Casinos Austria has always voluntarily based its advertising activities on high ethical standards. Our Code of Conduct Responsible Advertising has been certified by the European Lotteries Association, the World Lottery Association and the European Casino Association and ensures that all our advertising and sales activities adhere to the highest ethical standards and, in particular, are not targeted at any vulnerable groups who might be at risk of developing a gambling problem. Full adherence to the Code of Conduct Responsible Advertising is ensured by mandatory procedures applicable across all companies in the group. All advertising activities are checked for adherence to the code and individually approved by the Corporate Function Responsible Gaming, Advertising & Sponsoring prior to commission and implementation.

The receipt by Casinos Austria of the “*Pro-Ethik*” seal of approval from the Austrian Advertising Council offers further proof of our adherence to ethical principles in all our advertising activities.

2015 Responsible Gaming Academy

The Responsible Gaming Academy (RGA) is one of Casinos Austria’s most important annual training measures. Held for the twelfth time in 2015, the RGA once again brought top responsible gaming experts from Austria and abroad to Vienna’s Studio 44. Social gaming and its legal framework and associated risks were the main topic on the agenda at the RGA in 2015.

Keith S. Whyte from the National Council on Problem Gambling in Washington attended the RGA for the third time and talked about the fastest growing sector in the gaming industry: social casino games. No money can be won on these games, which often can hardly be distinguished from classic casino games. But they are – contrary to the frequent advertising claims – by no means free: in many cases, players have to pay to progress in the game or intensify the gaming experience.

Kurosch Yazdi offered an insight into the history and services of the Gambling Addiction Outpatient Clinic in Linz. Using findings from psychiatry and the neurosciences, he described a recently launched project, which uses state-of-the-art methods to study the brain reactions of pathological and other groups of gamblers.

The Brussels-based expert in EU law, Philippe Vlaemminck, explained the current legal situation with regard to social gaming and outlined the dangers of such games and apps. He called on national and international regulators to react more strongly to the rapid technological changes and either establish an appropriate legislative framework or actually enforce the existing laws.

Doris Malischnig, Head of the Prevention Department in the Casinos Austria and Austrian Lotteries Group’s Corporate Function Responsible Gaming, Advertising & Sponsoring, provided an overview of the many and diverse responsible gaming training measures offered to sales partners over the last five years. She also reported a significant rise in the level of awareness of the topics of responsible gaming and the protection of minors in comparison to the results of studies carried out five years previously by a research team at the University of Hamburg.

Rachel Volberg, Associate Professor at the University of Massachusetts, rounded the day off with a presentation entitled “Still Needed: A Gender Perspective in Gambling Research” in which she highlighted the need to differentiate between female and male gambling addicts and called for the inclusion of a gender perspective in research, treatment and prevention.

Alongside employees of the Casinos Austria and Austrian Lotteries Group, the 180 delegates at the 2015 RGA once again included representatives from the Austrian Ministries of Finance and Health as well as from research, counselling and treatment facilities across Austria.

Over the course of its twelve-year history, the RGA has welcomed more than 1,900 delegates and over 50 high-caliber speakers, making it a key pillar of the all-round responsible gaming concept at Casinos Austria and Austrian Lotteries.

Stakeholder round table

On the evening of the RGA 2015, a new Stakeholder Round Table was held for the first time. The purpose of this round table was to establish a forum in which responsible gaming in general and the Casinos Austria and Austrian Lotteries Group's corresponding principles and approach in particular could be discussed from the perspectives of the main stakeholders. The following people participated in this first stakeholder dialog event (in alphabetical order): Herbert Beck (Head of the Corporate Function Responsible Gaming, Sponsoring & Advertising, Casinos Austria and Austrian Lotteries Group), Christian Haring (Chief Physician, Psychiatric Hospital Hall in Tirol; Head of the Addiction Section, Austrian Society for Psychiatry and Psychotherapy; Chairman of the Austrian Suicide Prevention Society), Izabela Horodecki (Health Psychologist, Psychotherapist and Supervisor; Head of the Therapiezentrum AS Counselling and Outpatient Center for Gambling Addiction), Peter Jonas (Director of Certification, Austrian Standards Institute), Adelheid Kastner (Chief Physician, Forensic Department, Wagner-Jauregg State Psychiatric Clinic, Linz), Hermann Pamminer (CSR Officer, Casinos Austria and Austrian Lotteries Group), Alice Schogger (Department of Responsible Gaming, Austrian Federal Ministry of Finance), Friedrich Stickler (Director, Austrian Lotteries to 30 June 2015), Paul Vogel (Casino Director), Wanda Wisgrill (Head of the Customer & Retailer Service Center, Casinos Austria and Austrian Lotteries Group) and Stefan Woschitz (former gambling addict, volunteer in the Gamblers Anonymous self-help group).

Corporate Social Responsibility

● **Corporate social responsibility (CSR) has always been a very important topic at the Casinos Austria and Austrian Lotteries Group and gained further significance in 2015. For the group, CSR goes far beyond just responsible gaming – a topic that is essential for any gaming operator – and includes the full spectrum of responsibility in the economic, ecological and social sense.**

The Casinos Austria and Austrian Lotteries Group is fully aware of the responsibility that comes with its particular position and with the sensitivity of the services it offers – and is willing to act accordingly. For this reason, the group already appointed a dedicated CSR Officer back in 2007. The group recognizes the importance of reporting on the topic of responsibility and does so at regular intervals in the annual reports for the individual companies in the group as well as in the separate CSR reports which the group has produced since 2006. The latest CSR report for the group was published in September 2015 in the form of an interim report. A full CSR report in accordance with the reporting criteria of the Global Reporting Initiative (GRI) is published every two years. The next such report will be published mid-2016.

At Casinos Austria, corporate social responsibility means accepting and demonstrating responsibility to society, to the environment and to our staff as well as managing the company to economic success. As a good corporate citizen and partner, the group seeks open dialogue with its stakeholders.

To establish a network at this level with other companies who demonstrate a similar commitment to their responsibility to society, Casinos Austria became a member of respACT, Austria's most important CSR promoter, in 2008. The group also joined the United Nations Global Compact in January 2011 and Transparency International in February of the same year.

Since it is important for genuine CSR in an organization to involve as many members of staff as possible in CSR projects, or at least keep them informed about what is going on, a strong focus is placed in the Casinos

Austria and Austrian Lotteries Group on information and communication. In 2014, an internal CSR forum was established in the group. Representatives of all Business Units and Corporate Functions now meet once a month in this forum to discuss CSR issues and initiate CSR projects. In 2015, further measures were taken to improve the structure for CSR initiatives. Staff now have the possibility to establish so-called CSR working groups, in which internal and external group members and experts can focus on a topical and relevant issue. The CSR activities of those members of staff who are delegated to the CSR Forum by the Business Units and Corporate Functions were also included in their job descriptions from 2015 onwards.

Preparations for the production of the group's next CSR report in accordance with the new GRI G4 standard also began in 2015. This new standard requires companies to redefine the concept behind their CSR reports: GRI G4 reports must be compiled in a way that takes due account of the stakeholder perspective. Companies should report on the key effects of their business activities on both society and their stakeholders and place the main focus of the report on the latter.

Upon completion of this preparatory work, the first Casinos Austria and Austrian Lotteries Group CSR report compiled in full accordance with the GRI G4 standard will be published in 2016. The report will cover the 2014 and 2015 business years.

In 2015, Casinos Austria Director Dietmar Hoscher was elected Vice President for Responsible Gaming and Corporate Social Responsibility on the Board of the European Casino Association. More than 800 casinos in 24 countries are represented in the European Casino Association. The organization thus represents the elite of the licensed, responsible casino industry in Europe.

One of Dietmar Hoscher's first initiatives in this capacity was the acceptance of the European Casino Association as the first gaming industry association worldwide into the UN Global Compact, a process which was successfully completed in the summer of 2015.



- > Corporate social responsibility at Casinos Austria covers the full spectrum of responsibility in the economic, ecological and social sense

An interim audit of the responsible gaming measures in place at Casinos Austria in accordance with European Casino Association standards was also successfully concluded in the summer of 2015. The audit was carried out by the Austrian Standards Institute.

Security

● **The protection of guests, gaming operations and sensitive data go hand-in-hand at Casinos Austria. State-of-the-art video technology – and staff who use it responsibly as a matter of course – are the keys to security and safety in our casinos.**

There are many aspects to safety and security at Casinos Austria, and we address and meet security demands both from a technical and an organizational perspective. The well-being of guests at our twelve casinos across Austria assumes top priority. A total of 30 members of staff in these casinos are responsible for all aspects of safety and security. They are all highly trained and are provided with regular training and refresher courses. First aid courses are, for example, held each year in our casinos under the supervision of representatives of AUVA (the Austrian insurance association for occupational injuries). Emergency scenarios and procedures (e.g. fire drills) are also rehearsed at regular intervals.

The security camera installations in our casino foyers and gaming areas are kept as unobtrusive as possible and convey a sense of security rather than an impression of omnipresent surveillance. The video technology serves to prevent criminal activities and thus to protect our guests, our staff and the company as a whole. Recordings made in our casinos are archived for up to 30 days in line with data protection commission provisions and guidelines. The reason for this 30-day archiving requirement is the time delay before credit card incidents become apparent.

Our central surveillance system is the key component of the Casinos Austria security system. This video-based system is extremely flexible and can be operated both from a local control center in the casino as well as from a central security control center.

Our fire alarm, access control, burglar alarm and panic alarm systems are all connected to the security control center. Numerous precautionary measures are in place to safeguard inventory and equipment, including motion detectors and alarm systems to prevent attempts to manipulate gaming activities. The video systems must

be realigned to all security relevant systems and installations following any alterations or refurbishments to the casino premises.

In accordance with the official mandate issued by the Austrian Federal Ministry of Finance, 180 so-called internal system checks are carried out each year without prior notification of time and venue.

The team in the Security & Surveillance Division is also responsible for facility engineering matters in the individual casinos. This includes not only the installation of adequate locks and entry systems but also the handling of service and maintenance visits by external security firms to work on intruder and fire alarm systems. They are also responsible for the safeguarding of product security for sensitive casino products like playing cards and chips.

The ongoing modernization of technical components is a fundamental element of security policy at Casinos Austria and was continued throughout 2015. We also continued with the installation of modern recording devices at cash desks and in cash rooms, where high resolution digital recorders and IP cameras are in use. The video systems in our casinos in Salzburg and Vienna were extended throughout the year, while a new video system was developed for our new casino in Zell am See. Additional cameras were installed at those tables where cash chips were in use during the European Poker Championship in Velden and the Casinos Austria Poker Tour event in Baden.

A cross-functional security committee is responsible for adherence to all relevant guidelines and procedures. This committee also ensures that security standards across the group are continually improved.

The Casinos Austria and Austrian Lotteries Group strives through its security policy to:

- ensure that all games, products and associated business processes are managed correctly and with appropriate continuity;
- provide each player and guest with an equal chance of winning and prevent games from being manipulated in any way;
- establish appropriate measures and precautions to protect the lives and well-being of any players, guests or other customers while on company premises;
- comply with all statutory legal and corporate provisions;
- guarantee the availability, confidentiality and integrity of any material and immaterial assets and provide authorized users with access to these assets as required;
- avoid, identify and/or rectify any loss or falsification of information, information systems and data storage media;
- prevent any unauthorized use of this information and these information systems;
- provide compulsory safety and security training for all staff and ensure that all staff also complete this training.



> The Casinos Austria security control center



Our Lucky Number

Casinos Austria employed a total of 1,689 members of staff in 2015 – 540 women and 1,149 men. Worldwide, there are 4,256 people in the Casinos Austria Group team.



Employees

● **At Casinos Austria, we attach great importance to providing our staff with excellent training and education. Every investment in our employees is an investment in the success of our company. In 2015, we trained 41 new Junior Croupiers.**

As a leading international casino and gaming company, Casinos Austria is an attractive employer. We offer international career opportunities and a continually expanding staff training and education program. We also take extensive measures to maintain and promote the health of our staff.

Service excellence assumes top priority at Casinos Austria, and we are fully aware that highest quality guest service can only be achieved with top quality employees. Our employees have to be flexible, mobile and dedicated to their work – both day and night. We provide them with the facilities and support they need to demonstrate such flexibility, mobility and dedication.

The advantages of in-house expertise are particularly relevant in specialist areas like the gaming industry, and here Casinos Austria has a highly-qualified team of internal trainers in place, who train and pass on their expertise to their colleagues in our casino operations. In addition to our in-house training program for Junior Croupiers, these trainers also provide training in regulatory topics like responsible gaming, information security, data protection and the prevention of money laundering. Our in-house trainers also offer staff a range of personal development training options, including seminars on service excellence and guest orientation, body language and dealing with conflicts.

In the 2015 reporting year, our training program focused strongly on the topic of security, with corresponding training courses provided to all staff across Austria. A further focus lay on event moderation, while preparations were also made for the “internal communication” training that will be a central element of our training program in 2016. Our Leadership Workshop, a comprehensive training program for new managers aimed at ensuring professionalism in our leadership

and management practices, was also continued in 2015. The three modules in this program – My Leadership Role, Managing Teams and Organization – are designed to establish a shared understanding of leadership culture in the Casinos Austria and Austrian Lotteries Group.

In 2015, Casinos Austria employed a total of 4,256 staff worldwide. Of these, 1,689 were employed in our casinos in Austria (including at headquarters in Vienna and in our Cuisino, CAST, CCB and CALL subsidiaries).

Casinos & Lotteries Academy – mentoring program

The Casinos & Lotteries Academy was established to provide training and education to our staff and managers, facilitate the teaching of group-specific and gaming-related topics by internal trainers and speakers and external experts and establish a forum for knowledge transfer and the sharing of experience within the Casinos Austria and Austrian Lotteries Group.

A one-year mentoring program was launched in the group at the beginning of March 2015. The target group for this program were members of staff between the ages of 25 and 35 who had worked for the group for at least two years and did not hold a management position. Mentees applied to participate in this program by submitting a letter explaining their motivation and a brief concept outlining their career goals. They also completed an Assessment Center test. A total of 16 people were then selected for the program and each assigned an experienced, personal mentor to work with throughout the year. In the interests of gender equality and to promote the advancement of women, two-thirds of places on this program were reserved for women. The mentees also participated in a special training program with workshops on topics like conflict resolution, innovation, entrepreneurial thinking, customer excellence, presentation skills and personal conduct and impact. They also worked on practice-related projects and presented the results to the board at the end of the program in February 2016.

Junior Croupier training program

In 2015, Casinos Austria once again launched a nationwide call for applicants for its Junior Croupier training program. The call was targeted at young adults, who were invited to apply for a place on one of three nine-week training programs in our casinos in Baden, Bregenz and Salzburg. The courses developed by Casinos Austria for this in-house training program were taught by experienced internal trainers and covered the complete handling of the American Roulette and Blackjack games as well as all additional mandatory responsible gaming, data protection, prevention of money laundering and information security training modules. Around 300 applications were received for this free training program, at the end of which Casinos Austria was able to welcome 21 new female and 20 new male Junior Croupiers to our nationwide team.

Our so-called Advising program is a corporate scheme to integrate our new Junior Croupiers into the company and provide them with advice, support and encouragement. In this staff development instrument, one person (the Advisor) supports the development of another person (the Advisee). Casinos Austria has Advisors in place in all its casinos, each of whom supports a maximum of three Advisees for a period of up to twelve months.

Repeat award for excellence in recruiting

The quality of Casinos Austria's recruiting activities was recognized in November 2015 for the second time with a "Best Recruiters – Silver Seal of Approval", placing us among the best in the land when it comes to recruiting. Recipients of the seal of approval are selected each year from the 500 largest companies in Austria. Casinos Austria moved up the ranking from 7th place in 2014 to 5th place in 2015.

Increased focus was placed in 2015 on extending our e-Recruiting options. The introduction of a new applicant management tool means that applicants can now complete the entire application process via mobile devices. Applications can also be submitted via Xing

and LinkedIn. The benefit for the group: the recruiting process can now be handled from start to finish using a single system that is also linked to all our casinos.

Corporate volunteering

Our "Good for Austria" corporate volunteering program was once again embraced by many members of staff in 2015, who welcomed the opportunity to spend a day doing something for a good cause – on company time! The focus of this particular program lies clearly on people, and 130 members of staff volunteered their services throughout the year – as helpers on day trips or barbeque nights organized by social aid institutions, by putting their practical skills to use in Caritas projects or by assisting with various projects to aid refugees. Several teams also used the opportunity to spend a day doing something together to help others. In the meantime, volunteers from the Casinos Austria and Austrian Lotteries Group are scheduled in as permanent helpers at a number of social aid facilities – an enjoyable and rewarding experience for both sides.

Health in the workplace

The focus of our health in the workplace activities in 2015 lay on exercise. Our health in the workplace day at the beginning of April – under the motto "Getting Active – Keeping Active" – was also the starting point for our new walking and jogging groups. 123 members of staff subsequently participated with great enthusiasm in the Vienna Business Run on 23 September 2015.

The evaluation of psychological stress in the workplace project was concluded in spring 2015 at our headquarters in Vienna and in fall 2015 at our casinos across the country with a presentation of the results of the analysis and the derived measures.



Responsibility

Sponsoring

● “Good for Austria” is the motto by which Casinos Austria successfully demonstrates its responsibility to society through its sponsoring activities. Diversity and sustainability always take priority here, with active participation in social projects equally as important as the sponsoring of arts, culture, tourism and sporting activities.



- > Alpha Prize for Literature Gala: (l. to r.) Dietmar Hoscher, Karin Peschka (Alpha prize winner), Josef Ostermayer (Federal Minister) (above left)
- > Karin Bergmann (Director of the Burgtheater in Vienna) with Karl Stoss (page left)

Alongside the support it provides to major theater venues, large-scale cultural events and established opera festivals, Casinos Austria also places great importance on promoting artistic talents. Our Alpha Prize for Literature successfully demonstrates just how thrilling and creative the Austrian literature scene is. Launched back in 2010 in cooperation with Vienna Municipal Libraries, this 10,000 euro award was presented on 18 November 2015 in Studio 44 for the sixth time. A total of 48 authors submitted entries for the 2015 award, with the Alpha ultimately going to Upper Austrian author Karin Peschka for her book *Watschenmann*. The Alpha is one of the highest value dedicated literature awards in the German-speaking region.

A further highlight at the Alpha Gala was the performance by the young violinist Emmanuel Tjeknavorian, the 2014 winner of another award sponsored by Casinos Austria: the Casinos Austria Rising Star Award. This award – which also comes with a 10,000 euro cash prize – is directed at students of the University of Music and Performing Arts in Vienna and is intended to provide young musicians with the means to embark on a professional career. The winner of the 2015 Rising Star Award was the talented young oboist Katharina Hörmann, who impressively prevailed over the strong competition to secure the vote of the jury.

Presented for the first time in 2015, the new Casinos Austria *Prix Jardin d'Europe* – likewise with a 10,000 euro cash prize – is a further award directed at



- > Social engagement for refugees: (l. to r.) Bettina Glatz-Kremsner, Gerald Schöpfer (President of the Austrian Red Cross), Karl Stoss (above right)

young artists, this time in the field of dance. Designed to contribute to the promotion of artistic diversity in Austria, Europe's highest value award for up-and-coming choreographers had to be split between two productions in 2015 – so high was the consistent quality of the entries. The award – and the prize money – was shared by two outstanding choreographers: Elina Pirinen from Finland and Ligia Lewis from the Dominican Republic, who now lives and works in Germany.

Our twelve casinos in Austria are also popular venues for the Austrian comedy and cabaret scene, with established stars frequently taking to the stage. But Casinos Austria also offers newcomers a stage to present their routines. The Comedy Talent Shows in our casinos in Baden, Graz, Linz and Innsbruck – under the patronage of Austrian star of screen and stage Viktor Gernot – provide young comedians and comediennes with an opportunity to qualify for the Vienna Comedy Festival held each year in the city's Town Hall. As in previous years, six rising young comedy stars were thus given the chance to take to the stage alongside Austria's comedy giants and demonstrate their obvious talent.

Such activities offer the perfect complement to our sponsoring partnerships with major theaters and artistic venues like the Burgtheater in Vienna. Launched back in the 2005/2006 season, our "Every 13th in the 13th row for just 13 euros" initiative, for instance, gives theater-goers the chance to enjoy performances on the 13th of every month at a very special price – and turns

the number 13 into a lucky number for Burgtheater fans as well. This popular initiative was also extended to Vienna's Akademietheater in 2012.

Sponsoring projects which focus on less conventional art forms are recognized by the independent Business Initiatives for Art committee through its MAECENAS awards. In 2015, Casinos Austria received such an award for its Casinos Austria Music Line initiative. The Music Line supports musicians in producing CDs and provides them with an opportunity to perform their work on stage in the group's Studio 44 event room in Vienna. All the CDs produced with Music Line support feature music that is outside the mainstream and which would probably otherwise not find its way so quickly to the recording studio in the commercial music production sector. Musicians sponsored by the Casinos Austria Music Line include Andi Fasching and Mandana Nikou, Edi Fenzl, Stefan Gössinger, Willy Hackl, Herby & The Mudcats, Monti Beton and Hans Krankl, Martina Kucera and Gottfried Gfrerer, Susanne Plahl, Jürgen Posch, Norbert Schneider and Nick Simper and Nasty Habits.

The flow of refugees into Austria in 2015 required an unprecedented level of social engagement. Casinos Austria was also quick to offer assistance, providing financial support, for instance, to the Austrian Red Cross for its work with refugees and the Volkshilfe public aid organization for its "Night Against Poverty" fundraising gala. But in addition to the provision of spontaneous funding, which enables aid organizations to provide life-saving supplies like food and medications, helping refugees is also always an integration issue.

A good example of how integration works in practice is the Casinos Austria Integration Football World Cup. This amateur five-a-side football tournament concluded in 2015 on October 11 with a victory for the Lebanon Salzburg team. 132 teams, made up of over 1,800 amateur footballers from different ethnic, religious and geographical backgrounds, took part in the 2015 event. And what makes this tournament so special: all the players now live in Austria but play for their country of origin for the title of "Austrian Integration Football World Champions".



> Arts sponsoring: the Bregenz Festival

> Sports sponsoring: the Casino Grand Prix

With our "Casino on Tour" mobile charity casino tables, Casinos Austria successfully combines humanitarian aid with gaming. Our mobile casinos are popular guests at countless festive and charity events, where they offer a fun and entertaining diversion. But that's not all. All proceeds raised at these tables go to support good causes. In 2015, Casinos Austria's croupiers were in action at 256 events, raising a total of some 110,000 euros for the respective aid projects and charities.

The sustainability of our sponsoring work is evidenced by our long-term cooperations with many of our partners. Our support for the Wiener Festwochen (arts festival in Vienna), for instance, is now entering its 49th year, and we have been sponsoring the Bregenz Festival for the last 36 years. Yet another of our long-term cooperation partnerships is the annual Casino Grand Prix: Austria's most lucrative show jumping tournament has been sponsored by Casinos Austria for the last 28 years.

In addition to the actual partnerships themselves, all these sponsoring activities have something else in common with Casinos Austria: the all-round experience as a central element of entertainment.

Selected group sponsorship projects

- Albertina Museum, Vienna; “Archduke Johann“ exhibition with Lotteries Day
- Alpha Prize for Literature
- Austria’s Leading Companies (ALC)
- Austrian National Library; long-term preservation of books in the State Hall in preparation for “Austria Books online”
- Austrian Red Cross Refugee Aid Fund
- Bregenz Festival
- Bregenz Stadtmarketing (city marketing organization)
- Burgtheater in Vienna
- Caritas Refugee Aid; charity concert
- Caritas Vienna; House Immanuel for Mothers and Children in Need
- Casino Grand Prix
- Casinos Austria Integration Football World Cup
- Casinos Austria Music Line
- Casinos Austria Rising Star Award
- Charity Ball “20 Years of the Integrationshaus” (integration center for refugees and asylum-seekers)
- Charity Ball “The Other Mother’s Day” (in support of the Women’s Shelters in Graz)
- Danube Island Festival in Vienna
- DEBRA Austria/IMBA Research (Institute for Molecular Biotechnology)
- Diakonie Österreich (support organization)
- “Ein Funken Wärme” (“A Spark of Heat”) initiative; *Kronen Zeitung* and Caritas
- European Forum Alpbach; livestream
- Genussgipfel (gourmet food summit)
- Hohe Tauern National Park; resettlement of bearded vultures
- Hospiz Österreich (Austrian counseling and competence center for hospice and palliative care)
- ImPulsTanz Festival; MixedAbility Dance Workshops
- Joanneum Museum Graz; Annual Membership Card
- Klassik in den Alpen (“Classical Music in the Alps”)
- Kunsthistorisches Museum Wien (Museum of Art History in Vienna); Annual Membership Card with Lotteries Day
- Kurier Romy Gala Drama Awards
- Lebenshilfe Niederösterreich (counseling and aid organization in Lower Austria)
- Ludwig Boltzmann Institute for COPD and Pneumological Epidemiology; LEAD Study (Lung, hEart, sociAl, boDy)
- Museum of Natural History in Vienna; Annual Membership Card with Lotteries Day
- MuseumsQuartier Wien (art and culture complex in Vienna); with Lotteries Day
- Nestroy – Vienna Theater Award/Audience Prize
- Neunerhaus (homeless shelter in Vienna)
- Police Gala; “133 Award”
- Prix Jardin d’Europe (ImPulsTanz)
- Rabenhof Theater in Vienna
- Radio Ö1 Christmas Quiz for Licht ins Dunkel (children’s charity)
- Schönbrunn Zoo in Vienna with Lotteries Day
- Seefestspiele Mörbisch (operetta and musical festival)
- Simultania (Award for Disabled Artists); Art Calendar
- Sollenau meets Grafenegg/Grafenegg Festival
- Sportpool Wien (support association for sportsmen and sportswomen in Vienna)
- Tango en Punta
- Theater in der Josefstadt, Vienna; “Kunst” with Lotteries Day
- Trabrennverein Baden (harness racing association)
- Vienna Technical Museum; “Mobility” exhibition with Lotteries Day
- Vereinigte Bühnen Wien (theater company in Vienna)
- Vienna Opera Ball
- Volkshilfe (public aid organization)
- Volksoper in Vienna; “Im weißen Rössl” with Lotteries Day
- Volkstheater in Vienna; “A Midsummer Night’s Dream” with Lotteries Day
- Wien Work Integrative Betriebe (work cooperative in Vienna)
- Wiener Festwochen (arts festival in Vienna)
- Wiener Kabarettfestival (comedy festival in Vienna)
- WWF Austria; resettlement of the lynx/stork colonies in the March-Thaya plains



MEGA MILLION JACKPOT



€ 310.729.545,41

SPIELE UM DIE MEGA MILLION!

CMMIX ATRONIC

Credit
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IMPERIAL
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Paid 0

POWER UP

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Our Balance Sheet Number



Casinos Austria broke the 300-million-euro revenues mark with its twelve casinos in Austria for the first time ever in 2015. With gaming revenues up by 20.3 percent and a strong 8.6 percent growth in guest numbers, the 2015 business year was one of the most successful in our corporate history.

2015 Financial Year

Economic Update

● While economic growth in Austria stabilized in 2015 compared to what had been weak previous years, growth in gross domestic product (GDP; +0.8 percent) remained cautious in international terms. The anticipated impetus from a recovery in the world economy largely failed to materialize especially in the first six months of the year and was reflected in a weaker development in Austrian exports. The ongoing slow-down in growth in the emerging nations along with the EU's sanctions against Russia weighed heavily on foreign trade activities. Only exports to the United States rose appreciably. Real growth in exports lay at 2.5 percent overall. Economists anticipate that the recovery in the domestic market will gain some momentum in 2016 (GDP forecast: +1.7 percent).

The readiness of Austrian companies to invest suffered in the reporting year – despite favorable financing conditions – under the uncertainty concerning future economic trends. Gross capital investment rose by only 0.9 percent. Capacity expansion projects were however increasingly evident in the second half of the year, suggesting a potential increase in investment activity in 2016. Stronger stimuli for Austria's economy are also again expected from private consumer spending, boosted by the expenditure required to provide for asylum seekers and the tax reform that came into effect at the beginning of 2016. An upward trend can also be seen in expenditure in the housing, travel, wellness and sports sectors. The percentage of disposable income set aside for savings remained fairly constant in 2015 at 7 percent.

The rise in consumer prices in Austria once again subsided notably in the reporting year: the average inflation rate dropped from 1.7 percent in 2014 to 0.9 percent in 2015. This can be attributed primarily to the falling prices for oil and electronics products, while rents and services constituted the main price drivers. A turnaround in the inflation trend is anticipated for 2016. The situation on the labor market remained difficult: the Eurostat unemployment rate for Austria rose again in the reporting year and is even expected to exceed the 6-percent mark in 2016. The main reason for this is the strong growth in the supply of labor as a

result of immigration and the rise in the effective pensionable age and employment rate for women.

2015 was a record year for domestic tourism: the total number of overnight stays in Austrian hotels and other tourist accommodations rose by 2.5 percent year-on-year to 135.15 million. This result is particularly striking given the continued fall in guest numbers from the key Russian source market (-34 percent). At individual state level, Vienna remained the main crowd puller in the Austrian tourist sector: for the sixth year in succession, the popular city break destination recorded its highest-ever number of overnight stays (+5.9 percent). Styria, Upper Austria and Salzburg also reported significant rises, while Tyrol remained the country's most popular tourist destination in absolute terms. The long-standing trends towards shorter vacations and superior accommodation also continued in 2015.

From the global perspective, 2015 was once again characterized by a slowdown in growth: the expansion of the world economy fell from 3.4 percent in the previous year to 3.1 percent in 2015. Against this background, the economic trend in the industrial nations can be classed by comparison as positive. GDP growth in 2015 in the United States, for instance, rose for the second year in succession by over 2 percent, and Japan came out of recession. The economy in the 28 EU Member States also managed to fall slowly into step, supported by solid consumer demand, an expansive ECB monetary policy and the recovery in the crisis-ridden peripheral countries (with the exception of Greece). Economic performance in the European Union in 2015 grew overall by 1.9 percent.

The emerging and developing nations once again lost momentum in 2015: growth in this group of countries fell overall to 4 percent (2014: 4.6 percent). This can be attributed among other things to China's structural change from a primarily export-driven economy to a stronger home-market economy, which led to Chinese economic growth slipping in the reporting year to below the 7-percent mark. Weaker demand from China also had a negative impact on the already

Revenues and Earnings

stricken commodity markets, which in turn impacted the Latin America countries in particular. Brazil, for instance, reported a fall in GDP in 2015 of almost 4 percent. However, economists are forecasting a step-by-step recovery in the emerging markets for 2016.

● **Revenues at Casinos Austria's twelve domestic casinos broke the 300-million-euro mark for the first time in the company's history. With gaming revenues up by 20.3 percent and a strong 8.6 percent growth in guest numbers, the 2015 business year was one of the most successful in our corporate history.**

2015 was a year of superlatives for Casinos Austria. With total revenues of 310.73 million euros, the company posted a plus of 20.3 percent compared to the previous year. The extremely positive figures from our core gaming business were accompanied by a very gratifying 15.2 million euros in sales from the gastronomy sector.

Casinos Austria once again demonstrated its inimitable quality in 2015 on a culinary level. Our recently established "Cuisino – Genuss Events by Casinos Austria" gastronomy brand was successfully positioned and expanded. In the meantime, gastronomy services at ten of our domestic casinos are now provided by Cuisino, with the casinos in Baden, Bregenz, Innsbruck, Kitzbühel, Seefeld, Velden, Vienna and Kleinwalsertal joined here from 8 April 2015 by Casino Salzburg and from 1 August 2015 by Casino Linz. Cuisino offers an impeccable combination of highest quality cuisine and perfect service, and already numbers among the top ten gastronomy service providers in Austria.

We invested almost 23 million euros in the 2015 business year in the development of our domestic casinos. The second phase of the construction project at Casino Bregenz was concluded, thereby expanding its F&B areas and completing the work that had already been begun on the façade. We also completed the necessary adaptations required by both the takeover of the gastronomy facilities in Casino Linz by Cuisino as well as by the relaunch and expansion of the Jackpot Café in Casino Graz. At Casino Wien, the gaming areas on the second floor of Palais Esterházy were totally refurbished and a new VIP room was opened. Casino Salzburg – and in particular Schloss Klessheim – was modernized in the course of a large-scale refurbishment project. The complete development of our new casino in Zell am See, which opened on 1 January 2016

Revenues 2015

| Casino | Revenues 2015 in EUR |
|----------------|-------------------------|
| Wien | 82,311,928 |
| Bregenz | 69,385,498 |
| Baden | 27,168,360 |
| Innsbruck | 24,783,196 |
| Linz | 23,618,799 |
| Velden | 23,134,079 |
| Salzburg | 21,197,853 |
| Seefeld | 13,729,457 |
| Graz | 12,636,591 |
| Kitzbühel | 8,240,009 |
| Kleinwalsertal | 3,490,507 |
| Bad Gastein* | 1,033,268 |
| Total | 310,729,545 |

in the town's Grand Hotel, constituted yet another major investment project.

Guests value our services and investments, and this was reflected in an 8.6 percent rise in guest numbers: in 2015, Casinos Austria welcomed a total of 2,720,699 guests in its twelve casinos across the country.

Guests 2015

| Casino | National Guests | International Guests | Total |
|----------------|------------------|----------------------|------------------|
| Wien | 241,929 | 371,365 | 613,294 |
| Linz | 177,997 | 220,216 | 398,213 |
| Graz | 137,299 | 198,289 | 335,588 |
| Bregenz | 102,458 | 232,056 | 334,514 |
| Baden | 226,782 | 28,614 | 255,396 |
| Velden | 162,132 | 44,781 | 206,913 |
| Innsbruck | 123,063 | 70,899 | 193,962 |
| Salzburg | 100,904 | 68,446 | 169,350 |
| Seefeld | 39,605 | 68,606 | 108,211 |
| Kitzbühel | 29,116 | 24,842 | 53,958 |
| Kleinwalsertal | 3,415 | 34,757 | 38,172 |
| Bad Gastein* | 6,671 | 6,457 | 13,128 |
| Total | 1,351,371 | 1,369,328 | 2,720,699 |

* Casino Bad Gastein was closed with effect from 13 September 2015.

Innovation and Developments

● **At Casinos Austria, we invest each year in our twelve casinos across the country to ensure our guests always benefit from the latest trends in the gaming sector. This applies across the board to the complete spectrum of services that we offer: from the furnishings and equipment in our casinos through to our gaming facilities and F&B services. In 2015, numerous measures were taken to increasingly drive innovation across the entire Casinos Austria and Austrian Lotteries Group.**

Our casinos in Bregenz, Salzburg, Vienna, Linz and Graz were the focus of extensive relaunches last year and all successfully handled the corresponding construction work while remaining fully open for business. Furthermore, our new casino in the Grand Hotel in Zell am See was built from scratch. The planning and realization of such complex undertakings is handled by our internal Building and Facility Management division and, if necessary, by an internal project team – in conjunction with the architects, contractors and building services planning experts and in close cooperation with the local authorities and the respective host communities. Wherever possible, preference is given to Austrian companies in the award of such contracts. In this way, Casinos Austria strengthens the domestic economy and secures a large number of Austrian jobs. In the 2015 business year, we invested a total of almost 23 million euros in our construction projects.

The second phase of the construction project at Casino Bregenz was concluded in 2015 with the expansion of the F&B areas and the completion of the work that had already commenced on the façade. The new Cloud Lounge was opened and the expansion of the FALSTAFF Restaurant duly celebrated at the casino's 40th anniversary party in July, thus marking the end of the extensive refurbishment activities. Since its relaunch, Casino Bregenz offers the ultimate entertainment experience for all the senses on a total floor space of some 3,000 square meters. Its gaming areas extend over 2,000 square meters, thus offering guests a truly international caliber gaming mix in a new, optically attractive atmosphere. The welcoming F&B and event areas are another particular highlight and are distributed over the venue's various levels, providing

1,000 meters of floor space for all manner of different events. Guests in the FALSTAFF casino restaurant have the feeling they are sitting in a VIP box and are afforded a superb view of the action on the gaming floor. The casino's F&B facilities now benefit from the addition of the new Cloud Restaurant and the Cloud Lounge on the terrace in the summer months. The second phase of the construction work lasted just over four months and also included the completion of the casino façade. The building has been completely encased in a new media façade and thus given a unified, horizontally segmented exterior look, which fascinates the beholder both by day and by night. The aluminum composite panels that make up the façade change their profiles repeatedly, thus creating an intriguing surface relief. The new casing changes constantly throughout the day depending on the direction of the sunlight and the way the light falls. At night, indirect LED lighting transforms it into a medium that showcases the building in an ever-changing interplay of light. The impressive architectural concept was realized by the Innsbruck-based architects ArtArch 23.

Casino Salzburg in Schloss Klessheim was brought up to modern-day standards in 2015 in a large-scale renovation project. Casinos Austria has been working on this major undertaking since spring 2015, following the completion of several years of intensive planning in cooperation with the National Heritage Agency. Work began with the construction of two extensions at the rear of the palace, which were required above all as fire protection measures and also offer additional infrastructure space. The creation of three separate fire sections in the complex and the construction of two new emergency stairwells mean that Schloss Klessheim now conforms to the latest safety standards. The two extensions are also home to two elevators and new sanitary facilities, thus establishing barrier-free access to the palace for the first time in its history. The extensions have a total usable floor space of 1,045 square meters and so also provide Casino Salzburg with further top-quality guest areas and expanded dining and event facilities. In the course of the project, the handling of gastronomy services and facilities at Casino Salzburg was taken over by our Cuisino gastronomy subsidiary. The new 330-square-meter Casino Lounge and Event Bar even offers happy couples the chance to get married

in Schloss Klessheim and – after the registrar has conducted the ceremony – hold their wedding reception there too. 2015 also saw work commence on the refurbishment of the palace exterior. The focus here lies on the restoration of the façade as well as the renovation of the roof, attic and windows – all, of course, in close cooperation with the Austrian National Heritage Agency. All these measures are required for the long-term operation of the venue by a tenant in conformance with official requirements. At the same time, they meet the high quality standards guests demand of a visit to a baroque palace. Casinos Austria is thus safeguarding the historical substance of Schloss Klessheim and also sustainably increasing the building's value. The Styrian family-run building firm KAMPER Handwerk+Bau GmbH was selected as main contractor for the project. The contract for the architectural work was awarded to the DI August Cisar firm of architects.

The construction of Casino Zell am See constituted yet another major Casinos Austria investment project in 2015. Opened on 1 January 2016, the new casino in the town's Grand Hotel was built completely from scratch in just nine months. This impressive achievement was made possible by the excellent collaboration between all the project partners: the Eduard Nopp architecture firm, main building contractor KAMPER Handwerk+Bau GmbH, hotel owner Wilfried Holleis and the internal project team at Casinos Austria. The construction work in the Grand Hotel went hand-in-hand with the installation of the casino's state-of-the-art operating facilities and the planning and realization of its gaming and event areas. Its unique location in the north wing of the hotel, directly on the shores of picturesque Lake Zell, highlights the casino atmosphere. The design of the casino fits perfectly with the Belle Époque style of the hotel and successfully reflects the unique charm and ambience encountered in all Casinos Austria's casinos. Casino Zell am See is open all year round and offers its guests modern gaming facilities, professional handling of the games, highest quality service, superior cuisine and a wide range of events and entertainment options on a floor space of around 1,000 square meters. A team of 60 staff are on hand to look after guests. And the icing on the cake: the lakeside terrace has the best view in town of Zell am See's spectacular Alpine backdrop.

At Casino Wien, the gaming areas on the second floor of Palais Esterházy were extensively refurbished and an exclusive slot gaming area created. The new Salon Bar provides the perfect culinary counterpart to the gaming fun. The luxurious furnishings in the new VIP Room offer an exclusive ambience for national and international VIP guests. These activities completed the construction work at this highly popular casino in the capital, which had begun back in 2014 with the establishment of the new casino restaurant.

Since August 2015, cuisine at Casino Linz has been provided by our own "Cuisino – Genuss Events by Casinos Austria" gastronomy subsidiary. In the course of the transfer of gastronomy services to Cuisino, minor adaptations were made to the casino restaurant.

Casino Graz embarked in 2015 on the first phase of its extensive relaunch with a new-look architecture and the expansion of its Jackpot Café by around 85 square meters.

New games – new technologies

The clear popularity of new variants of classic games was confirmed in 2015 by the Classic, Vegas and Party variants of Blackjack and by Double Roulette, all of which were launched in our casinos in 2014 and have proved extremely popular with guests ever since. The introduction of Macau Baccarat – a variant of Punto Banco – in September 2015 in Casino Wien was welcomed with particular enthusiasm by guests from the Far East. New tables were designed and produced especially for this game. Our "Plug and Play" Roulette and card tables have been successfully introduced into our casino operations over the past few years. All necessary technical systems are integrated into these tables and are easy to operate. The lighting, security camera and an information screen showing all relevant information relating to the game being played on the table, such as minimum and maximum bets, are built into the table construction, guaranteeing total flexibility and speed when setting up, moving or reconfiguring a table. A digital casino display system (CDS) for card tables was installed in our casinos in spring 2015. The displays show information about the game that is being played

as well as the applicable minimum and maximum bets. They also inform players directly at the table about any promotions, prize draws or other events that are going on in the casino.

Reinforcement of innovative strength

Developments in recent years show that the challenges of digitalization demand a continual transformation and adaption of business models and processes. New information and communication technologies in particular are changing customer expectations and behavior at a rapid pace.

Casinos Austria has always responded successfully to such trends. We successively rolled out our new *Glücks Card Plus* player card in all our Austrian casinos in 2015. This guest loyalty instrument uses a revenue-based bonus system and thus extends the visit-based bonus offered by our original *Glücks Card*. A Casinos Austria casino app, a further new service for guests that embraces new technologies, is currently in the planning phase. A special “boot camp” for Casinos Austria staff and experts from a number of external technology start-ups was organized to determine the customer benefit, target group and functionality parameters for this app based on latest technologies and market trends.

An appropriate framework was established in the Casinos Austria and Austrian Lotteries Group in 2015 to anticipate and respond to such development trends and increasingly drive innovation forward in the group. This led to a change to our organizational structure from 1 January 2016: a new Innovation Management unit was established in our CF Corporate Development.

Numerous initiatives were launched in 2015 to promote awareness and understanding for innovation in the group and thus encourage greater participation and involvement in this area on the part of staff. These included a so-called Digital Native Management Challenge, which called on teams of young members of staff to elaborate their ideas on a predefined topic. The winning team was invited to attend the group's annual executive strategy meeting and present its idea to the board.

To further promote idea management across the entire corporate group, two new tools – the *!deenforum* (“Forum for !deas”) and the *!deenchallenge* (“!deas Challenge”) – were created on our internal 2.0 collaboration platform to facilitate the uncomplicated, unbureaucratic exchange of ideas. The *!deenforum* is a forum for suggestions for improvements, while the *!deenchallenge* serves to encourage the development of new ideas across the board for a broadly predefined goal in a set timeframe.

Each year since 2012, an Innovation Day has been held for all staff in the group in Studio 44. Organized by our in-house Innovation Management unit, the Innovation Day offers a look to the future. Trends are presented, and talks by renowned experts take a new look at new work methods and changing customer demands. The theme for the 2015 Innovation Day was “New Business Order”, with three absolute experts in this field – Julian Kawohl, Christoph Giesa and Werner Wutscher – taking to the stage to share their expertise.

The Innovation Day also marked the start of our new Awesome!ness Challenge, which will run until the summer of 2016. The challenge calls on all members of staff in the group to bring their own ideas for an “Awesome Customer Experience” to life and develop their particular concept further. The winning team in this multi-step initiative will be treated to a one-week inspirational tour of Silicon Valley in fall 2016.

The development and reinforcement of our innovative strength is also being enhanced by the creation of a corresponding working environment. Construction work on the group's new Innovation Hub at our headquarters in Vienna has been underway since November 2015. The opening of the Innovation Hub is planned for March 2016.

With its “Trendblog”, monthly newsletter and annual Summer Academy where staff can try out new innovations and trends for themselves, our Innovation Management unit regularly shares its extensive know-how and keeps staff in the group up-to-date on developments.

The Casino Gaming Experience

● **New variants of classic casino games like Vegas Blackjack or Macau Baccarat complement the gaming mix at Casinos Austria since 2015. Over 800 tournaments, including the successful European Poker Championship in Casino Velden, offered impressive proof of our core casino gaming competence and our tournament organization expertise.**

211 gaming tables and 2,072 gaming machines offered guests at our twelve Austrian casinos a rich choice of gaming options in 2015. But that was not all: 849 tournaments and an extensive range of great prize promotions complemented the casino gaming experience. As an innovative gaming company, Casinos Austria offers guests a combination of international and local games and regularly extends its gaming mix in line with customer demand. While the classic Roulette, Blackjack and Poker table games still remain firm favorites with our guests, other games like Easy Hold'em, Punto Banco, Tropical Stud Poker, Red Dog and Wheel of Fortune also have their fans.

The clear popularity of new variants of classic games was confirmed in 2015 by the Classic, Vegas and Party variants of Blackjack and by Double Roulette, all of which were launched in our casinos in the previous year and have proved extremely popular with guests ever since. The introduction of Macau Baccarat – a variant of Punto Banco – on 11 September 2015 in Casino Wien was welcomed with particular enthusiasm by guests from the Far East. New single-croupier tables were designed and developed especially for this game.

Our Plug and Play Roulette and card tables have been successfully introduced into our casino operations over the past few years. All necessary technical systems are integrated into these tables and are easy to operate. The lighting, security camera and an information screen showing all relevant information relating to the game being played on the table, such as minimum and maximum bets, are built into the table construction, guaranteeing total flexibility and speed when setting up, moving or reconfiguring a table.

A digital casino display system (CDS) for card tables was installed in our casinos in spring 2015.

The displays show information about the game that is being played as well as the applicable minimum and maximum bets. They also inform players directly at the table about any promotions, prize draws or other events that are going on in the casino.

Our slot games portfolio is also extremely diverse: a total of 2,072 slot machines could be played in 2015 in our casinos across Austria. 40 different types of slots with more than 400 games provide for great variety. Slot machine gaming is extremely popular with our guests, a fact that is reflected in its 75 percent share of our gross gaming revenues. The chance of winning big on the slots in our casinos is highest on our Mega Million Jackpot machines. The Mega Million Jackpot is Casinos Austria's biggest progressive slot jackpot and links selected slot machines nationwide. Wins of 1 million euros or more are possible with just a small bet. In 2015, the Mega Million Jackpot was hit twice – once in Casino Velden and once in Casino Bregenz – with both lucky winners taking home a cash prize of over 1 million euros. The choice of slot machines is particularly large in our Jackpot Casinos, which are open from morning until night and where the dress code is casual.

Tournament series are a permanent fixture on the gaming program at Casinos Austria, and a variety of different tournaments are held in our casinos throughout the year. Some 37,000 players took part in the 849 tournaments that were held across Austria in 2015. Our tournament calendar features both table and slots events, which are organized and hosted by each individual casino to keep the gaming and tournament experience exciting. Tournaments for different games like Roulette, Blackjack and Easy Hold'em or the Baccarat World Championship in Casino Seefeld attract plenty of participants and interested spectators to our casinos. Our highly trained croupiers manage the games perfectly at all these tournaments. And Casinos Austria definitely does have the best croupiers: at the European Dealer Championship (EDC) in May 2015 in Nova Gorica, Markus Thanner proved this convincingly with his excellent fifth place result. At the EDC, Europe's best croupiers are judged by an international jury on their guest service skills, technical competence and gaming expertise in the games of Roulette and Blackjack.



> The number 13 has been a lucky number at Casinos Austria for many years



At Casinos Austria, we offer Poker fans exciting tournaments and Poker in all variants in all our casinos. The Casinos Austria and win2day tournament calendar for 2015 featured something for every taste: from weekly and monthly tournaments to Poker games for newcomers and the Poker elite. The tried and trusted Poker cooperation with the online gaming platform win2day was continued throughout 2015. Poker players could qualify online for tournaments in our casinos and thus also had the chance to turn a small stake into big prize money.

A highlight in our 2015 Poker Calendar was the 26th European Poker Championship, which was held in Casino Velden for the first time and brought a thrilling tournament atmosphere to the town. The 11-day event saw 18 tournaments take place at 34 Poker tables, with over 100 croupiers in action throughout the competition. With a prize pool of more than 1.5 million euros and a superb program of accompanying events like the “Red Carpet Show” on the square in front of the casino in which the Poker stars themselves played a starring role, the European Poker Championship in Casino Velden set new standards. With more than 1,000 players from over 25 nations, the international Poker scene was out in force in Carinthia, making this amazing event also a success for tourism in the region.

The Casinos Austria Poker Tour (CAPT) also continued its success story in the reporting year. It was extended in 2015 by one event and stopped off in Casino Seefeld on two occasions throughout the year. The series began with a CAPT Opener in Casino Innsbruck, with further CAPT tournaments also held the casinos in Bad Gastein, Baden, Bregenz and Linz. The tournament structure with its mix of high and low buy-ins has now firmly established itself and proves very popular with Poker fans. National and international Poker players alike signed up for the six stops on the CAPT tour, where a total of over 3 million euros in prize monies was up for grabs.

To be able to continue offering prestigious national and international tournaments in the future, a casino operator has to constantly develop its Poker portfolio. Accordingly, Casinos Austria will continue in future to set trends and respond to customer demands to keep its portfolio exciting and attractive. The recent introduction, for example, of the Las Vegas favorite Open Face Chinese – Pineapple Poker in our casinos offers guests access to a new game that is particularly popular with Poker insiders.

To ensure a visit to the casino is one to remember, we offer our guests a range of exclusive packages. Our



- > A particularly large range of Poker options is on offer in our casinos: numerous tournaments like the Casinos Austria Poker Tour (CAPT) or the European Poker Championship attract Poker fans from all around the globe

Glückspaket (“Lucky Package”) is a popular value-adding option. It offers guests an exciting evening of casino entertainment and includes lucky chips to the value of 30 euros, a glass of Prosecco or orange juice, and a break-open instant lottery ticket, free lucky dip ticket for the national lottery or a trendy pair of sunglasses – all for just 30 euros. 400,000 guests took advantage of this offer in 2015. Our range of packages was extended in 2015 by a new “Birthday & Casino” option. This 59-euro package for up to six people includes lucky chips to the value of 30 euros for the birthday girl or boy, a bottle of Prosecco and a birthday cake as well as an entertaining introduction to the games of Roulette, Blackjack or Poker followed by a mini-tournament. Our bachelor and bachelorette packages are likewise popular, particularly in our city casinos. We also extended our resources and facilities for high rollers in 2015, adding new staff, new gaming areas and new games for this target group.

Members of our *Glücks Card* (“Lucky Card”) guest loyalty scheme are already on a winning streak before they even take to the tables: bonus offers like special prize

draws, tournaments, exciting events and much more besides are offered to cardholders at all our reception desks. Membership of this scheme is free, and the *Glücks Card* can be issued immediately by our reception staff. Our new, enhanced *Glücks Card Plus*, which was introduced in 2015, brought with it even more bonus options.

Offers in which the gaming experience is combined with further thrills and additional chances to win include, for instance, our popular “Lucky Day”, “Lucky 13” and “Ladies Day” promotions. . On every Friday the 13th, a 1,300 euro prize draw is held in all Austrian casinos. The lucky number 13 thus also again encouraged plenty of people in 2015 to come along and try their luck in our casinos. The 13th day of the month fell on a Friday on three occasions in 2015 – in February, March and November – and these days again numbered among the busiest in the year in terms of guest numbers. The success of this marketing strategy is also confirmed by the guest numbers for the twelve “Lucky 13” promotion days as a whole: some 109,713 guests visited a Casinos Austria casino on those days – 31.8 percent more than on the same days in the previous year.

Every Wednesday is Ladies Day at Casinos Austria. Ladies Day guests enjoy attractive welcome packages with lucky chips and entry tickets for draws for high-value daily and main prizes. Our exclusive partnerships with some of Austria's top retailers meant that this year's prizes included Palmers shopping days, Kuoni trips to New York and VIP tickets for the Eurovision Song Contest in Vienna.

Great prizes were also up for grabs in our two "Collect & Win" promotions in 2015, including 11 brand-new Mini One First cars and 11 pairs of tickets for the Formula 1 Grand-Prix in Spielberg. The international Day of Happiness on 20 March 2015 was naturally also fittingly celebrated – especially since in German the word for happiness and luck – *Glück* – is the same. All our casinos offered special happy events and prize draws on this day. And on three "double date" days in 2015 – 8.8., 10.10. and 12.12. – there were 1,000 extra prizes of 100 euros to be won on our slot machines.

The Casino TV channel on the Casinos Austria website (www.casinos.at) is a particularly good way to follow our promotions and events in glorious technicolor in the comfort of your own home. The channel, which was recently given a whole new look and integrated into the Events section of all central and local pages on the website, features pictures and videos of a wide range of casino events. A relaunch of our website was started at the end of 2015, with the new design expected to go online from the middle of 2016.

Casinos Austria has been successfully operating an online shop for the last 14 years. Accessible at gutscheine.casinos.at, the shop can be used to purchase and print casino (gift) vouchers quickly and easily. The online shop has developed alongside direct sales in our casinos into a strong sales channel and is now an integral part of our sales strategy. The online campaign for the new Double Roulette game was particularly successful, and earned Casinos Austria a prestigious Bronze EFFIE Award in the "Newcomer" category. This successful campaign also helped to raise guest numbers at our casinos in the second half of the year.

Gaming mix comparison as of 31.12.2015

| Gaming tables | Number of tables/ slot machines | |
|----------------------------|------------------------------------|------------|
| | 2014 | 2015 |
| American Roulette | 68 | 65 |
| Double Roulette | 2 | 2 |
| Black Jack | 63 | 58 |
| Black Jack X-change | 7 | 8 |
| French Roulette | 2 | 2 |
| Tropical Poker | 13 | 12 |
| Poker | 50 | 39 |
| Easy Hold'em | 16 | 14 |
| Punto Banco | 7 | 4 |
| Macau Baccarat | 0 | 3 |
| Other | 7 | 4 |
| Total gaming tables | 235 | 211 |

| | | |
|--------------------------------|-------|-------|
| Easy Roulette terminals | 193 | 205 |
| Slot machines | 2,010 | 2,072 |

In 2015, our online shop was again granted the "Trusted Shops Seal of Approval" – the leading seal of approval for online shops in Europe – as well as the "Austrian E-Commerce Trust Mark" for the twelfth year in succession.

Numerous promotions and prize draws were again up for grabs on the various social media platforms, offering users the chance to win great prizes like city breaks and ski passes. The Casinos Austria Facebook Page now has almost 69,000 Likes, and this number rises to over 100,000 with the inclusion of the individual casino Pages.



2015 Financial Year

Cuisine and Casino

● A night at the casino is not just a thrilling gaming experience, it is also a culinary treat. Our new Cuisino culinary brand was successfully expanded in 2015. Cuisino has also been cooking up culinary delights at Casino Salzburg since April 2015 and at Casino Linz since August 2015 – a definite recipe for success.


CUISINO

Genuss. Events by Casinos Austria



> A *Gault Millau* toque for the new restaurant in Casino Wien

Casinos Austria once again demonstrated its inimitable quality in 2015 on a culinary level. Our recently established “Cuisino – Genuss Events by Casinos Austria” gastronomy brand was successfully positioned and expanded. In the meantime, gastronomy services at ten of our domestic casinos are now provided by Cuisino, with the casinos in Baden, Bregenz, Innsbruck, Kitzbühel, Seefeld, Velden, Vienna and Kleinwalsertal joined from 8 April 2015 by Casino Salzburg and from 1 August 2015 by Casino Linz.

With a team of 380 staff, the Cuisino casino restaurants generated total revenues of almost 15.2 million euros in 2015. In Casino Baden and Casino Velden, Cuisino also provides the catering service for several thousand event guests each year. Cuisino offers an impeccable combination of highest quality cuisine and perfect service, and already numbers among the top ten culinary service providers in Austria.

The Cuisino kitchen teams expertly prepare top quality Austrian produce and are committed to providing highest quality cuisine using regional, seasonal and organic ingredients. Fine produce from Austria is an absolute prerequisite and is transformed into exquisite culinary creations and served with first-class wines and beverages.

Casinos Austria places a strong emphasis on regional specialties on its restaurant and bar menus. In this way, we are also able to practice and respect our core corporate values – like sustainability and social responsibility – in our F&B operations and complement this with a

return to the qualities and values promoted by the “slow food” concept. Our casinos cooperate with Bund Österreichischer Gastlichkeit, the Austrian hospitality federation, an organization which promotes the Austrian art of cooking and Austrian culinary know-how. And we also demonstrate our social responsibility when it comes to products which do not originate from Austrian producers, opting here for the use of “Fairtrade” products wherever possible.

The top-quality cuisine in our casinos was recognized in the 2016 edition of the *Gault Millau* restaurant guide with a total of four toques. The new restaurant in Casino Wien was awarded its first toque just one year after it opened. *Chef de Cuisine* James Ferguson and his team received 13 *Gault Millau* points and thus propelled the casino restaurant into the ranks of the top places to dine in the capital. The other three toques were awarded to the casino restaurants in Baden, Velden and Kleinwalsertal.

Culinary packages

The combination of good food and drink and friendly service are an important part of the casino experience. That’s why Casinos Austria offers a range of attractive culinary packages at all its casinos. These include our ever-popular “Dinner & Casino” package, which allows guests to combine a memorable dinner with a few thrilling hours at the gaming tables: for the price of 59 euros per person, guests receive an exquisite four-course tasting menu, with welcome chips to the value of 25 euros thrown in for good measure. In 2015, 107,801 guests



> Casinos are also a fitting venue for wine tastings: the Austrian Wine SALON in Casino Kleinwalsertal



> *Goldene Traube* presentation in Casino Baden (l. to r.): Karl Stoss, Johann Scheiblhofer Sr., Hans Niessl (State Governor), Dietmar Hoscher, Konrad Mariel, Norbert Szigeti

took advantage of this popular package. Our “Dinner & Casino Night” package is also a long-standing success: introduced back in 2001, over 6,000 vouchers for this package are sold every year.

Gourmet events

Gourmets had a choice of countless culinary events in our casinos in 2015. Tasting events were the flavor of the day in our *Genuss* (“Gourmet”) event series, where guests across Austria had the opportunity to taste traditional hams, strawberries or sparkling wines to their heart’s content. Gourmet themed weeks complemented the already superb choice of dishes in our casino restaurants, adding the noble asparagus, wild mushrooms, local game or colorful pumpkins to the menus depending on the season. Some of our casinos added their own particular seasonal touches to these events: the Summer Lounge at Casino Baden, for instance, became *the* barbecue destination in the summer months and also hosted the first-ever Casinos Austria “Barbeque Chef” competition. Casino Graz successfully continued its popular “Dinner in the Dark” evenings and the now customary wine tastings organized by the “Styria-Burgenland Wine Friends”, while Casino Wien hosted a range of special gala dinners, like the “Winemakers Dinner”, a “Valentine’s Day Dinner” and a “Meet the Chef” event.

On 18 November 2015, Studio 44 in Vienna hosted the fifth *Genuss Gipfel* gourmet food summit to coincide with the launch of the *Genuss Guide 2016* (“Gourmet Guide 2016”) and present the awards to the country’s best cake-makers and confectioners.

Gourmet awards

The *Goldene Traube* (“Golden Grape”) can look back on a 30-year success story as an award for particularly good wines from the Burgenland region. Since Austrian cuisine, Austrian hospitality and Austrian wine culture are all closely interwoven with the gourmet experience offered in our casinos, Casinos Austria has always been a strong promoter and advocate of wines from the easternmost Austrian state. The *Goldene Traube* is awarded by Casinos Austria each year on the recommendation of the Wine Commission of the Burgenland Chamber of Agriculture to a winemaker from the region. The 2015 award for the best wine went to Konrad Mariel from Wulkaprodersdorf for his Gelber Muskateller 2014. Johann Scheiblhofer Sr. from Andau, whose “Big John” red wine cuvee has long since gained cult status, was recognized for his life’s work. The Szigeti brothers from Gols, whose sparkling and Frizzante wines are known and loved far beyond Austria’s borders, received the 2015 “Pannonian Ambassador” award.



> The restaurant in Casino Salzburg

The most prestigious of Casinos Austria's gourmet awards is the *Goldene Roulette Kugel* ("Golden Roulette Ball"). Awarded by Casinos Austria each year since 1982 on the recommendation of *Gault Millau*, the award recognizes the talent and commitment of Austrian restaurateurs to top-quality cuisine. The 2015 *Goldene Kugel* went to the *Sicher* fish restaurant in Tainach/Kärnten for its culinary excellence and its sustainable char caviar breeding activities.

After the launch event and awards ceremony in Vienna, the "Austrian Wine SALON" 2015 winners embarked on a tour of six casinos across Austria with a selection of the best wines from each vintage in tow. The wines are rated by an expert jury, and casino guests have the opportunity to taste them for themselves. Casinos Austria cooperates in these awards with the Austrian wine marketing company Österreich Wein Marketing GmbH. As usual, the first stop on the SALON tour was Casino Baden at the end of June. After a break for the summer months, the tour then moved on to Casino Baden in September before continuing on to Casinos Kleinwalsertal, Innsbruck, Salzburg and Linz. Whether red or white, dry or sparkling, the tour brought SALON award-winning wines for every taste to be enjoyed in the sparkling ambience of a Casinos Austria casino.

Our Secret Number



The Roulette ball rolled 9 million times in our Austrian casinos in 2015.



Multifaceted Event Provider

● Our twelve casinos across Austria and dedicated Congress Casino Baden (CCB) and Studio 44 event locations offer charming venues for every occasion. Good music, arts and cultural events and fine dining make an event in one of these venues an exhilarating experience for all the senses.

Companies seeking to establish themselves as multifaceted event organizers nowadays have to offer far more than just appropriate function rooms. Clients and guests expect the events they book or attend to be of the highest possible standard. The **twelve Austrian casinos** and dedicated **Congress Casino Baden (CCB)** and **Studio 44** event locations are ideally equipped to meet such expectations.

The casinos are not only known for their extensive gaming options, they are also worlds of experience and thus fitting venues for events of all kinds. Their event teams plan, organize and enact these events. Highest quality, absolute professionalism and total flexibility are a matter of course. The unique ambience, diverse gaming options, great mix of events, finest cuisine and staff service excellence make Austria's casinos the top event locations in their respective host cities and regions.

A total of 2,300 events, including 849 gaming tournaments with 36,901 competitors, were organized by and held in these casinos throughout 2015.

Guests at casino events enjoyed a wide variety of arts and cultural events, cabaret and comedy shows, concerts, presentations, clubbing events and much more besides. Clients of the event organization services in our casinos enjoyed ideal facilities for all manner of corporate and customer events, from Christmas parties, dance evenings and clubbing nights to seminars, congresses, meetings and product presentations. Each casino – from Baden to Bregenz – exudes its own special charm and has various function rooms available, all of which can be customized to the client's particular demands. From flexible Casineum event room, award-winning restaurant to wine cellar – our casinos offer the perfect venue for any event. And they do so in the perfect setting as well – from the majestic

ambience of a historical city *Palais*, surrounded by mountains or lakes, in a bustling downtown location or even in a baroque palace.

www.casinos.at

Congress Casino Baden (CCB) has been successfully providing event management services to a national and international clientele for 20 years. The CCB is a unique combination of modern congress and event center, historical ambience and sparkling casino flair. In 2015, it was recognized for its excellence in this field with the “Event Organizer” award by the Veranstalterverband Österreich (“Association of Austrian Event Organizers”). The award was presented to the CCB on 15 June in the atmospheric setting of the Casino Baden's Grand Ballroom.

The event rooms at the CCB are remarkable and versatile, offering guests and clients an incredible number of possibilities. They are the ideal location for congresses and conferences as well as for gala evenings, concerts, balls, clubbing events and much more.

The building's showpiece is the 450-square-meter Grand Ballroom with its historical ceiling frescoes and a huge terrace with fantastic views over Baden's beautiful spa gardens.

The other event rooms – from the classically elegant Casineum function room, the more sober yet equally impressive Badener Saal to the imposing foyer – also merit a look and provide plenty of options for entertainment over three extraordinary floors.

Congress Casino Baden hosts around 200 events with some 65,000 guests, visitors and delegates each year. The best-known of these include the annual “Casino Red-out” costume ball on Shrove Monday and the fairy-tale “Cinderella Dances” clubbing extravaganza.

www.ccb.at

Anyone looking for an event venue in Vienna will soon come across **Studio 44**. More flexible, modern and customizable than virtually any other venue, Studio 44 has been regularly refurbished and fully meets all contemporary demands of an event venue. 2015 was no different, with the flooring in the event space completely



replaced with premium oak parquet flooring in the summer. The venue offers a flexible floor space concept of 100-1,000 square meters and has capacity for up to 460 people. Cutting-edge technical facilities and extensive furnishings and equipment are all available on site along with a permanent team of event experts to coordinate events and offer advice and support to clients. The two distinct areas – the Studio 44 ballroom and the Studio 44 loft – and professional ancillary room provide the perfect setting for press conferences, presentations, conferences, discussions, club events or exclusive receptions as well as for awards ceremonies, parties and shows.

In 2015, Studio 44 was the venue of choice for numerous internal and external events, including sports events like the *Krone* newspaper's football festival or the draw for the Samsung Cup, which was also broadcast live on Austrian national television. Both these events attracted a great deal of media attention.

Casinos Austria used Studio 44 as a platform for cultural events like the launches of the CDs produced by Norbert Schneider and Monti Beton with the support of the Casinos Austria Music Line or the Alpha Prize for Literature gala evening on 17 November. The Casinos Austria and Austrian Lotteries Group's "Play Fair" Open Days event in September was particularly impressive. Over 1,000 members of staff and external visitors came to Studio 44 on each of the two "Play Fair" days and



- > Giant Roulette wheel on the Kärntner Straße in Vienna on the International Day of Happiness
- > *Bal du Cirque Fantastique* in Casino Velden



- > The Casino Redoute on Shrove Monday in Casino Baden
- > Miss Upper Austria Pageant in Casino Linz
- > *Krone* newspaper 2015 Football Festival in Studio 44



took the opportunity to find out more about the group's extensive product portfolio in a fun and informative setting. Members of the board and their guests from the worlds of politics and business also attended the event.

With a total of 96 booked events and 102 event days, the utilization rate at Studio 44 in 2015 remained constant and at a similar level to previous years. Seven events were realized as so-called Green Events. Around 19,500 national and international guests enjoyed the superb service in Studio 44 in 2015. New and repeat clients alike clearly enjoyed and appreciated the flexible ambience.

www.studio44.at

Outlook

Casino Zell am See opened on 1 January 2016 in accordance with the official casino license award for Austria ("Regional Package").

The Innovation Management unit was incorporated into the Corporate Function Corporate Development with effect from 1 January 2016.

WINWIN opened its 16th outlet – Wels II – on 9 January 2016.

The refurbishment work at Casino Graz will continue in 2016, as will the step-by-step refurbishment at Casino Salzburg of the exterior of Schloss Klessheim. The focus here lies on the restoration of the façade as well as the renovation of the roof, attic and windows.

In view of the rapid developments in technology (digital transformation, development of new interactive media and channels), Casinos Austria is working intensively on intelligent concepts to maintain and sustain the appeal of casinos in the future.

The successful Responsible Gaming Academy series will continue in 2016. The 13th RGA will be held in Studio 44 on 2 May 2016.

2015 Financial Statements

Profit and Loss Statement

for the period from 1 January 2015 to 31 December 2015 for Casinos Austria AG

| | 2015 EUR | 2014 TEUR |
|--|-----------------------|----------------|
| 1. Sales | 310,729,545.41 | 258,344 |
| 2. Sales and gaming related taxes | -88,245,990.60 | -70,213 |
| 3. Sales after deduction of sales and gaming related taxes | 222,483,554.81 | 188,131 |
| 4. Other operating income | | |
| a) Income from the disposal of fixed assets excluding financial assets | 12,982.75 | 34 |
| b) Income from the reversal of provisions | 159,369.84 | 167 |
| c) Other | 18,161,033.89 | 16,916 |
| | 18,333,386.48 | 17,117 |
| 5. Personnel expenses | | |
| a) Wages | -7,652,135.79 | -7,312 |
| b) Salaries | -88,216,750.34 | -80,223 |
| c) Expenses for severance payments and contributions to employee benefit funds | -4,227,808.63 | -2,809 |
| d) Expenses for old-age pensions | -12,268,890.32 | -13,596 |
| e) Social security costs and payroll-related taxes and contributions | -22,350,473.60 | -22,504 |
| f) Other expenses for employee benefits | -1,633,892.78 | -1,605 |
| | -136,349,951.46 | -128,049 |
| 6. Amortization of intangible and depreciation of tangible fixed assets | -12,724,617.80 | -8,639 |
| 7. Other operating expenses | | |
| a) Taxes, other than those included under income taxes | -272,928.07 | -218 |
| b) Other | -70,482,875.08 | -59,429 |
| | -70,755,803.15 | -59,647 |
| 8. Operation result = subtotal of items 3 to 7 | 20,986,568.88 | 8,913 |

| | 2015 EUR | 2014 TEUR |
|--|---|-----------------------|
| 9. Income from investments, thereof from affiliated companies | 25,917,642.82 25,909,909.09 | 26,067 26,059 |
| 10. Income from other securities | 490,380.12 | 161 |
| 11. Other interest income and similar income | 2,504,794.72 | 109 |
| 12. Income from the disposal of financial fixed assets and income from the write-up of financial fixed assets | 0.00 | 385 |
| 13. Expenses from financial fixed assets, thereof depreciation of financial fixed assets (excl. affiliated companies) thereof expenses from affiliated companies | -1,423,862.59 -222,000.00 -1,201,862.59 | -2,593 0 -2,593 |
| 14. Interest and similar charges, thereof related to affiliated companies | -16,101,191.08 -176,386.02 | -12,458 -746 |
| 15. Subtotal of items 9 to 14 (financial result) | 11,387,763.99 | 11,670 |
| 16. Result on ordinary activities | 32,374,332.87 | 20,583 |
| 17. Extraordinary expenses | -11,288,680.79 | -7,443 |
| 18. Extraordinary result | -11,288,680.79 | -7,443 |
| 19. Taxes on income | -740,756.49 | 3,493 |
| 20. Annual surplus | 20,344,895.59 | 16,633 |
| 21. Allocation to profit reserves, other reserves (voluntary reserves) | -10,350,000.00 | -13,700 |
| 22. Annual profit | 9,994,895.59 | 2,933 |
| 23. Profit brought forward from the previous year | 31,391.05 | 98 |
| 24. Balance sheet profit | 10,026,286.64 | 3,031 |

Balance Sheet

as of 31 December 2015 for Casinos Austria AG

| ASSETS | 31.12.2015 EUR | 31.12.2014 TEUR |
|---|--------------------------------|--------------------|
| A. Long-term assets | | |
| I. Intangible assets | | |
| 1. Protective rights and similar rights | 2,425,798.73 | 2,173 |
| 2. Advance payments | 1,479,023.21 | 401 |
| | 3,904,821.94 | 2,574 |
| II. Tangible assets | | |
| 1. Property, coincident rights and buildings, including buildings on third party property, <i>thereof value of land</i> | 33,847,133.86 10,590,225.80 | 25,802 10,590 |
| 2. Other equipment, fixtures, furniture and office equipment | 60,348,290.53 | 21,851 |
| 3. Advance payments and construction in progress | 1,739,694.82 | 9,133 |
| | 95,935,119.21 | 56,786 |
| III. Financial assets | | |
| 1. Investments in affiliated companies | 522,912,601.72 | 522,913 |
| 2. Loans to affiliated companies | 53,700,000.00 | 0 |
| 3. Other participations | 110,701.36 | 111 |
| 4. Securities (book-entry securities) held as long-term assets | 11,801,354.97 | 12,023 |
| | 588,524,658.05 | 535,047 |
| | 688,364,599.20 | 594,407 |
| B. Current assets | | |
| I. Receivables and other assets | | |
| 1. Trade receivables | 321,849.33 | 674 |
| 2. Receivables from affiliated companies | 28,402,755.33 | 28,264 |
| 3. Other receivables and assets | 2,373,081.64 | 2,832 |
| | 31,097,686.30 | 31,769 |
| II. Cash at hand, bank deposits | 50,872,896.96 | 28,932 |
| | 81,970,583.26 | 60,701 |
| C. Prepaid expenses | 2,469,921.95 | 2,084 |
| TOTAL ASSETS | 772,805,104.41 | 657,192 |

| EQUITY AND LIABILITIES | 31.12.2015 EUR | 31.12.2014 TEUR |
|---|--|----------------------------|
| A. Equity | | |
| I. Share capital | 40,000,000.00 | 40,000 |
| II. Profit reserves | | |
| 1. Legal reserves | 4,000,000.00 | 4,000 |
| 2. Other reserves (voluntary reserves) | 266,450,000.00 | 256,100 |
| | 270,450,000.00 | 260,100 |
| III. Balance sheet profit, <i>thereof profit brought forward</i> | 10,026,286.64 31,391.05 | 3,031 98 |
| | 320,476,286.64 | 303,131 |
| B. Provisions | | |
| 1. Provisions for severance payments | 31,107,917.00 | 28,526 |
| 2. Provisions for pensions | 18,669,040.00 | 19,587 |
| 3. Provisions for taxes | 4,430,796.00 | 467 |
| 4. Other provisions | 49,577,222.35 | 31,742 |
| | 103,784,975.35 | 80,322 |
| C. Liabilities | | |
| 1. Liabilities to banks | 276,500,000.00 | 165,380 |
| 2. Trade liabilities | 6,634,830.69 | 5,837 |
| 3. Liabilities from affiliated companies | 7,501,539.49 | 48,133 |
| 4. Other liabilities, <i>thereof taxes</i> <i>thereof social security</i> | 55,374,574.89 20,190,202.88 3,146,033.48 | 51,767 17,949 3,295 |
| | 346,010,945.07 | 271,116 |
| D. Deferred income | 2,532,897.35 | 2,622 |
| TOTAL EQUITY AND LIABILITIES | 772,805,104.41 | 657,192 |
| Contingencies, <i>thereof to affiliated companies</i> | 1.00 1.00 | 23,096 23,096 |

Consolidated Profit And Loss Statement

for the 2015 fiscal year for the Casinos Austria Group

| <i>in TEUR</i> | 2015 | 2014 adjusted |
|---|----------------|--------------------------|
| Gaming revenues incl. ancillary revenues | 3,599,686 | 3,619,567 |
| Payouts of lottery winnings | -2,371,211 | -2,423,849 |
| Gross gaming revenues incl. ancillary revenues | 1,228,475 | 1,195,718 |
| Gaming taxes and other taxes | -574,038 | -560,819 |
| Net gaming revenues incl. ancillary revenues | 654,437 | 634,899 |
| Other operating income | 55,461 | 52,527 |
| Personnel expenses | -279,385 | -278,150 |
| Depreciation and amortization | -33,414 | -35,330 |
| Other operating expenses | -291,257 | -295,279 |
| Income from at equity consolidated companies | 5,258 | 6,028 |
| Operating result before restructuring expenses and impairments | 111,100 | 84,695 |
| Restructuring expenses (personnel expenses) | -10,632 | -9,179 |
| Restructuring expenses (material expenses) | 0 | -51 |
| Expenses from onerous contracts | 0 | -6,000 |
| Impairments | 0 | -315 |
| Operating result | 100,468 | 69,150 |
| Financial income | 4,051 | 8,269 |
| Income from the sale and liquidation of companies | 0 | 34 |
| Financial expenses | -28,814 | -22,466 |
| Expenses from the sale and liquidation of companies | -45 | -5,393 |
| Financial result | -24,808 | -19,556 |
| Profit/loss before income taxes | 75,660 | 49,594 |
| Income taxes | -19,022 | -3,315 |
| Result from continuing operations | 56,638 | 46,279 |
| Result from discontinued operations | -1,358 | -4,556 |
| Group result | 55,280 | 41,723 |
| <i>Attributable</i> | | |
| <i>to shareholders of parent company</i> | <i>35,443</i> | <i>22,316</i> |
| <i>to non-controlling interests</i> | <i>19,837</i> | <i>19,407</i> |
| | 55,280 | 41,723 |

Consolidated Balance Sheet

as of 31 December 2015 for the Casinos Austria Group

| | 31.12.2015 in TEUR | 31.12.2014 in TEUR |
|--|-----------------------|-----------------------|
| ASSETS | | |
| Cash and cash equivalents | 244,360 | 231,972 |
| Receivables and other assets | 74,095 | 80,176 |
| Other financial assets | 14,489 | 33,888 |
| | 332,944 | 346,036 |
| Assets held for sale | 2,884 | 7,878 |
| Short-term assets | 335,828 | 353,914 |
| Tangible assets | 222,868 | 216,671 |
| Goodwill | 245,350 | 245,350 |
| Other intangible assets | 21,889 | 23,540 |
| At equity consolidated companies | 77,935 | 72,778 |
| Deferred tax assets | 18,238 | 21,417 |
| Long-term financial assets | 232,655 | 186,541 |
| Long-term assets | 818,935 | 766,297 |
| Total ASSETS | 1,154,763 | 1,120,211 |
| LIABILITIES AND EQUITY | | |
| Financial liabilities | 41,532 | 178,118 |
| Trade payables | 22,060 | 26,003 |
| Provisions | 43,420 | 40,063 |
| Income tax liabilities | 5,176 | 2,233 |
| Other short-term liabilities | 266,060 | 278,435 |
| Short-term debt | 378,248 | 524,852 |
| Financial liabilities | 393,509 | 262,736 |
| Provisions for employee entitlements | 107,112 | 110,673 |
| Deferred tax provisions | 4,152 | 4,626 |
| Other long-term provisions | 27,068 | 16,915 |
| Other long-term liabilities | 4,577 | 4,670 |
| Long-term debt | 536,418 | 399,620 |
| Share capital | 40,000 | 40,000 |
| Retained earnings and balance sheet profit | 125,519 | 92,613 |
| Reserve for actuarial gains/losses | -26,183 | -27,235 |
| Reserve from hedge transactions | -674 | -1,963 |
| Revaluation reserve for financial assets | 0 | 55 |
| Currency conversion reserve | 15,750 | 10,980 |
| Equity - shareholders of parent company | 154,412 | 114,450 |
| Non-controlling interests | 85,685 | 81,289 |
| Equity | 240,097 | 195,739 |
| Total LIABILITIES AND EQUITY | 1,154,763 | 1,120,211 |

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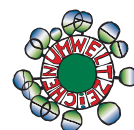
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