

# **OUR BOOK OF RECORDS**

## **AUSTRIAN LOTTERIES BUSINESS REPORT 2008**

# TABLE OF CONTENTS

Mission Statement .....	page 3
Key Data 2008 .....	page 4
Shareholders .....	page 5
The Lotteries' Book of Records 2008 .....	page 6
Introduction by the Management Board .....	page 8
The Supervisory Board .....	page 10
Co-Operation within the Group .....	page 11
Business Abroad .....	page 12
Participations .....	page 13
<b>THE COMPANY .....</b>	<b>page 15</b>
The Legal and Socio-Political Framework .....	page 15
The Importance of the Gaming Monopoly .....	page 18
Sports Promotion and Support via the Media .....	page 19
Our Understanding of Sustainability .....	page 20
Responsible Gaming .....	page 21
Responsible Advertising .....	page 22
Sponsoring .....	page 23
Staff .....	page 24
Safety and Security .....	page 25
Distribution .....	page 27
Technological Developments .....	page 30
<b>THE GAMES .....</b>	<b>page 33</b>
Lotto „6 out of 45“ .....	page 33
Football Pools and Goal Bet .....	page 34
Bingo .....	page 35
EuroMillionen .....	page 36
ToiToiToi .....	page 38
Lotto 1-90 .....	page 39
Joker .....	page 40
Scratch-off Tickets .....	page 41
Break-open Tickets .....	page 42
Class Lottery .....	page 43
win2day.at .....	page 44
WINWIN – Video Lottery Terminals .....	page 47
<b>BUSINESS DEVELOPMENT .....</b>	<b>page 48</b>
<b>DEVELOPMENT OF GAME SALES .....</b>	<b>page 50</b>
<b>OUTLOOK .....</b>	<b>page 62</b>
<b>MILESTONES IN THE COMPANY HISTORY .....</b>	<b>page 63</b>



# MISSION STATEMENT

## RESPONSIBLE - INNOVATIVE - PARTNER-ORIENTED

The Austrian Lotteries are an internationally recognised gaming enterprise which is aware of its responsibility and acts innovatively and in a partner-oriented manner. We offer interested adults a wide range of games of the highest quality. "Responsible Gaming" is the basis of all of our activities. This attitude towards the stakeholders is in the minds and the hearts of the management as well as of the entire staff.

Our efforts are focused on the confidence placed in our enterprise by our customers and by the licensor. We combine responsibility towards society, the Austrian state and its regulatory policies with entrepreneurial commitment, we live these principles in a trustworthy manner and we are economically successful. Financial strength forms the sound basis of our enterprise.

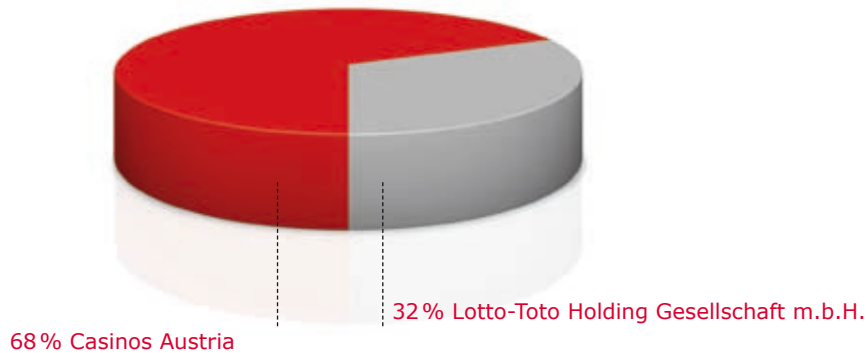
Our business model is characterised by the power of innovation. Being a pioneer in our business, we owe this role primarily to our highly motivated and performance-oriented staff who are the true backbone for sustained success. We develop and employ state-of-the-art technology in order to guarantee optimum security with regard to game management.

We consider ourselves as "good citizens", supporting institutions and projects that represent the interests of Austria and its population. Based on the license granted to us, we aim at offering the complete range of our products Austria-wide. To reach this goal and maintain what we have achieved, our retail partners are given optimum support as we foster long-term and exclusive co-operation with the Austrian Lotteries.

# KEY DATA 2008

	2008	2007	2006
<b>SALES VOLUME IN MILL. EURO</b>			
TOTAL	2,378.04	2,067.17	2,040.88
<b>BREAKDOWN:</b>			
LOTTO „6 OUT OF 45“	555.34	517.16	530.99
FOOTBALL POOLS AND GOAL BET	12.74	12.41	16.01
EUROMILLIONEN	170.88	145.26	192.60
BINGO	11.29	11.81	12.26
TOITOI	17.04	17.14	17.75
LOTTO 1-90	4.51	4.66	4.86
JOKER (NUMBERS GAME)	162.21	142.37	152.18
RUBBELLOS (SCRATCH-OFF TICKETS)	127.38	124.10	112.47
BRIEFLOS (BREAK-OPEN TICKETS)	25.85	24.12	24.39
KLASSENLOTTERIE (AUSTRIAN CLASS LOTTERY)	36.17	37.59	37.81
WIN2DAY.AT (INKCL. KENO)	945.65	808.02	772.02
WIN2DAY.AT POKER	5.05	-	-
WINWIN (VIDEO LOTTERY TERMINALS)	303.93	223.14	167.54
<b>TAY PAYMENT IN MILL. EURO</b>			
TOTAL*	383.49	348.74	376.40
<b>(GAME RELATED DUTIES, INCOME TAXES AND OTHER TAXES AND DUTIES)</b>			
<b>GAME RELATED DUTIES IN MILL. EURO</b>			
TOTAL	378.02	343.34	368.46
<b>BREAKDOWN:</b>			
BETTING FEE	161.27	148.48	157.72
LICENSE FEE	216.75	194.86	210.75
<b>NOMINAL CAPITAL IN MILL. EURO</b>			
	110.00	110.00	110.00
<b>RESULT FROM ORDINARY ACTIVITIES IN MILL. EURO</b>			
	39.06	30.13	41.01
<b>ANNUAL SURPLUS IN MILL. EURO</b>			
	33.65	24.79	33.12
<b>RETAINED EARNINGS (NET PROFIT) IN MILL. EURO</b>			
	33.66	24.00	24.01
<b>SPORTS PROMOTION IN MILL. EURO</b>			
	62.02	61.23	54.85
<b>TOTAL WINNINGS IN MILL. EURO</b>			
	1,724.60	1,461.98	1,397.87
<b>STAFF (PERMANENT STAFF)</b>			
	472	474	451
<b>DISTRIBUTION NETWORK</b>			
LOTTO AND FOOTBALL POOLS RETAIL PARTNERS	3,889	3,894	3,913
SCRATCH-OFF TICKET RETAIL PARTNERS	6,783	6,871	6,949
BREAK-OPEN TICKET RETAIL PARTNERS	6,790	6,950	7,048

# SHAREHOLDERS



- **Casinos Austria AG** **68%**
- **Lotto-Toto Holding Gesellschaft m.b.H.\*** **32%**

\*The shares of Lotto-Toto Holding Gesellschaft m.b.H. are held by:

- CLS Beteiligungs Gesellschaft m.b.H. (Bankhaus Schelhammer & Schattera AG, B & C Holding GmbH),
- RSV Beteiligungs Gesellschaft m.b.H. (Erste Bank der oesterreichischen Sparkassen AG, RAIFFEISEN-INVEST-Gesellschaft m.b.H., Österreichische Volksbanken-AG) and
- LTB Beteiligungs Gesellschaft m.b.H. (BAIH Beteiligungsverwaltungs GmbH, Bank für Arbeit und Wirtschaft AG, Hypo-Banken-Holding Gesellschaft m.b.H., Erste Bank der oesterreichischen Sparkassen AG), Österreichischer Rundfunk (Austrian Broadcasting Corporation) \*\*

\*\* At the extraordinary general meeting of 30 December 2008, a resolution was adopted whereby the Austrian Broadcasting Corporation contributed its shares in the Austrian Lotteries to Lotto-Toto Holding Gesellschaft m.b.H.

## Locations

The Austrian Lotteries are domiciled on Rennweg 44 in 1030 Vienna, with the company's second seat being located at the Civitas Nova estate near Wiener Neustadt. These premises also house the logistics centre, the parallel computing centre as well as substitute work stations. In October 2007, additional office space was leased in a building on Rennweg 46 in 1030 Vienna.

## Address of the company's corporate headquarters:

Österreichische Lotterien Gesellschaft m.b.H.  
Rennweg 44, 1038 Vienna  
Phone: (+43 1) 790 70-0  
Fax: (+43 1) 799 39 39  
Internet: [www.lotterien.at](http://www.lotterien.at)

In the interest of easy reading, terminology will not be gender-specific. Where applicable, the female and male forms will be used when a concept is mentioned for the first time in the text. In the following text, words such as employees, partners, customers etc. should always be taken to denote men and women.

# THE LOTTERIES' BOOK OF RECORDS 2008

When browsing through the Book of Records, you will read about extraordinary achievements, special ingenuity and personal goals people set themselves and attained.

The Lotteries' Book of Records is also about top performance, with special mention of the achievements of five athletes: Andrea Scherney, Andreas Vavra, Wolfgang Schattauer, Thomas Geierspichler and Wolfgang Eibeck. People who performed a special feat 2008 – they are the Austrian medalists of the XIIIth Summer Paralympics in Beijing. The Austrian Paralympics team brought home six medals – four gold medals, one silver and one bronze medal – as well as numerous top ranks. As a long-standing partner of the Austrian Paralympic Committee, the Austrian Lotteries are particularly happy about the athletes' success. Their personal records will be shown in this Annual Report in an attempt to pay tribute to their sensational accomplishments.

The Austrian Lotteries, too, have set records which are reflected in the Annual Report 2008 and the interim Report on Sustainability 2008. These records are also due to personal achievements and personal commitment, or sheer luck, as the case may be. Please read for yourself.

## **3,892 Responsible Gaming Certificates**

When ticket agents were trained in using the new online terminal, they were also provided with special information on responsible gaming as enshrined in the procedures of the Austrian Lotteries, and given a certificate upon successful completion of the course. In the past year, a total of 3,892 participants underwent training. Ticket agent employees can now also query the information on responsible gaming via the new online terminal KeWin II.

## **3,972 KeWin II Online Terminals**

When the new KeWin II online terminal was set up on the premises of ticket agent Dietmar Loacker at Götzis, Vorarlberg, on 18 April 2008, the drive to equip the entire partner network with new online terminals came to a successful conclusion. A total of 3,972 terminals had been installed and linked up with the new transaction system and network of the Austrian Lotterien.

## **The First Quintuple Lotto Jackpot Ever**

We had to wait for 22 years for this moment to arrive, and finally Lotto "6 out of 45" saw its first quintuple jackpot. On Wednesday, 28 May 2008, 10 million euro were waiting to be won, 3.3 million tickets and 22.7 million bets were handed in. The first ever quintuple jackpot winners in the history of Austrian lotto hail from the south-western and the south-eastern parts of the region.

## **2,360,259 Million Transactions**

On 28 May 2008, the computers ran hot – figuratively speaking. The new online terminals and the new transaction system stood the acid test without acting up – they mastered the digital load of the quintuple jackpot round flawlessly. On Wednesday, 28 May 2008, alone, the system processed 2,360,259 transactions. The baptism of fire culminated in a record high of queries for winnings via the win2day.at website at 10:30 p.m. the same day. The system handled the enormous load without any problems.

## **1,724.6 Million Euro Total Winnings**

The amount paid out to winners in the Austrian Lotteries' games last year was 1,724.6 million euro. Congratulations to all of you!

## **1,020 Ideas**

The employee initiative of 2008 gave the staff of the Austrian Lotteries an opportunity of submitting proposals and ideas about how to make their work environment simpler and more process-oriented. A total of 1,020 ideas were collected, 350 of which were implemented immediately; 270 were subject to co-ordination with executives, and about 400 were filed in a repository for subsequent processing. Each employee contributed his or her know-how for the benefit of the company, to increase efficiency, improve quality and thus make the organisation faster and more flexible.

## **55,609,411 Euro – Solo Winnings for One**

On 16 May 2008, a player from Carinthia struck it rich: his 5+2 bets in the EuroMillionen game matched the numbers drawn, and he hit the EuroJackpot. It took him four sets of bets placed for him by the computer, using the quick pick option. The second pick was the right one: 6, 9, 15, 25 and 38 as well as 4 and 9 from among the lucky stars.

### **1,126 Draws**

Every time the Lotto and Joker draws are broadcast live on ORF2 and the host extends a cordial welcome to the viewers, a lot is going on behind the camera, too. A representative of the Austrian Lotteries' Draw Department, an engineer and a notary public observe the draw to make sure everything is done as stated in the draw procedure and the terms and conditions approved by the licensor. The year 2008 saw a total of 1,126 draws for all the lottery games of the Austrian Lotteries.

### **70 Million Betting Slips**

We set ourselves objectives to reach them. Just like objective 21 from the Sustainability Report of 2007: By the end of 2008, we wanted to have betting slips bearing the FSC label or the Austrian eco-label. In June 2008, we were able to tick it off as "achieved". The betting slips of the Austrian Lotteries are bearing the Austrian eco-label.

### **758.75 Million Euro for Austrian Sports**

Sports funding is the most significant source of financing for sports in Austria. Sports funding is enshrined in the Games of Chance Act and the Austrian Lotteries make a major contribution to it, especially to mass sports, which fulfil an important function in society. Since 1986, more than 758.75 million euro have been used for sports funding. In 2008, the total was more than 62 million.

### **2.2 Million Euro of Sponsor Funds**

The Austrian Lotteries consider it part of their social and socio-political responsibility to contribute to good causes. In 2008, they provided 2.2 million euro in sponsor funds to projects in the fields of environment and nature, health, humanitarian causes, sports, art and culture, economics, science and research.

## INTRODUCTION BY THE MANAGEMENT BOARD

**Dear reader,**

when management looks back on a successful business year, the first thing that comes to mind is a note of thanks. We, the members of the Management Board of the Austrian Lotteries, would like to thank our employees, sales partners, suppliers, customers, owners, the licensor and the people of Austria – in a nutshell: our stakeholders, and hence, you.

The year 2008 was a successful year for the Austrian Lotteries, which was primarily due to the positive development in lotto “6 out of 45” with numerous jackpots, and the rolling jackpots of EuroMillionen. These are events arising from the system of the game and cannot be influenced – a matter of luck. However, our actions do not leave anything to chance, they are guided by awareness and responsibility: “Responsible Gaming” is our creed and the overarching principle for our business activities.

As a licensee, the Austrian Lotteries are required to generate optimum yield in terms of game-related duties whilst considering aspects of order public, and this is a task we take very seriously. We optimise our profit without striving for maximisation. This means that, with order public in mind, we aim at protecting young people and those at risk to become addicted. Whenever we develop new games, we always focus


on “Responsible Gaming”. One case in point is the Poker Room we introduced on win2day.at, the joint platform of the Austrian Lotteries and Casinos Austria, on 7 February 2008. It resulted in a boost to electronic lottery sales on win2day.at, thus contributing to the Austrian Lotteries good result for the year. Moreover, WINWIN and the video lottery terminals continued in much the same successful way as in the previous year.

The Austrian Lotteries and Casinos Austria are two major corporations with enormous know-how. For an even better integration of skills and more efficiency in the future, the group of companies become more tight-knit in 2008, both organisationally and in terms of local proximity. Since 1 October 2008, the companies have been structured by divisions supported by group functions and related departments. Moreover, cooperation is enhanced by the introduction of a joint IT system.

The domestic market for lottery games will only allow for limited growth. For this reason, the Austrian Lotteries have started to offer their services in other markets sustainably to strengthen the company. Last year, the Austrian Lotteries saw reaped first success in projects abroad when they entered the games of



Gen.-Dir. Dr. Karl Stoss  
Vst.-Dir. Mag. Bettina Glatz-Kremsner  
Gen.-Dir.-Stv. DI Friedrich Stickler



chance market in the Russian Republic of Bashkortostan. As early as at the end of 2008, offline scratch-off ticket sale based on an Austrian scratch-off ticket was launched in Bashkortostan. In parallel, work is under way on building a network of up to 2,000 distributors and creating the required technical infrastructure. We expect to introduce classic lotto, similar to Austria's Lotto "6 out of 45" in the summer of 2009.

These processes – i.e. the changes in the group structure, activities of the Austrian Lotteries abroad and new technical equipment for ticket agents – spell important investments for the future to better meet the challenges of the games of chance market. According to the International Monetary Fund, the financial crisis will lead to a recession in 2009, leading to negative economic growth in Austria, too. The stock markets already responded in 2008 whilst consumers are gradually adjusting to the situation, and consumption showed marked decline in some areas towards the end of 2008. Forecasts for the coming years confirm how important investments such those described above are to strengthen the corporation and its business partners.

By deciding, as a company in the gaming industry, to publish a Sustainability Report in 2007, the Austrian Lotteries triggered a process which has already produced many achievements – both within the

company and with external business partners. The Austrian Lotteries' progress report on sustainability is now available, and it will show you that all our betting slips now bear the Austrian eco-label. The Austrian Lotteries have assumed a large share of social and socio-political responsibility, which is also reflected in their sponsoring activities. After all, significant earnings should not only be expressed in taxes but also in financial support to projects in the fields of environment and nature, health, humanitarian causes, sports, as well as art and culture.

What follows from all these aspects is that the Austrian Games of Chance Act reconciles consumer demand for a highly diversified games portfolio with the required regulatory measures to protect the population from addiction to gaming. The Austrian games of chance monopoly is not called into question, neither by national nor international courts. The European Court of Justice never rules that a national service monopoly in the field of gaming or betting is in breach of Community legislation. By pursuing both objectives at the same time – player protection by market control, and optimum yield for the national budget – the monopoly contributes more to the national economy than a liberalised market.

Karl Stoss, Friedrich Stickler, Bettina Glatz-Kremsner

# THE SUPERVISORY BOARD

## **PRESIDING COMMITTEE:**

- Walter Rothensteiner  
Chairman of the Supervisory Board
- Helmut Jonas  
Deputy Chairman of the Supervisory Board (as from 1 April 2008)
- Leo Wallner  
Deputy Chairman of the Supervisory Board

## **MEMBERS OF THE SUPERVISORY BOARD:**

- Maria Theresia Bablik (as from 1 April 2008)
- Erich Hampel
- Alfred Ludwig
- Kurt Meyer
- Gerald Neuber
- Reinhard Ortner
- Alfred Pichler
- Dietmar Spranz (until 16 September 2008)
- Gerhard Starsich (as from 16 September 2008)
- Manfred Url (until 1 April 2008)
- Matthias Winkler (until 8 May 2007)
- Alexander Wrabetz

## **MEMBERS NOMINATED BY THE WORKS COUNCIL:**

- Erich Populorum
- Norbert Eigl
- Ernst Gyöngyösi
- Edmund Maier
- Emmerich Hager
- Gertrude Kopp

## **COMMITTEE ON CURRENT BUSINESS AFFAIRS:**

- Walter Rothensteiner (Chairman)
- Helmut Jonas (Deputy Chairman)
- Leo Wallner (Deputy Chairman)
- Alfred Ludwig
- Alfred Pichler
- Alexander Wrabetz

## **MEMBERS NOMINATED TO THE COMMITTEE ON CURRENT BUSINESS AFFAIRS BY THE WORKS COUNCIL:**

- Erich Populorum
- Edmund Maier
- Gertrude Kopp

## **STATE COMMISSIONERS:**

- Martin Atzmüller
- Franz Philipp Sutter

## **MANAGEMENT BOARD:**

- Karl Stoss  
Chairman of the Management Board
- Friedrich Stickler  
Deputy Chairman of the Management Board
- Bettina Glatz-Kremsner  
Member of the Management Board

## CO-OPERATION WITHIN THE GROUP

When Casinos Austria took over the Austrian Lotteries' shares from BAWAG-P.S.K., the two companies Austrian Lotteries and Casinos Austria were drawn together even more closely.

The two companies co-operate within the group in order to strengthen their position in the Austrian gaming market. The year 2008 was characterised by structural changes and the relocation of the Casinos Austria Headquarters to the third district of Vienna. Previously, the two companies had already cooperated very closely in the areas of Responsible Gaming, IT, internal audit and communication.

The process whereby the new structures were introduced was supported by the management advisors Arthur D. Little; this way, the organisational structure of the entire group was re-designed. The individual companies are organised in divisions which can fall back on the know-how of the so-called group functions. The six divisions are: Casinos in Austria, Lotteries, International Business, Betting and Sports-Related Skill Games, VLT/Slot Machines, as well as Online Gaming & New Media & Other Skill Games. The group functions available to them are: Human Resources, Corporate Communications, Responsible Gaming, Advertising & Sponsoring, Legal Affairs, Public & European Affairs/CSR, Information Technology, Services, Controlling, Finance, Internal Audit and Corporate Procurement.

The new organisational structure has been in place since 1 October 2008 and is being implemented in

stages. Irrespective of the company they belong to, employees are assigned to the new organisational units in accordance with their tasks. This way, the work environment changes: employees may get new workplaces, new superiors, new colleagues, changed tasks and possibly new activities. The closer integration of the companies is followed through in special Change Management Workshops arranged by Human Resources. Executives and employees are assisted in handling changes so they are able to familiarise themselves quickly with new corporate culture and new types of collaboration, thus ensuring smooth transition.

Important information and ongoing issues from the group are reported to the staff of the co-operating enterprise on shared Intranet pages and at joint events.

### **The Organisation of the Austrian Lotteries within the Group**

The position of the Austrian Lotteries in the group is now the Lotteries Division; in co-ordination with the Management Board, they develop strategic orientation, managing day-to-day operational business independently. The core areas of marketing and product development, sales, draws, sponsoring and editor's office, controlling and the office of the general counsel are directly anchored in the division.

Within the group, the Lotteries Division has access to the services provided by the group functions.

## BUSINESS ABROAD

The market potential which the Austrian Lotteries have in Austria is largely exhausted and will reach the limits to growth. For the Austrian Lotteries, the year 2008 was characterised by an analysis of foreign market potentials. The undertaking is now offering know-how and services in other markets to strengthen its economic performance with sustainable effect.

### Market Launch in Bashkortostan

The autonomous Russian Republic of Bashkortostan in the South of Russia is situated about 1,200 kilometres south-east of Moscow. It has 4.06 million inhabitants and is about one and a half times the size of Austria (142,900 square km). Due to large oilfields and an equally large petroleum processing industry, Bashkortostan is one of the best economic performers among regions in the Russian Federation.

In 2007, the gaming market in the Russian Federation, and hence in Bashkortostan, was given new rules and regulations. To compensate for the loss of tax revenue caused by the closing of casinos, the government of Bashkortostan decided to introduce local lottery games. Looking for a competent and trustworthy partner, the government addressed the Austrian Lotteries. In April 2008, a letter of intent was signed between the government of the Republic of Bashkortostan and the Management Board of the Austrian Lotteries to commit the most important framework conditions of the project to paper.

"Russisch Österreichische Lotterien Holding Gesellschaft m.b.H.", a company which the Austrian Lotteries is a shareholder of, runs "Ural Loto Gesellschaft mb.H." in Bashkortostan. Establishing the operator Ural-Loto in Ufa, the Austrian Lotteries can rely on their own experiences in Austria as well as time-tested partners. The order for the production of online

terminals was placed with the Linz-based company KEBA AG, a long-standing domestic partner of the Austrian Lotteries. As for local know-how, the Austrian Lotteries were able to rally the support of a successful entrepreneur, Vadim Pletnev, the owner of VPB Beteiligungsgesellschaft m.b.H. He holds dual Russian and Austrian citizenship and acts as an advisor to the government of Bashkortostan in his capacity of trade commissioner.

The operator Ural-Loto is to hold the sole licence for a draw-based lottery in Bashkortostan for a period of 15 years. This way, the government is to make up for lost taxes whilst reorganising and restructuring the gaming industry.

As early as at the end of 2008, Ural-Loto launched an offline scratch-off ticket lottery - based on the Austrian scratch-off ticket series "Happy Money" - under the title "Lucky Hearts". In parallel, work is under way on building distribution network and technical infrastructure. The launch of "Lotto 6 out of 45" with 1,000 terminals and a computer centre in the capital Ufa is scheduled for the summer of 2009. The terminal network is to be expanded to 2,000 by early 2010.

The investment agreement signed by the Austrian Lotteries, "Russisch Österreichische Lotterien Holding" and the government of Bashkortostan in December 2008 set forth the terms and conditions under which Ural Loto will be running a draw-based lottery and other types of lottery games in Bashkortostan for an unlimited period.

Thus, lost taxes will be compensated for whilst the gaming industry of Bashkortostan will be restructured and reorganised.

## PARTICIPATIONS

### **Österreichische Sportwetten Ges.m.b.H.**

The sportsbook company Österreichische Sportwetten Gesellschaft was founded in April 2000 and went operational on 24 August 2001. It is a subsidiary of Entertainment Glücks- und Unterhaltungsspiel Gesellschaft m.b.H. (56%), Mediaprint Zeitungs- und Zeitschriftenverlag Gesellschaft m.b.H. & Co KG Kommanditgesellschaft (26%), as well as Bundesländerverlage Beteiligungsgesellschaft m.b.H. (18%). Casinos Austria AG and Österreichische Lotterien Ges..m.b.H. each own 50% of Entertainment Glücks- und Unterhaltungsspiel Gesellschaft m.b.H.

This way, up-to-date information on betting events are readily available to punters and the daily papers are able to strengthen reader loyalty. Up to ten accumulated sports bets on an odds basis are not subject to the games of chance monopoly in Austria. Licenses for sports betting are issued by the individual provinces of Austria on the basis of their laws. Österreichische Sportwetten Gesellschaft obtained these licenses in all nine provinces.

In 2008, the sales of tipp3 amounted to roughly 50 million euro.

Due to its enormous reliability and competence, tipp3 has established itself as THE Austrian sport betting product.

UEFA EURO 2008 was definitely the major football event of the year; it had a positive bearing on betting business for tipp3. Annual sales relating to the time when UEFA EURO 2008 took place saw a double-digit increase over the previous year.

The best league – the perfect time!

The enthusiasm and clearly rising interest in sports betting experienced during UEFA EURO 2008 encouraged tipp3 in its plans to co-operate more closely with the Austrian Bundesliga (the highest-ranking federal football league). Starting from the beginning of the 2008/09 season, tipp3 strengthened its ties with the Bundesliga, which changed its name to "tipp3 Bundesliga powered by T-Mobile" on 1 July 2008. For the first time, tipp3 is the official sportsbook company for the entire Bundesliga. In the past, tipp3 had already proved its value as a reliable sponsoring partner of Austrian football, supporting five Bundesliga clubs as

well as the Austrian Football Association (ÖFB) and several regional clubs.

### **Glücks- und Unterhaltungsspiel Betriebsgesellschaft m.b.H. and Glücks- und Unterhaltungsspiel Betriebsgesellschaft m.b.H. Ebreichsdorf**

These two companies are subsidiaries of Entertainment Glücks- und Unterhaltungsspielgesellschaft m.b.H., in which the Austrian Lotteries and Casinos Austria hold a share of 50% each.

The purpose of the two companies is the operation of video lottery terminals. Whilst they look like classic slot machines, the gaming mechanics are different; the video lottery terminals offer electronic lotteries, which under sec. 12a of the Austrian Games of Chance Act are defined as gaming contracts entered into via electronic media. The decision about winning or losing is brought about centrally.

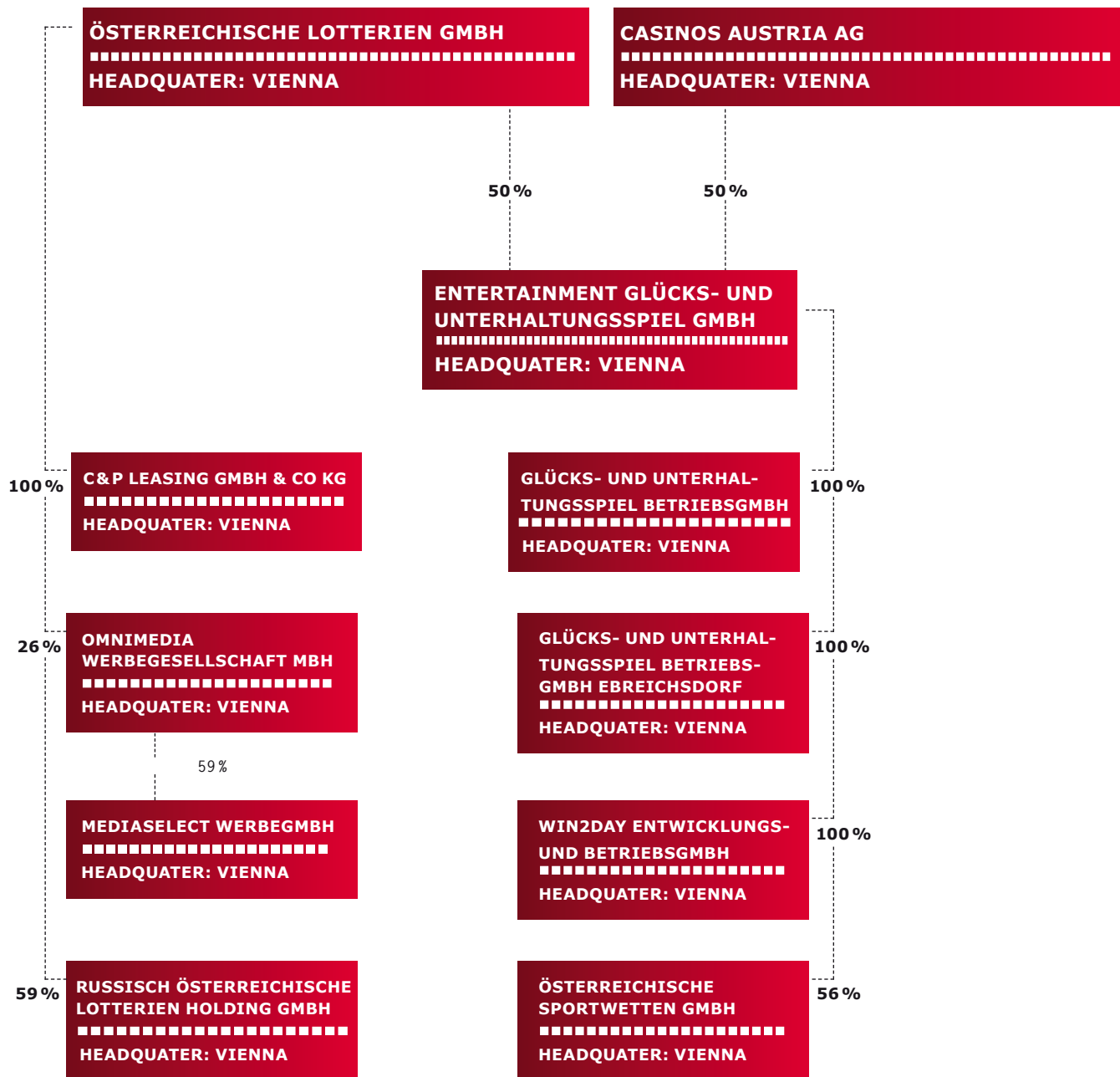
The brand name for the video lottery terminals is WINWIN. WINWIN stands for a combination of gaming, entertainment and hospitality, thus reaching a new customer segment.


### **win2day Betriebs- und Entwicklungsgesellschaft m.b.H.**

The year 2004 saw the formation of win2day Betriebs- und Entwicklungsgesellschaft m.b.H., a subsidiary of Entertainment Glücks- und Unterhaltungsspielgesellschaft m.b.H., in which the Austrian Lotteries and Casinos Austria hold a share of 50% each.

Its purpose is the development and operation of electronic lotteries offered on win2day.at, the joint gaming platform of the Austrian Lotteries and Casinos Austria. The electronic lotteries on win2day.at are games embedded in a multi-channel platform with an integrated wallet function so as to enable gaming via the Internet. Sec. 12a of the Austrian Games of Chance Act stipulates that electronic lotteries are games based on a contract concluded via electronic media. The decision as to who loses and who wins how much is taken centrally. Immediately after participating in the game, the player will obtain information on that decision.

win2day.at combines the technological implementation of Internet and mobile telephony. Players access the same electronic games with a uniform brand get-





up, no matter which transmission medium and terminal equipment they use. Internet or mobile phone – win2day.at is the uniform umbrella for the range of games and information. In 2008, “Mega Brieflos” (“Mega Break-Open Ticket”) was added to the range of lottery games. “Würfelpoker” (dice poker), the slot machine “Wild Fruits”, the video poker game “Double Draw Faces” and the card game “Red Dog” were launched as new casino games. “Dolphin Star” was added to the mobile Java games. The virtual poker room, which was launched with “Texas Hold’em” and “Five Card Draw” on 7 February 2008, was complemented by “Omaha” and “Seven Card Stud” on 30 September 2008.

#### **Russisch Österreichische Lotterien Holding Gesellschaft m.b.H.**

The limited-liability company Russisch Österreichische Lotterien Holding G.m.b.H. was founded in December 2008. Participations are held by Österreichische Lotterien Gesellschaft m.b.H., VPB Beteiligungs Gesellschaft m.b.H. and KEBA AG. The company purpose is to hold shares in gaming and betting companies in the Russian Federation, and it holds 100% of the shares of Ural Loto Gesellschaft m.b.H. which has its seat in the autonomous Russian Republic of Bashkortostan, where it acts as a gaming operator. In late December 2008, Ural Loto GmbH launched a scratch-off ticket. The introduction of a lottery similar to Austria’s “Lotto 6 out of 45” is scheduled for Q2 2009.

# THE LEGAL AND SOCIO-POLITICAL FRAMEWORK

The business purpose of the Austrian Lotteries was enshrined in the Austrian Games of Chance Act and the legislator's explanatory comments thereto. The most significant objective of the rules governing games of chance in Austria is the protection of players from an excess of supply and untrustworthy providers.

Sec. 14 of the Games of Chance Act (Federal Law Gazette no. 620/1989) describes the requirements to be fulfilled by the licensee for running games of chance. The act i.a. states that the licensee „...shall attain the optimum yield of game-related duties (license fee and betting fee) for the national revenue intake of the federal republic. „ Legislation deliberately uses the word „optimum“, not „maximum“. The criterion underlying such optimisation is the regulatory task fulfilled by the law governing the games of chance sector. The explanatory comments pertaining to the act describe this task as follows:

„...The shift of gaming to illegality observed in states where games of chance are prohibited can be avoided while the state is able to supervise the games thus run on a legal basis. The highest regulatory priority must be the protection of the individual player. „


The optimum yield in terms of game-related duties can only be attained by responsible self-restriction on the part of the Austrian Lotteries. Hence, the range of games and the way management handles operations is supervised by the licensor to conform with its regulatory objectives. On the one hand the licensor guarantees that the existing shareholder structures are monitored, thus preventing the Austrian gaming market from being infiltrated by criminal elements and on the other hand it regulates and approves each new product through the gaming terms.

Limiting the number of licensees to one, the state administration is also able to effectively prevent criminal risks such as fraud and money laundering as the licensee, its business and financial administration are under constant scrutiny under a dense network of monitoring measures. The regulatory, security and fiscal interests of the Austrian federal republic as the holder of the monopoly are thus safeguarded.

By its very nature, competition leads to a battle for market shares. However, in the field of gaming this is tantamount to fuelling the passion for gaming to an unhealthy extent due to out-of-proportion advertising. From the socio-political and regulatory angle, this is not acceptable, and in fact, also for this reason a regulation of gaming by restricting it to games provided by a sole licensee is the optimum solution.

## **Gaming exempted from the Services Directive**

Although harmonisation and liberalisation may play an important role in the European Union, it does make sense to review such targets on an area-by-area basis. The prolonged discussion about the scope of the Services Directive thus led to a positive outcome. The European Parliament decided by a clear majority to exempt all “gaming, including lotteries, casinos and betting transactions” from the scope of application of the Services Directive. The EU Ministers of Economic Affairs agreed by a clear majority vote to exempt all “games of chance, inclusive of lotteries, casinos and betting transactions” from the EU Services Directive's scope of application. The MEPs reasoned that, due to its special nature, gaming had to be exempted with a view to public order and consumer protection, and this is in conformity with the rulings of the European Court of Justice.



Thus, the European Parliament recognised the significant role which gaming providers under monopolies play for European society as they fund good causes, such as sports and projects in the fields of health, culture, social and environmental matters.

### **European Court of Justice confirms the game of chance monopoly**

In a number of groundbreaking rulings, the European Court of Justice clarified contentious issues in gaming law: "Läärä" (1999), "Zenatti" (1999), "Anomar" (2003), Gambelli (2003) and "Placanica" (2007). Rulings were in keeping with the original general approach and at the same time more specific about details.

With its decision on the "Placanica" case in March 2007, the European Court of Justice consistently continued its previous rulings, insofar as national restrictions of the freedom of establishment and the free-

dom to provide services in the gambling sector are admissible even to the point of a complete prohibition of games of chance.

The ECJ makes it clear in its "Placanica" decision that licensed companies – i.e. the licensees – and therefore also national monopolies, have to offer "attractive alternatives" to illegal gaming as well as "a broad range of games", for which purpose also a respective "scope of advertising" and the "employment of new sales technologies" are admissible. The ECJ also explains that a license system can represent a powerful mechanism of controlling those companies offering their services in the gaming sector.

# THE IMPORTANCE OF THE GAMING MONOPOLY

Gambling is a fundamental human need. Hence, a general prohibition by regulatory authorities would be ineffective, merely causing illegal offers to thrive. It makes more sense to introduce games whilst keeping them under control and sanctioning illegal practices. This way, needs are satisfied in a controlled way.

The Austrian Games of Chance Act combines the customers' desire for a complex range of games of chance with the necessary regulatory measures to provide protection against compulsive or pathological gaming. It is a major principle not to fully exploit existing market potentials, but to allow for controlled growth of the market instead. In particular, games with a highly addictive potential – especially gaming machines do have such a potential – shall be restricted. If both goals are aimed at simultaneously – the protection of the players by controlling the market and high profits for the state – then the monopoly will yield higher profits for the national budget than a liberalised market could do.

High profits are not only expressed in terms of taxes and duties to be paid, but also by the company's extensive support of the Austrian professional as well as popular sports. The Austrian Lotteries furthermore sponsor with its profits also many social and humanitarian projects as well as art and cultural projects all over Austria.

From its very beginning, the Austrian Lotteries have always fulfilled the legal prerequisite to attain the „optimum yield of game-related duties“ for the national revenue intake of the federal republic. This means, it is expressly not the “maximum” yield that is desired from the entire society's point of view (protection of players, regulatory arguments). Together with Casinos Austria, the Austrian Lotteries are the second lar-

gest tax payer of the Republic of Austria. Contrary to market participants doing business in liberalised markets, the maximisation of the profits does not represent the primary purpose of the companies

Many governments in Europe aim at controlling the need of the population for games of chance and to protect players from themselves, an excessive number of games on offer and unreliable providers. Channelling the need for gambling in a legal range of games optimised from the regulatory angle is the prerequisite for depriving illegal providers largely of their foothold in the market.

International experience has shown that competition in sensitive areas such as gambling will only lead to bidding policies, a battle for market shares and an unhealthy fuelling of the passion for gaming due to out-of-proportion advertising. Advertising pressure on the consumer can only be kept at an optimum and socio-politically acceptable level in a system where the gaming sector is subject to a monopoly.

To rule out illegal gaming in all parts of the population to the greatest possible extent, legal offers have to be developed for all potential target groups. The order of the day, motivated by regulatory considerations, is to cover the entire market and not to be active in the most attractive segments only with profit in mind.

The gaming sector is particularly endangered by the threatening infiltration of organised crime and fraudulent activities, especially as regards money laundering. Thus there is a specific need for the state to provide a legal framework that guarantees sufficient control to combat these problems.

# SPORTS PROMOTION AND SUPPORT VIA THE MEDIA

In Austria sports promotion is the most significant contribution to funding sports activities. With their sports promotion as enshrined in the Austrian Games of Chance Act, the Austrian Lotteries make an essential contribution to the funding of sports activities, especially to the funding of mass sports, a matter of particularly high socio-political importance in Austria. If funding were limited or withdrawn, the voluntary functionaries of sports clubs and associations, would be deprived of the financial basis for their work. As a consequence, diversity and scope in sports would be lost and not-for-profit activities would be jeopardised.

## **Sports Promotion in Europe**

Earmarked funds for sports from the earnings generated under games of chance monopolies in Europe create a considerable amount of employment and added value. The games of chance market thus provides an important impulse to sports as a market with a high potential for added value generation.

## **The White Paper on Sport**

In March 2008, the European Commission presented a "White Paper on Sport", specifically pointing out that national games of chance monopolies in general, and lotteries in particular, play a very important role in the context of sports funding. Amateur and mass sports benefit greatly from earmarked taxation on gaming. According to the White Paper, national monopolies should be maintained because they can lastingly secure the funding of sports.

## **For the Future of Sports in Austria**

In 1948, the Austrian National Council adopted the Football Pools Act, the legal basis for the introduction of football pools in Austria. In 1949 the football pools were launched to raise funds for the revival of Austrian sports after World War II.

To ensure the financial basis of sports promotion, appropriate provisions relating to annual payments on the basis of taxes from lotto and football pools were added to the Games of Chance Act when lotto was introduced and the football pools were taken over by the Austrian Lotteries in 1986.

In the amendment of the Games of Chance Act of 10 December 2004, effective as from 1 January 2005, it

was resolved that 3% of the annual sales proceeds of the Austrian Lotteries would be earmarked for the promotion of sports. The annual minimum is now 40 million euro whereas the maximum threshold was dropped so that funding in support of sports from the budget is increased further.

## **Sports Promotion 2008**

In 2008 the Austrian sports world obtained EUR 62,015,247.48. Since 1986 the sum total of sports funding under the Games of Chances Act has amounted to more than 758.75 million euro. The funds are managed by the Austrian Federal Sports Organisation and distributed according to a special ratio formula. Thus, the financial basis of many sports federations and associations in all of Austria is safeguarded.

## **Promotion for Up-and-Coming Players**

By supporting many projects for young football players, the Austrian Lotteries contribute to the future of football in Austria.

Projects for up-and-coming players 2008

- the Toto Youth League saw its 19th championship
- the 20th International Youth Toto Cup was organised. Austria's Under-17 team won the tournament for the third time in a row.

## **Support via the media**

Support via the media represents a very particular form of sponsoring. Until 1986 a number of organisations like the Austrian Child Aid Foundation, the Sport Aid Foundation or the Austrian Senior Citizens' Aid Foundation had generated their funds, apart from donations, by organising number lotteries with non-cash prizes. However, Lotto „6 out of 45“, which was introduced in September 1986, turned out a superior competitor so that the Austrian Lotteries agreed to cover the financial needs of the Austrian Child Aid Foundation, the Austrian Senior Citizens' Aid Foundation and the Austrian Sport Aid Foundation.

Also in the previous year, the Austrian Lotteries concluded agreements with numerous partners in the media and with non-profit-organisations on the general support via the media.

# OUR UNDERSTANDING OF SUSTAINABILITY

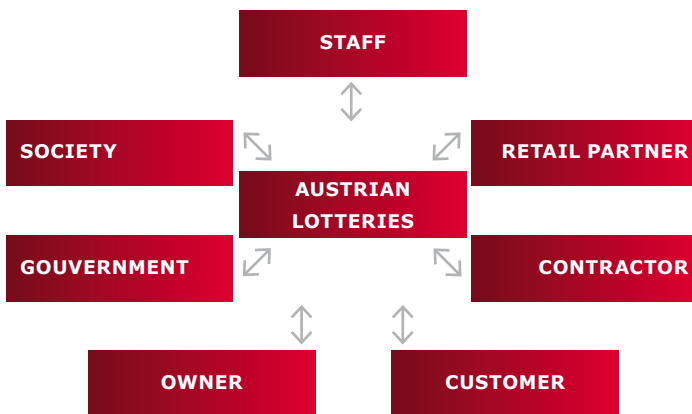
Corporate Social Responsibility is a concept which provides a basis for the Austrian Lotteries to incorporate social, economic and environmental concerns on a voluntary basis in their activities as entrepreneur and in their business relations with their partners. To act in a socially and ecologically responsible way does not only mean to comply with the statutory regulations, it also stands for increasing investment into relations with stakeholders. This attitude requires from the company management heightened awareness of its social, ecological and economic responsibility which is actually reflected in the entirety of the company's operations.

The Austrian Lotteries have always taken their responsibility very seriously. However, they are convinced that beyond their current focus on "Responsible Gaming" further improvements are still possible which will have an impact on all of the company's sectors. In 2007, the first Sustainability Report, drawn up according to the guidelines of the "Global Reporting Initiati-

ve" organisation, was presented. Sustainability reports drawn up according to this internationally accepted and standardised GRI guideline enable a comparison of the companies' performances and achievements in the social, the ecological and economic fields.

The Sustainability Report of 2007 documents the activities of the company relating to sustainable development and sets forth specific objectives and measures for the coming years. In 2008, the degree of attainment of these objectives was reviewed and progress in the individual areas was subjected to regular scrutiny. The Progress Report on Sustainability for 2008 is available, reflecting developments so far.

## The Stakeholder of Austrian Lotteries



# RESPONSIBLE GAMING

As a responsible provider of games of chance, the Austrian Lotteries have from the very beginning sought to counteract potential problems. To keep the „game factor“ in games of chance, the Austrian Lotteries feel obliged to make it possible for players to adhere to the principle of moderation by self-restriction.

A special unit in the group is in charge of „Responsible Gaming, Advertising and Sponsoring“. For many years, it has been dealing with this subject in cooperation with university institutions and counselling services. Executives and those in touch with customers attend regular continuing professional education workshops specially conceived for them, at which they are trained by experts from Austria and abroad. However, the department also offers advice and help to players with problem gambling behaviour.

## Responsible Gaming Academy

April 2008 saw the fifth occasion on which the Responsible Gaming Academy was held at Studio 44 hall of the Austrian Lotteries. The target group for this event included employees of the Austrian Lotteries, Casinos Austria, WINWIN and tipp3.

Speakers at the Fifth Responsible Gaming Academy were:

- Dr. Jon Kelly<sup>1</sup>, who gave a paper on “Problem Gambling Prevention – It’s Not Rocket Science – (It’s Not that Easy)”

- Dr. Roland Mader<sup>2</sup> on “Pathological Gambling: Diagnosis – Development – Therapy”
- Herbert Beck<sup>3</sup> and Doris Malischnig<sup>4</sup> on the Responsible Gaming training scheme for all employees of the casino operations,
- Dr. Mark Griffiths<sup>5</sup> on the development of “GAM-GaRD (Gaming Assessment Measure – Guidance about Responsible Gaming): a new tool for the gaming industry”
- Dr. Michael Lehofer<sup>6</sup> on “If success is a journey, not a destination, the destination should be located along the way”

In addition to that, the employees were offered the possibility to discuss current topics and problems with these experts on the occasion of workshops.

## Responsible gaming and the retail partners

Within the framework of education and training for the new online-terminals all the retail partners also receive information on Responsible Gaming.

For detailed information on Responsible Gaming please refer to the Austrian Lotteries’ Progress Report on Sustainability 2008, page 13.

1 CEO of the Responsible Gaming Council (RGC) in Ontario, Canada

2 Head physician at the Anton-Proksch-Institut, Vienna, and head of the addiction counselling centre at Baden

3 Head of the unit “Responsible Gaming, Advertising & Sponsoring” of the group

4 Head of the department in charge of prevention within the group’s unit for “Responsible Gaming, Advertising & Sponsoring”

5 Holder of the only chair for gaming research in Europe at Nottingham Trent University, UK

6 Chief physician at the “Sigmund Freud” regional psychiatric hospital, Graz and medical director of the drug counselling centre of the Land of Styria

## RESPONSIBLE ADVERTISING

All governments in Europe aim at channelling the population's play instinct in a controlled way and at protecting players.

Legislators contemplated a total prohibition of gambling as a desirable state but found that the play instinct immanent in human beings cannot be entirely repressed so that a high risk of recourse to illegal offers might ensue. For this reason, a strict system of prohibitions with exemptions for state-licensed providers subject to special requirements was created.

Control of the gaming market by channelling consumer needs towards a range of offers optimised from the regulatory perspective can only be successful if consumers feel that legal offers are better in quality. In market economies there is competition between legal products and a wide variety of products without a domestic license. As players are in fact (though not legally) free to choose, it is important to focus their attention on legal games.

For years, the Austrian Lotteries have adhered to the principles of "Responsible Advertising", which means advertising in an informative way while by no means obscuring the facts. This is what persuasive advertising does. The fundamental need to play is not stimulated excessively, and kept within limits that are acceptable from a regulatory point of view. For example, it can indicate that one is not buying a sure win at low cost but the opportunity to purchase a dream. This is the advertising pitch which the Austrian Lotteries have used for Lotto, its biggest-selling product, for many years, and it can definitely be considered a case in point for successful advertising. As for the second top seller, scratch-off tickets, again it is not the money that is in the focus of the campaign but the kick one gets out of scratching the ticket and the little boost of joy for life that follows.



## **SPONSORING**

The Austrian Lotteries consider it part of the social responsibility to contribute to good causes – societally recognised and desirable projects. Under the motto “Making much materialise...” they again contributed substantially to the funding of numerous projects with a major non-profit aspect in the fields of environment and nature, health, humanitarian causes, sports, art and culture, youth promotion, economics, science and research in 2008.

For detailed information on sponsoring please refer to page 18 of the Progress Report on Sustainability 2008 of the Austrian Lotteries.

In total, 2.2 million euro of sponsoring funds were made available in 2008. Adding the Austria sports promotion funds as enshrined in the Austrian Games of Chance Act (an amount of 62.02 million euro in 2008) and funds for support via the media (an amount of 22.1 million euro in 2008), the total sponsoring amount sums up to 86.32 million euro.

## STAFF

In their human resource policy, the Austrian Lotteries aim at responding to technical, economic and social challenges and at contributing to competitiveness, the development of new products and the opening of new markets with a workforce of high performers.

The Austrian Lotteries recruit future employees with great care and invest a lot into their training and integration. Challenging tasks and areas of activity are complemented by a range of continuing education and training offers that go far beyond what the average company provides. Occupational and personal development is supported by targeted programmes. Whenever possible, recruitment into executive positions is subject to in-house selection.

Flexible working hours, flexitime without core times, part-time work, telework, special arrangements for older workers and parents as well as sabbaticals are the many working-time schemes that make our employees more flexible and committed.

As per 31 December 2008 the Austrian Lotteries employed 472 persons, 396 of whom worked full time, with 76 working part time. This corresponds to 442.03 employees in terms of full-time equivalents.

### **Performance Management**

To ensure lasting corporate success, co-operation and communication within the company is developed, thus enhancing employee motivation. The performance management process encompasses a structured one-on-one meeting between employee and superior in a spirit of partnership, for a look back of the past working year and to plan the future working period.

The specific goal agreements reached in this context aim at raising awareness for the focal tasks of the near future. The degree of goal attainment is established, which helps understand where we stand and where we want to go in the future. The degree of goal attainment also has financial implications, so good performance can be rewarded.

At information and training events all employees and superior were prepared for the re-orientation of existing appraisal interviews. The first round of assessments for the degree of goal attainment was held in February 2009.

### **Employee Initiative**

The fundamental idea behind the employee initiative launched in 2008 was that staff should be invited to design their personal working environment and help simplify processes and procedures. Everyone was invited to present ideas and make suggestions within the unit to make their work easier and more process-oriented. The goal was to mobilise the entrepreneurial attitude of employees and emphasise their readiness to accept responsibility. The know-how of each and every employee was harnessed to make the organisation faster and more flexible.

In November and December 2007, half-day workshops were arranged to prepare executives for the employee initiative.

The importance of the employee initiative to the Austrian Lotteries was underscored by the fact that each workshop was opened by a member of the Management Board. Direct contact between management and employees, and the opportunity of directing questions relevant to the enterprise to the Management Board were welcomed by participants and used readily. In total 18 workshops took place, which were attended by 394 employees. About 350 specific projects were implemented right away, 270 were co-ordinated by executives. About 400 ideas were put in a repository of suggestions to be dealt with subsequently. The positive mood of the workshop was brought into every-day life at the office; to support implementation, employees reported on their experiences and ideas on the corporate Intranet. Human Resources followed through with all the departments for the entire duration of the employee initiative.

# SAFETY AND SECURITY

Safety and security are enshrined in the mission statement of the Austrian Lotteries, and along with trustworthiness in games handling, they are central to the corporate philosophy of the Austrian lottery company. In keeping with these principles, the range of games is continuously improved and state-of-the-art technology is used.

Already years ago, the Austrian Lotteries have taken the line of implementing a complex and integrated security concept in order to ensure availability, integrity and confidentiality of its business processes and systems. A transdivisional Security Committee ensures that the safety and security guidelines are adhered to and that the security standards implemented in the company are continuously improved.

The safety and security policy of the company governs the following areas within the wider corporate goals:

- safeguarding the secure handling of all games and the significant business processes going beyond this, with a view of propriety and continuity.
- a guarantee that each player has the same chances to win and that manipulations of any kind – specially in respect of participation in games, draws and determination of winnings – are prevented.

- ensuring the correct handling of confidential data, adherence to the Data Protection Act and other legal provisions.
- ensuring that staff is safe from threats during operations.

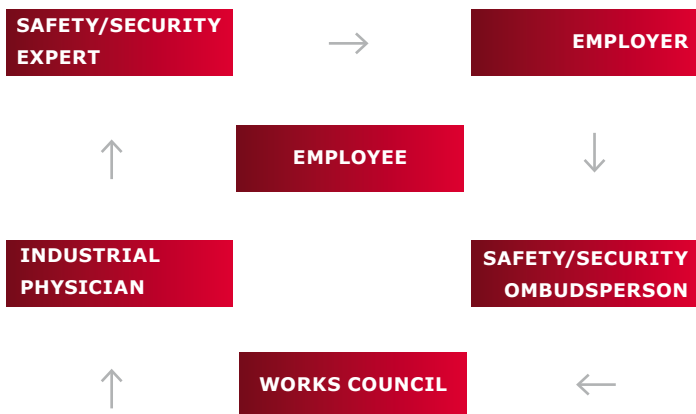
### Information security at the highest level


The security structure and security measures implemented were certified in accordance with the Security and Control Standard of the World Lottery Association (WLA) by an international certification body. These internationally accepted standards apply to the operational security in the provision of games of chance. ISO Standard 27001 on information security was integrated. Moreover, all business processes which are to do with handling the games of the Austrian Lotteries are covered by the Information Security Management System (ISMS).

### Data protection

In the handling of data it is a guiding principle of the Austrian Lotteries to take the wishes of potential and existing customers into account in respect of privacy and data protection. Special requirements regarding the protection of data, such as the general admissibility of all data processing systems, the earmarking of data collections and the demand for transparency raised by those concerned are fully taken into consi-

### Health and safety at work at the Austrian Lotteries





deration by the company. Although there are no legal obligations for Austrian companies to provide for an employee acting as the company's data protection representative, the Austrian Lotteries have long appointed an employee whose main responsibility it is to deal with these issues. He helps in combining our customers' justified desires for protection of their privacy with the company's needs for customer-oriented marketing. It goes without saying that the principles of data protection are also essentially important when handling the employees' personal data. Here, the same principles as in dealing with personal data of customers apply.

Responsible and competent employees constitute the potential which secures a company's position and development in the market. However, competency has to be developed in a sustainable and efficient way. This can be done by means of various qualification measures and teaching methods. "E-learning" modules were introduced as an option to educate and train employees in a flexible manner. The contents of these lessons can be repeated as often as desired, and when and where to study is left to the learner's sole discretion. Apart from that, content is guaranteed to be up-to-the-minute. In 2008 training encompassed the modules for fire protection, data protection and handling customer data.

### **Health and safety at work**

The legal requirements concerning health and safety at work, fire safety and waste management form the basis of measures in place at the Austrian Lotteries. Additional action beyond what is required by law is taken whenever it seems useful for the health and safety of employees.

Aspects of health and safety at work in the company are based on the principle „safe & healthy – healthy & safe“. The Austrian Lotteries feel that they should be up to their own discerning quality standards in this field, too. In co-operation with the works council, the company has organised numerous measures such as training events and courses, continuous engagement with issues of health and safety at work as well as the support of an industrial physician which guarantee a high level of protection.

Apart from superiors and works council members, staff may also address their concerns in the context of work to the safety and security expert, the industrial physician or the safety and security ombudsperson.

## DISTRIBUTION

All activities of the Austrian Lotteries are co-ordinated with field staff, and subsequently, measures are devised to ensure the optimal implementation of the marketing activities. In 2008 two national conferences were organised for the presentation of strategies, projects and promotional activities. These were complemented by numerous regional meetings organised by the regional field staff managers.

Equipping the retail partners with the new online terminal KeWin II was completed in April 2008. The time-tested scheme having field staff train train partners/ticket agents was continued in 2008. The training and installation plans were again closely linked to each other and co-ordinated. A total of 3,892 persons were trained. In the course of these training events the participants received special information from the Austrian Lotteries on "Responsible Gaming" as well as a certificate for having successfully attended this training event. Employees of the sales outlets and ticket agents are now also able to call up information on "Responsible Gaming" from the new KeWin II terminal. Whenever a new retail outlet or ticket agent is added to the network, "Responsible Gaming" training is mandatory. Agents and instant product distributors

are reminded of their obligation of adhering to the legislation governing the legal capacity of minors. No EuroBons (prepaid vouchers for win2day.at) must be sold to young people under the age of 18.

In 2008 4,797 employees of ticket agents and instant product distributors took part in 497 training events.

In the run-up to UEFA EURO 2008 and during the championship, part of which took place in Austria, field staff furnished sales partners with additional information on the product features of the Toto football pools, Extra Toto and tipp3.

Field staff prepared retail partners for the product changes in lotto "6 out of 45" and Joker in June 2008 and the introduction of the "Mega Brieflos" scratch-off ticket, linked with variable distribution of winnings for scratch-off tickets to ensure smooth transition during and after introduction.

### The Distribution Network

By the end of 2008 the distribution network of the Austrian Lotteries comprised 3,889 retail partners offering lotto „6 out of 45“, the football pools, goal

THE NETWORK OF RETAIL PARTNERS 2008		
BUSINESS LINE	NUMBER	%
TOBACCO SHOPS	2.431	62.51 %
LOTTO AGENTS	58	1.49 %
POST OFFICES	196	5.04 %
FOOD RETAILERS	524	13.47 %
CHAIN STORES	11	0.28 %
BANKS	248	6.38 %
FILLING STATIONS	63	1.62 %
OTHERS	358	9.21 %
<b>TOTAL</b>	<b>3.889</b>	<b>100.00 %</b>

bet, extra football pools and extra goal bet, Bingo, EuroMillionen, Joker, ToiToiToi, lotto 1-90, break-open tickets, scratch-off tickets and the EuroBon prepaid vouchers for win2day.at. Thus, the network ensures one retailer for an average 2,065 inhabitants.

In 2008 the average sales volume per retailer was 240,171 euro for ticket-based games. The commissions for lotto „6 out of 45“, football pools, goal bet, extra football pools, extra goal bet, Bingo, EuroMillionen, Joker and lotto 1-90, ToiToiToi as well as prepaid vouchers for win2day.at amounted to more than 69.5 million euro in the past business year, an average of 17,876 euro per retailer.

At year-end the distribution network for scratch-off tickets comprised 6,783 outlets, the break-open ticket network consisted of 6,790 outlets, so there is one scratch-off ticket retailer for every 1,184 inhabitants and one break-open ticket retailer for every 1,183 inhabitants.

In 2008 the average sales volume was 18,779 euro per scratch-off ticket retailer and 3,807 euro per break-open ticket retailer. The commission for scratch-off and break-open tickets amounted to a total of roughly 12.4 million euro, an average of 1,410 euro per scratch-off ticket retailer and 421 euro break-open ticket retailer.

Due to their commitment in the past business year, the retail partners and ticket agents of the Austrian Lotteries have contributed considerably to the Austrian Lotteries' success of the past business year. Thus, the Management Board of the Austrian Lotteries would like to express its sincere thanks to all retail partners, their professional representative bodies and employees, and hopes that this outstanding partnership will continue in the future.

<b>DISTRIBUTION NETWORK FOR SCRATCH-OFF TICKETS 2008</b>		
<b>BUSINESS LINE</b>	<b>NUMBER</b>	<b>%</b>
TOBACCO SHOPS	2.753	40.59 %
LOTTO AGENTS	58	0.86 %
POST OFFICES	1.298	19.14 %
FOOD RETAILERS	831	12.25 %
CHAIN STORES	77	1.13 %
BANKS	196	2.89 %
FILLING STATIONS	1.011	14.90 %
OTHERS	559	8.24 %
<b>TOTAL</b>	<b>6.783</b>	<b>100.00 %</b>

<b>DISTRIBUTION NETWORK FOR BREAK-OPEN TICKETS 2008</b>		
<b>BUSINESS LINE</b>	<b>NUMBER</b>	<b>%</b>
TOBACCO SHOPS	2.751	40.52 %
LOTTO AGENTS	56	0.82 %
POST OFFICES	1.298	19.12 %
FOOD RETAILERS	830	12.22 %
CHAIN STORES	102	1.50 %
BANKS	188	2.77 %
FILLING STATIONS	1.007	14.83 %
OTHERS	558	8.22 %
<b>TOTAL</b>	<b>6.790</b>	<b>100.00 %</b>

# TECHNOLOGICAL DEVELOPMENTS

Project work in the past year was characterised by the planning and implementation of innovative projects, an extension of the range of games and Internet activities. The new department Group Project Management within the group function Services serves as a competence centre for all project management issues such as leading, planning, steering, administering and co-ordinating programmes, projects and plans in the group of companies. A portfolio of all ongoing projects is a valuable basis for decision-making by management.

## **The new online system**

The project to re-design the entire online infrastructure of the Austrian Lotteries was launched as early as in 2005. The exercise saw its successful ending in April 2008. When the new online terminal KeWin II was installed at the shop of ticket agent Dietmar Loacker in Götzis, Vorarlberg, the nationwide network of new terminals was complete. A total of 3,972 new terminals had been installed and linked up with the new transaction system neon-Z and the new network.

The link of the new terminals to the two Austrian Lotteries data centres is unique in all of Europe: it runs on a redundant system, which means that in addition to the land-line link there is a back-up radio link to ensure data connection. A load-balancing system of the land-line provider as well as of the mobile radio provides for an optimum utilisation of both data centres of the Austrian Lotteries. Thus the highest possible availability rate and the maximum in failsafe operations is guaranteed.

The new terminal was produced by a high tech company from Linz, KEBA. As with the previous terminals, KEBA again succeeded to stand its ground against its

international competitors. It disposes of a sustainable architecture with lots of interfaces, extensive processing power and a large data carrier. The terminal is almost noiseless, particularly due to the fact that its optimised design allows for a single-fan cooling unit.

Based on the existing know-how, a completely new central transaction with up-to-date software architecture was designed. This system, as well as the software for the new terminal, were developed at the Austrian Lotteries.


About 30 percent of all employees of the Austrian Lotteries, i.e. approximately 150 persons, were involved in the project "New Online System". The time expenditure required for the implementation of this project was roughly 50 person-years.

The new online system is an investment in the future. The Austrian Lotteries thus once again live up to their reputation of being one of the most up-to-date game of chance enterprises of the world, particularly when it comes to state-of-the-art-gaming technologies. The company thus underscores its leading role in the development of new ideas, techniques and products.

The development and implementation of the software for the launch of "Mega Brieflos", the new distribution of winnings for scratch-off tickets, the product novelties in the Joker option, and the new pricing in lotto "6 out of 45" and Joker were carried out as required in the project plan.

## **win2day.at**

The range of games available on win2day.at was further developed in 2008, while taking into account the principles of "Responsible Gaming". The range of lot-



tery games was complemented by "Mega Brieflos", whilst dice poker, the slot machine "Wild Fruits" and the video poker game "Double Draw Faces" as well as the card game "Red Dog" were added to the range of casino games.

The poker room project on win2day.at was successfully completed and put into operation on 7 February 2008. After all, the Austrian Lotteries and Casinos Austria have the most extensive pooled know-how in this field. Casinos Austria offers poker games in all of its twelve Austrian casinos and the Austrian Lotteries can look back on more than 10 years of experience in the field of Internet-based games of chance. As regards the virtual poker room, win2day.at co-operates with the Swedish Lottery provider Svenska Spel and the Swedish developer of game software, BossMedia.

When the poker room was launched on win2day.at, the two game variations "Texas Hold'em" and "Five Card Draw" were offered. In September 2008 the range was extended by "Omaha" and "Seven Card Stud".

#### **SAP ERP**

The harmonisation of IT systems is an important issue for co-operation within the group. For this reason, the ground for the implementation of SAP ERP (Enterprise Resource Planning) in Human Resources, Controlling, Finance and Procurement was prepared as from Q3 2008. Completion and changeover to the new system in the individual units is planned for Q2 2009.

## THE GAMES

In September 1986 lotto "6 out of 45" was introduced in Austria and the operation of the Toto football pools was taken over by the Austrian Games of Chance Monopoly Administration. In 1988 the additional options Joker and goal bet followed. In 1990 the Austrian Lotteries were entrusted with the distribution and management of break-open tickets, the numbers pool 1-90 and the Austrian Class Lottery. In February 1995 scratch-off tickets were introduced, and since 1998 players have been able to use the Internet games of the Austrian Lotteries. On 8 November 1999 Bingo was launched, win2day.at started on 20 February 2003. ToiToiToi was first brought to the market on 3 March 2003. Since 2 October 2004 players can try their hand at EuroMillionen, the European lottery. The first WINWIN location opened in May 2004. The poker room on win2day.at opened on 7 February 2008.

### **Truly a year of record winners**

The year 2008 will go down in the history of the Austrian Lotteries as the year of record winners. On 16 May 2008, 55.61 million euro won from EuroMillionen marked the highest winnings from gaming ever reached in Austria. The month of May saw yet another record high: on 28 May 2008 the first ever quintuple jackpot was available in lotto "6 out of 45".

# LOTTO „6 OUT OF 45“



The communication strategy of lotto “6 out of 45” focuses on the dream of becoming a millionaire, just by means of a low stake and with a bit of luck. The marketing strategy “Anything’s possible” is a result of this approach.

The formula “6 out of 45” is tailored to fit the gaming patterns of the Austrians and implies a small number of maximum prizes, attractive mid-tier prizes and a high number of low-tier prizes.

June 2008 saw a price adjustment in lotto “6 out of 45”. Since that date, one lotto bet costs 1 euro. The change became effective after the draw on Wednesday, 25 June 2008, and has applied to all following draws, i.e. firstly on Sunday, 29 June 2008. Since the ratio of stake and prize remains the same, three correct numbers now win 4,76 euro instead of 4.10. The prize money for the only winner with six correct numbers in a regular Sunday draw went up from an average 745,000 euro to about 810,000 euro.

On the occasion of UEFA EURO 2008, the balls used in the Austrian lotto draws were designed in the shape of little footballs; they were used in all the draws from early January 2008 to the end of the football championship.

## Prizes

Last year more than 14.22 million single prizes with a total prize sum of 14.2 million euro were won. 77 players bet on „six correct numbers” in 2008. The highest prize for six correct numbers was won by a player from Salzburg in calendar week 33 (more than 6.9 million euro). He won a quadruple jackpot using the quick pick option. The year saw 34 single, 12 double, 3 triple, 2 quadruple and the very first quintuple jackpot in 22 years of lotto history.



## The quintuple jackpot

On Wednesday, 28 May 2008, players went for the first ever quintuple jackpot since lotto “6 out of 45” started in Austria 22 years ago. The rolling jackpot held 10 million euro, 3.3 million tickets and 22.7 million bets were handed in. The first winners of a quintuple jackpot in the history of Austrian lotto were from the West and South of Lower Austria, respectively. Not only do they hail from the same province in Austria, and not only did they win exactly 4,198.840 euro each: they also won in the same way, via the quick pick option. This way, the quick pick success story of 2008 continued – no less than 18 of 26 lotto millionaires played the quick pick option. The winner from Western Lower Austria was in fact a group of winners: nine workmates from the same office, each of them receiving more than 546,000 euro.

### THE FORMULA „6 OUT OF 45” COMES WITH THE FOLLOWING WINNING PROBABILITIES

SIX CORRECT NUMBERS	1:8,145,060
FIVE CORRECT NUMBERS + BONUS NUMBER	1:1,357,510
FIVE CORRECT NUMBERS	1:35,724
FOUR CORRECT NUMBERS	1:733
THREE CORRECT NUMBERS	1:45

### THE INDIVIDUAL PRIZE CATEGORIES WERE CALCULATED ACCORDING TO THE FOLLOWING FORMULA (UP TO AND INCLUDING THE DRAW ON 25 JUNE 2008)

1ST CATEGORY (SIX CORRECT NUMBERS)	42 %
2ND CATEGORY (FIVE CORRECT NUMBERS + BONUS NUMBER)	8 %
3RD CATEGORY (FIVE CORRECT NUMBERS)	9 %
4TH CATEGORY (FOUR CORRECT NUMBERS)	16 %
5TH CATEGORY (THREE CORRECT NUMBERS)	25 %

### THE INDIVIDUAL PRIZE CATEGORIES WERE CALCULATED ACCORDING TO THE FOLLOWING FORMULA (STARTING FROM THE TIME AFTER THE DRAW ON 25 JUNE 2008)

1ST CATEGORY (SIX CORRECT NUMBERS)	44 %
2ND CATEGORY (FIVE CORRECT NUMBERS + BONUS NUMBER)	8 %
3RD CATEGORY (FIVE CORRECT NUMBERS)	9 %
4TH CATEGORY (FOUR CORRECT NUMBERS)	15 %
5TH CATEGORY (THREE CORRECT NUMBERS)	24 %

# FOOTBALL POOLS AND GOAL BET

Football pools and goal bet are based on the correct prediction of football results. In both games expert knowledge and experience increase the chances of winning. A football pools round, consisting of twelve games, is played each weekend. To win in the football pools, the result of each game must be predicted.

Only three results are possible:

Row 1 stands for the victory of the home team.

Row 2 stands for the victory of the guests.

Row X stands for a draw.

Ten and more correct predictions win a prize.

The aim of the goal bet is to predict the results of the first four matches of a football pools round. Players may participate only if they also hand in at least one football pools bet.

## Extra Football Pools ("Extra Toto")

The extra football pools rounds during the week are an addition to the regular weekend football pools. In 2008, the UEFA EURO in Austria was definitely the

highlight of the football year. All the 31 games were on the programme of three Extra Toto rounds with a topped up prize of 250,000 euro in the first category. Apart from EURO 2008, the programme for the year comprised European Cup matches and qualifying matches for the European Championship as well as weekday matches of the English, German and Austrian premier leagues. In this way players were offered additional chances of winning. In 2008 42 extra football pools rounds were organised.

## Prizes

In 2008 more than 99,000 individual football pools, extra football pools, goal bet and extra goal bet prizes were paid out, amounting to a total prize sum of 5.56 million euro.

In total, twelve correct rows in the football pools and extra football pools were attained 334 times. In round 9, the highest prize of the year for twelve correct rows was won by two players in a super chance round with a double jackpot: over 116,000.00 euro each. Sevens football fans scored the „hatrick“.

### THE PROBABILITY OF WINNING THE FOOTBALL POOLS IS:

TWELVE CORRECT ROWS	1:531,441
ELEVEN CORRECT ROWS	1:22,143
TEN CORRECT ROWS	1:2,013

### THE INDIVIDUAL PRIZE CATEGORIES ARE CALCULATED ACCORDING TO THE FOLLOWING FORMULA:

FOOTBALL POOLS	
1ST CATEGORY (TWELVE CORRECT ROWS)	50 %
2ND CATEGORY (ELEVEN CORRECT ROWS)	25 %
3RD CATEGORY (TEN CORRECT ROWS)	25 %
GOAL BET	
1ST CATEGORY (FOUR CORRECT RESULTS)	60 %
2ND CATEGORY (THREE CORRECT RESULTS)	30 %
„HATTRICK“	10 %



# BINGO

The aim of the game is to mark all the numbers drawn during the Bingo TV show on the Bingo ticket. The numbers are drawn from a series between 1 and 75. The special feature of the game is that there is no jackpot in Bingo and that numbers are drawn until the winner has been established.

Bingo is a mixture of fixed-prize and tote game. In a tote game the individual prizes depend on the number of bets and the number of winners in the individual categories. The fixed-prize parts in Bingo are called „Card“ with a fixed prize of EUR 1.50 and the Bingo Multi Bonus.

Each Bingo ticket contains two or three Bingo bets and two or three card symbols.

## The Bingo Winning Options

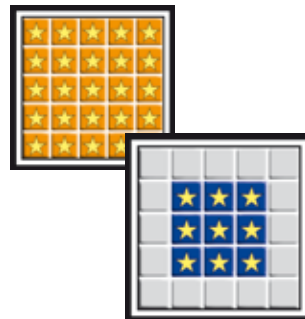
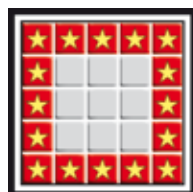
The winning options are called „Bingo Multi Bonus“, „Bingo“, „Ring“, „Box“, „Ring – Second Chance“, „Box – Second Chance“ and „Card“. The aim is to win the main prize by attaining „Bingo“. The difference between Bingo and other ticket-based games is that winning a higher category does not rule out winning a

lower category. The Bingo Multi Bonus was changed as from the Bingo draw of 10 May 2008: 43 numbers are called in each round, and this figure is no longer raised every round. The start amount is increased from 25,000 euro to 50,000 euro. Whenever the Bingo Multi Bonus is not won, the Multi Bonus amount will rise by 10,000 euro.

## Prizes

Last year, more than 939,000 individual prizes in a total amount of 4.62 million euro were paid out. The Bingo Multi Bonus was struck by a total of seven players in 2008.

The highest Bingo prize of the year amounted to more than 278,000 euro, won by a player from Lower Austria in calendar week 35. All in all, Bingo was struck 65 times, 81 times it was „Rings“ and 105 times „Boxes“ – at first chance each.



# EUROMILLIONEN

EuroMillionen is a national game of chance based on common rules and principles of the countries participating as well as strict requirements in respect of security and reliability.

What makes EuroMillionen so attractive is the fact that two-digit million amounts can be won, amounts which had so far not been possible to be won in Austria. These high winnings are made possible by the large number of players – in total nine countries participate in the game.

In February 2004 EuroMillionen was introduced by England, France, and Spain. As from 2 October 2004 players from Austria, Belgium, Ireland, Luxemburg, Portugal and Switzerland have also been able to participate in the European lottery.

The lottery company of each country is responsible for the operation of the game in its jurisdiction and remains subject to licensing and supervision by the regulatory authority of its state. Thus, EuroMillionen in Austria can only be played using Austrian tickets. Prizes can also only be claimed in the country in which the player handed in the ticket.

EuroMillionen is a tote game with twelve winning categories which are all pooled. The winnings determined in the individual countries are pooled and the prizes for the individual tiers are calculated on that basis. The number of bets placed and the number of prizes in the various categories determine the winnings for each tier.

The game formula is „5 out of 50“ plus „2 out of 9“. A EuroMillionen bet consists of two parts, a grid containing the numbers from 1 to 50 and a circle of stars numbered 1 through 9. Players mark 5 of the 50 numbers and 2 of the 9 stars.

The first prize category is called „Europot“. A bet with five correct numbers from the number grid and two correct numbers from the circle of stars wins the Europot, and if there is no winner, the prize money for the first category remains in the pot and is added to the first tier of the next round (rolling jackpot principle).

The probability of winning the Europot is 1 : 76,275,360. The probability of winning in general is 1:24.



THE TWELVE PRICE CATEGORIES		
CATEGORY	CORRECT NUMBERS	PROBABILITY
1ST TIER/EUROPOT	5+2	1:76,275,360
2ND TIER	5+1	1:5,448,240
3RD TIER	5+0	1:3,632,160
4TH TIER	4+2	1:339,002
5TH TIER	4+1	1:24,214
6TH TIER	4+0	1:16,143
7TH TIER	3+2	1:7,705
8TH TIER	3+1	1:550
9TH TIER	2+2	1:538
10TH TIER	3+0	1:367
11TH TIER	1+2	1:102
12TH TIER	2+1	1:38

### **EuroMillionen Roll-down**

If the Eurospot is not struck for eleven times in a row, the entire Eurospot prize money is added to the next lower winning tier of the same round.

### **Prizes**

Last year there were more than 3.6 million EuroMillionen winners in Austria. The total prize sum was 85.35 million euro.

2008 was the year of major winnings for Austrian EuroMillionen players.

On 8 February 2008, the third EuroMillionen superdraw took place, the minimum prize sum guaranteed for the first tier (Eurospot) was 130 million euro. Since there was no winner in the first tier in that draw, the entire prize money of the first tier was added to the next lower winning tier of the same round (instant

rolldown). Thus, 16 winners shared the 130 million euro prize, including a man from Vienna who won 8.7 million euro. Only two weeks later, in the draw on 22 February 2008, a man from Vorarlberg won the first tier prize. At this point, the eurospot had reached round 2 and held a prize sum of 28,912,566 euro.

On Friday, 16 May 2008, a man from Carinthia was the second Austrian to have a correct 5+2 combination in the EuroMillionen game. He was the only one to strike the eurospot and won 55,609,411 euro, the highest prize sum ever won in a game of chance in Austria.

Finally, on 28 November 2008 the third Austrian had his 5+2 bet right. The sole winner had handed in his quick picks in the South of Lower Austria and won 28,044,446 euro.



# ToiToiToi

ToiToiToi is a numbers pool in which a six-position ticket number is drawn every day (except Sundays) and up to EUR 100,000 can be won.

The ticket number consists of two parts, a five-digit combination of numbers and one out of seven lucky symbols. The lucky symbols are beetle, chimney sweep, four-leaved clover, bag of money, mushroom, horseshoe and pig.

ToiToiToi is a game with fixed prizes. The amount that can be won depends on the number of positions on the ticket that correspond to the positions drawn.

## Prizes

Last year, there were roughly 2.1 million individual prizes totalling 8.8 million euro. Ten players had a lucky streak, winning the maximum amount of 100,000 euro.

THE WINNING CATEGORIES OF TOITOI TOI	
1ST CATEGORY = ALL FIVE DIGITS + SYMBOL CORRECT	EUR 100,000
2ND CATEGORY = ALL FIVE DIGITS	EUR 10,000
3ND CATEGORY = THE LAST FOUR DIGITS	EUR 1,000
4TH CATEGORY = THE LAST THREE DIGITS	EUR 100
5TH CATEGORY = THE LAST TWO DIGITS	EUR 10
6TH CATEGORY = THE LAST DIGIT	EUR 3
7TH CATEGORY = THE SYMBOL	EUR 2

# LOTTO 1-90

This lotto game, also known as „Zahlenlotto“, was introduced in 1751 by a decree of Maria Teresa; the first draw took place in 1752. It is the oldest licensed game of chance in Austria.

Five numbers out of the numbers from 1 to 90 are drawn in lotto 1-90.

The draws of lotto 1-90 take place on Tuesdays, Thursdays and Saturdays, and the results are communicated after the local news programmes „Österreich Heute“ and „Bundesland Heute“ on channel ORF 2.

The stakes are fixed, ranging from EUR 0.75 to EUR 500.00. The highest prize possible is the stake times 5,000.

## **Prizes**

In 2008 about 30,700 prizes were won, with at least one prize being won from a weekly average of 590 tickets. The sum total of winnings was 1.08 million euro.

# JOKER

Joker is a tote game (1st category) and at the same time a game of fixed prizes (2nd to 5th category). Players participating in the Joker game have to play Bingo ticket or at least one bet of lotto „6 out of 45“, football pools, EuroMillionen or lotto 1-90, and then tick „yes“ in the Joker box.

If the Joker number on the betting ticket (starting from the right) is identical with the Joker number drawn, the player in question has won the first prize: the Joker.

In June 2008, the Joker wager was adjusted, since then, it has been 1.30 euro per Joker option. At the same time, the prize pyramid was changed. Since the draw on 29 June 2008, there is an additional tier: if one number, the final number on the far right, is correct, you win the fixed amount of 1.50 euro. The other fixed prizes have remained unchanged.

## Prizes

In 2008 roughly 8 million individual prizes were won. The total prize sum was 72.52 million euro. The highest Joker prize of 2008, roughly 950,000 euro, was won by a player from Upper Austria in calendar week 21. In total, there were 19 jackpots, 8 double jackpots, 4 triple jackpots and the first quadruple jackpot ever in 20 years of Joker history.

WINNING PROBABILITIES OF JOKER (UP TO AND INCLUDING THE DRAW ON 25 JUNE 2008)		PRIZES (UP TO AN INCLUDING THE DRAW ON 25 JUNE 2008)	
FOR 6 CORRECT NUMBERS = JOKER	1:1,000,000	1ST TIER = JOKER	42,6% DER GEWINNSUMME
FOR 5 CORRECT NUMBERS	1:111,111	2ND TIER (5 CORRECT NUMBERS)	EUR 7,700
FOR 4 CORRECT NUMBERS	1:11,111	3RD TIER (4 CORRECT NUMBERS)	EUR 770
FOR 3 CORRECT NUMBERS	1:1,111	4TH TIER (3 CORRECT NUMBERS)	EUR 77
FOR 2 CORRECT NUMBERS	1:111	5TH TIER (2 CORRECT NUMBERS)	EUR 7
WINNING PROBABILITIES OF JOKER (AS FROM THE DRAW FOLLOWING 25 JUNE 2008)		PRIZES (AS FROM THE DRAW FOLLOWING 25 JUNE 2008)	
FOR 6 CORRECT NUMBERS = JOKER	1:1,000,000	1ST TIER = JOKER	42,6% DER GEWINNSUMME
FOR 5 CORRECT NUMBERS	1:111,111	2ND TIER (5 CORRECT NUMBERS)	EUR 7,700
FOR 4 CORRECT NUMBERS	1:11,111	3RD TIER (4 CORRECT NUMBERS)	EUR 770
FOR 3 CORRECT NUMBERS	1:1,111	4TH TIER (3 CORRECT NUMBERS)	EUR 77
FOR 2 CORRECT NUMBERS	1:111	5TH TIER (2 CORRECT NUMBERS)	EUR 7
FOR 1 CORRECT NUMBER	1:11	6TH TIER (1 CORRECT NUMBER)	EUR 1.50



## SCRATCH-OFF TICKETS

Scratch-off tickets are an instant lottery product. After scratching clear the prize box the players know at once whether or not they have won a prize, and how much it is.

According to the design of the game, the slogan „Scratch clear your fortune - right now!“ was developed.

In 1995 the scratch-off tickets were very successfully introduced in Austria. From the very beginning, the multi game strategy was pursued, meaning that various scratch-off ticket products – permanent tickets as well as temporary tickets with seasonally changing visuals and designs – have been offered in parallel. Since 2 April 2007, flexible prize distribution has been in place. The prize distribution has to amount to between 55 percent and 67.5 percent.

### Scratch-off tickets 2008

In January 2008 the new scratch-off ticket “Super Schatztruhe” (“Super Treasure Chest”) was introduced, followed by “Golden Goals” in mid-February and

“Gold!” in early April 2008. At the end of May, the sale of “Money Maker” tickets started. The “Poker” scratch-off ticket was launched in early August, then came “Rubbel Casino” (“Scratch-off Casino”) in mid-September. The seasonal tickets “Adventkalender” (“Advent Calendar”), “Crazy Christmas” and “Glückskäfer!” (“Lucky Bug”) were all offered at the end of the year.

### The Austrian Lotteries’ logo

All the newly introduced scratch-off tickets bear an additional identifying feature: the Austrian Lotteries’ logo is printed on the lower left corner of each individual scratch-off ticket. Thus the scratch-off tickets can readily be identified as a game of the Austrian Lotteries.



## BREAK-OPEN TICKETS

Break-open tickets are an instant lottery product. After opening the envelope, the players know at once whether or not they have won a prize, and how much it is. The second chance of winning is the televised „Brieflos Show“.

### Variable distribution

Since 17 November 2008 the familiar break-open ticket has been revamped – in the sense that it has become more attractive because more prizes are up for grabs now. At 1 euro, the price has remained unchanged but prize distribution is now variable and depends on the type of ticket. Whilst prize distribution used to be fixed at a rate of 39.1%, it now ranges from 45 to 57.5%.

The first ticket of a new generation was the Christmas break-open ticket with a prize distribution rate of 52.8%, including three main prizes of 100,000 euro each, plus five additional prizes of 509,000 euro each.

### The “Mega Brieflos” launch

A new product, the mega break-open ticket, was launched along with the variable prize distribution system. It is bigger in dimensions and comes with three first prizes of 250,000 euro each. The “Mega Brieflos” series consists of 5 million tickets. In addition to the three first prizes, an additional 2,072,315 prizes from 2 to 25,000 euro can be won. The distribution rate is at 55%, and the “Mega Brieflos” break-open ticket can be bought from all instant product distributors of the Austrian Lotteries.

### The „Brieflos Show“

To take part in the show, the player’s break-open ticket has to have a prize box labelled „Die Brieflos Show“ („The Break-Open Ticket Show“). If the ticket in question, complete with the name and address of the player, is drawn on the TV show, the owner of the ticket is invited to participate.

### The New Break-Open Tickets of 2008

In 2008 the tickets “10 Safari-Reisen zusätzlich” (“10 safaris on top”), “Geld einsacken” (“Pocket that money”) and “40% mehr Gewinne” (“40% more prizes”) were introduced. They were withdrawn from the market as per 17 November 2008, when the break-open tickets with variable prize distribution, the mega ticket and the Christmas ticket were launched.

### Prizes

In addition to a large number of instant prizes, 13 break-open ticket „high scorers” were registered in 2008. 8 of them won break-open ticket prizes, and 5 players got their high winning amounts on the „Brieflos Show”. In 2008 there were 52 shows in which a total prize sum of roughly 14.0 million Euro was won.



# CLASS LOTTERY

The Austrian Class Lottery is a number lottery which is structured in six sections, the so-called „classes“, and lasts for about six months. 250,000 tickets are issued for each lottery.

All tickets stay in the lottery from the 1st to the 6th class and may thus win several times (with the exception of the five/four/two winning categories at certain defined dates).

For a single wager of 120 euro for a full ticket, a player participates in the Super Class in which 100,000 euro can be won daily and in which 7 x 100,000 euro prizes can be won in the final draw.

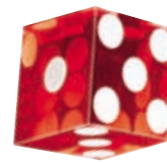
In 2008 the 3rd to 6th class of the 165th lottery, the 166th lottery and the 1st and 2nd class of the 167th lottery were played.

The class lottery tickets sales are managed by 10 agencies, which in turn work through a retail network consisting of 490 retail partners.

## Prizes

In one lottery 29 million-level prizes may be won in each lottery. Thus, the probability of becoming a class lottery millionaire is 1:8,621 if you have one lottery ticket number. A combination of 10 lottery ticket numbers increases probability to 1:862 if all six classes are played.

## WIN2DAY.AT



Through a subsidiary, the Austrian Lotteries and Casinos Austria jointly operate the game platform win2day.at. The range of electronic games on win2day.at comprises the classic lottery games of the Austrian Lotteries, as well as casino games, gamesroom and the virtual poker room offering Texas Hold'em, Five Card Draw, Omaha and Seven Card Stud.

On win2day.at, a combination of Internet and mobile telephony has been implemented. Players access the same electronic games with a uniform brand get-up, no matter which transmission medium and terminal equipment they use. Internet or mobile phone – win2day.at is the uniform umbrella for the range of games and information.

### **Protection of Players – Responsible Gaming on win2day.at**

From the very start, youth protection and protection from an excessive passion for gambling has been extremely important to the Austrian Lotteries and Casinos Austria in respect of win2day.at. The fact that access to the Internet is easy and readily available has been a constant issue for debate to experts. Youth protection and effective control of access to online games is a major challenge. Measures have been in place since the gaming platform was launched.

### **Registration Rules on win2day.at:**

- The minimum age for registration on win2day.at is 18.
- On registration, first name, surname and date of birth must be stated. The data are checked via an inquiry agency.
- There must not be more than one win2day.at account for each combination of first name, surname and date of birth.
- The licensor has made it a mandatory requirement that a bank account must be stated.
- Player must define their limits in terms of finances and time upon first registration. If limits are raised, the new limits will only take effect after 72 hours of reflection
- Players may bar themselves from games for a certain period. Self-barring is possible for one, three, six and twelve months.

### **Electronic Lotteries**

The electronic lotteries on win2day.at are games embedded in a multi-channel platform with an integrated wallet function so as to enable gaming via the Internet. Sec. 12a of the Austrian Games of Chance Act stipulates that electronic lotteries are games based on a contract concluded via electronic media. The decision as to who loses and who wins how much is taken centrally. Immediately after participating in the game, the player will obtain information on that decision. "Keno" is based on Sec. 12b of the Games of Chance Act but exclusively offered on the Internet via win2day.at.

### **Payment Modes**

The gaming deposit can be topped up via Internet or WAP. For this purpose, the EuroBon (a pre-paid voucher) is available and can be bought from all Austrian ticket agents as well as selected instant product distributors; furthermore, Paybox, a provider-independent payment mode for mobile telephony and Internet is available. Furthermore, payment can also be made by Mastercard (with or without Secure Code), VISA (with or without Verified by Visa) and Diners Club, or by online banking, Mastro Secure Code and paysafecard.

### **Games launched in 2008**

In 2008, the range of lottery games was extended by the "Mega Brieflos" ("Mega break-open ticket"). The novelties among casino games were dice poker, the slot machine "Wild Fruits", the video poker game "Double Draw Faces" and the card game "Red Dog". The mobile java game "Dolphin Star" was added to the range of cellphone games. The poker room started offering "Texas Hold'em" and "Five Card Draw" on 7 February 2008. On 30 September 2008, "Omaha" and "Seven card Stud" were added.

### **Prizes**

Average prize distributions in the electronic lotteries amount to 93.8% in the gamesroom, it is 95.6% in the casino games. The amount won in gamesroom and casino games as well as in the poker room is displayed on screen immediately after the game has ended and the amount held in the electronic wallet, which remains on screen permanently, increases.



### The win2day.at Poker room

On 7 February 2008 the Austrian Lotteries and Casinos Austria launched the first all-Austrian poker room on their joint gaming platform win2day.at. Players can now try their hand at the virtual poker table playing the ever-popular "Texas Hold'em" and "Omaha" as well as the classic "Five Card Draw" and "Seven Card Stud" games.

The games in the win2day.at poker room are electronic lotteries within the meaning of sec. 12a of the Austrian Games of Chance Act. The card game with a 52-card deck is offered centrally and cards are shuffled and dealt by a random-generator based software programme.

### Responsible Poker

To "sit down at the poker table", you have to be a registered user of win2day.at and log in under your win2day.at user name and password. If you want to join the game, you have to select a poker nickname and define personal time limits when you first enter.

The word "responsibility" is especially significant in online poker games. Over and above regular measures related to responsible gaming on the Internet, collusion and fraudulent activities have to be prevented in poker games. The player protection measures developed for win2day.at also fully apply to the poker room. Moreover, win2day.at co-operates with the Swedish lottery operator "Svenska Spel" and the Swedish computer games developer "BossMedia" as regards the poker room.

In the operation of a poker site, it is decisive to ensure that users do not collude to the detriment of other players. Close co-operation between win2day.at and the Swedish company Svenska Spel serves the implementation of complex measures to prevent collusion and fraud.

### Svenska Spel

Svenska Spel is the only licensed lottery operator in Sweden, it is wholly state-owned. Just like the Austrian Lotteries, Svenska Spel has been offering games on the Internet since 1998. Their mission statement gives priority to trustworthiness and security. In 2006 Svenska Spel opened a poker room accessible to Swedish players on the Internet. In co-operation with the Austrian Lotteries, Svenska Spel monitors the course of poker games on win2day.at using special software support, and identifies conspicuous behaviour on the part of players. Suspicious activities are reported to the Fraud & Collusion Team of the Austrian Lotteries which will then decide on measures to be taken and even ban players, if necessary.

### BossMedia

BossMedia is the technology partner of the Austrian Lotteries; just like for Svenska Spel, they also developed the poker software for the win2day.at poker room. BossMedia is an established and internationally recognised developer of online gaming software and a member of the World Lottery Association (as are Svenska Spel and the Austrian Lotteries).

### Customer-friendly rake structure

The rake (gross income from games) is a commission the organiser takes from the stakes in every game. The rake depends on the table and the amount of money in the pot. The rake structure in the poker room on win2day.at combines a percentage of the money in the pot and fixed amounts. At 2.5% of the pot and a maximum of 2 euro, it is very customer-friendly and much lower than in other Internet poker room. The industry average for the rake is usually 5%, twice as high. In case of tournaments, the rake is commonly 10% of the so-called buy-in, the payment made at the beginning of the game.



### **Austrian tables and tournaments**

The tables in the win2day.at poker room are exclusively Austrian, i.e. players are all from Austria. This is also rather useful because of the common language in the online chat at the table. The "Austrianness" of the win2day.at poker room is also emphasised by the typically Austrian names of tables and some tournaments: "Kitzbühel", "Großglockner" or "Donau" (the German name of the Danube river). Tournaments offered involve sit & go as well as multi-table playing.

### **Successful co-operation with Casinos Austria**

The linkage between events organised by Casinos Austria and the poker room has proven successful.

For example, satellite tournaments were held, leading to qualification for the Casinos Austria Poker Tour (CAPT) organised for the very first time in 2008. The tour aimed at extending the range of poker games offered by Casinos Austria. The prize money was 4.3 million euro. The tour started in Bregenz in the far West of Austria and took six weeks with games at various casino locations. Two poker players who each qualified for one of the tournaments via the win2day.at poker room came in second and won more than 40,000 euro in prize money.



# WINWIN - VIDEO LOTTERY TERMINALS

Under the motto "WINWIN - it's all-in", the Austrian Lotteries and Casinos Austria have run high-end games and entertainment in several locations through a subsidiary since 2004.

WINWIN outlets are meeting-points for active people who like being entertained, love going out and enjoy trying their luck.

On the premises, guests over 18 years of age will find state-of-the-art Video Lottery Terminals (VLTs), a stylish ambiance, fine food at reasonable prices, well-trained staff and regular special events with live music and entertainment.

The license to run VLTs pursuant to sec. 12a of the Games of Chance Act is held by the Austrian Lotteries. The Austrian Lotteries provide technical know-how whilst Casinos Austria are in charge of operational business.

The video lottery terminals offer electronic lotteries, which under sec. 12a of the Austrian Games of Chance Act are defined as gaming contracts entered into via electronic media. The decision about winning or losing is brought about centrally. The player is informed of the result immediately after playing.

## The WINWIN Concept

The VLTs combine gaming, entertainment and culinary highlights, they are addressed at active people who like being entertained, love going out and enjoying their leisure time. The outlets are open 364 days a year (closed only on Christmas eve) from the afternoon hours to midnight. Admission is free. There is no need to dress up in suit and tie. The WINWIN architecture is highly design-oriented. The underlying concept aims blurring the boundaries between gaming and catering areas. Apart from drinks, the bars also offer high-quality snacks with no long waits.

WINWIN outlets complement the local or regional range of leisure time and tourist facilities and add value to the leisure time of the people living in the area as well as of tourists. At each location, WINWIN also creates jobs for qualified staff and a trustworthy alternative to low-wager slot-machines, casinos in border areas and illegal gaming.

## The range of games

VLTs look like classic slot machines in casinos, but the gaming mechanics are different. Whilst in classic slot machines, the individual machine decides on winning or losing due to its own random generator, in VLTs, the decision on winning or losing is taken by the random generator of a mainframe computer, with the winning chances and the distribution of winnings having already been determined a priori, based on given prize pyramids. The mainframe computer then sends the results to the individual terminals via telecommunication channels.

Each location is equipped with 50 to 150 terminals, each offering up to 45 different games. A wager of 1 cent is enough to play. The maximum wager is 15 euro. Money is wagered by means of tickets or bills, coins will not be accepted.

If a player wins, the terminal will print out a ticket which can either be redeemed from the cashier in cash or as a cheque or transferred to a bank account. The maximum amount to be won is 26,050 euro.



## THE WINWIN LOCATIONS

MAYRHOFEN	TYROL	21.05.2004
LIENZ	TYROL	14.08.2004
EBREICHSORF	LOWER AUSTRIA	04.09.2004
SCHÄRDING	UPPER AUSTRIA	21.04.2005
ZELL AM SEE	SALZBURG	23.03.2006
BRUCK/LEITHA	LOWER AUSTRIA	29.06.2006
ZWETTL	LOWER AUSTRIA	03.08.2006
STEYR	UPPER AUSTRIA	06.06.2007
WELS	UPPER AUSTRIA	27.09.2007
LANDECK	TYROL	23.04.2008
VÖCKLABRUCK	UPPER AUSTRIA	29.10.2008

## BUSINESS DEVELOPMENT

In the business year 2008 the total sales volume of the Austrian Lotteries was 2,378.04 million euro, which corresponds to an increase of 15.04% over the previous year. This development is mainly due to the increase in sales in EuroMillionen, the numerous jackpots in lotto "6 out of 45" and the higher turnover in lotto "6 out of 45" and Joker due to price adjustments. The introduction of the poker room gave a major boost to electronic lottery sales on win2day.at.

In 2008 total winnings amounting to 1,724.60 million euro were paid out (calculation basis: all Austrian Lotteries games).

The stakes of lotto, football pools, goal bet, Lotto 1-90, Joker, ToiToiToi and EuroMillionen are calculated on the basis of ticket prices minus a contribution to administrative costs. In lotto, football pools, goal bet and Joker, 50% of the stakes are distributed as prizes, in EuroMillionen 50% of sales are paid out as winnings.

### Taxes paid

Last year, the sum total of taxes paid by the Austrian Lotteries was 383.49 million euro, including game-related duties, income taxes and other taxes and duties. Since its formation in 1986, the company has

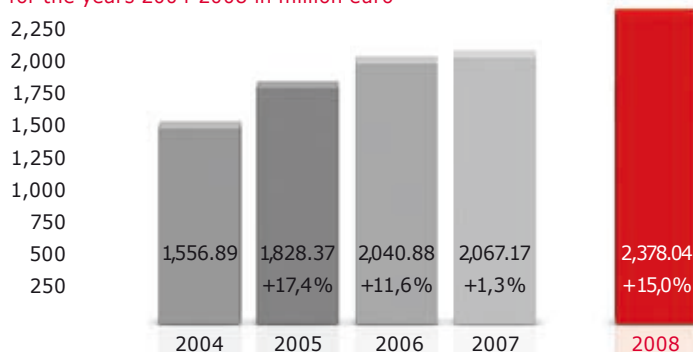
### TOTAL SALES VOLUME 2008 BY GAMES IN EURO

LOTTO „6 OUT OF 45“	555,342,870.50	23.35 %
FOOTBALL POOLS, GOAL BET*	12,741,247.40	0.53 %
BINGO	11,295,641.30	0.47 %
EUROMILLIONEN	170,881,731.50	7.19 %
TOITOI TOI	17,041,865.75	0.72 %
LOTTO 1-90	4,510,330.35	0.19 %
JOKER	162,212,294.50	6.82 %
SCRATCH-OFF TICKETS	127,375,639.80	5.36 %
BREAK-OPEN TICKETS	25,848,123.60	1.09 %
CLASS LOTTERY	36,171,782.00	1.52 %
WIN2DAY.AT UND KENO	945,648,933.86	39.77 %
WIN2DAY.AT POKER	5,048,933.33	0.21 %
WINWIN	303,925,312.08	12.78 %
<b>TOTAL</b>	<b>2,378,044,705.97</b>	<b>100.00 %</b>

\*INCL. EXTRA FOOTBALL POOLS U. EXTRA GOAL BET.

### The Company's total sales volume

for the years 2004-2008 in million euro



All developments year on year.

paid more than 7.22 billion euro in taxes to the Republic of Austria.

The game-related duties, amounting to 378.02 million euro, comprise a license fee of 216.75 million euro and a betting fee of 161.27 million euro.

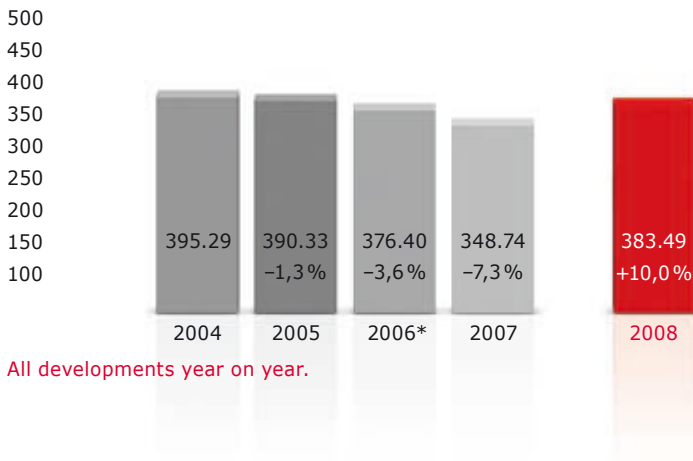
The stakes of lotto „6 out of 45“, football pools, goal bet, Joker and EuroMillionen are subject to a license fee, the rate of which has been graduated from 18.5% to be paid on the first 400 million euro received, to 27.5% on all further amounts, since 2006. The license fee for the Austrian class lottery is 2% of

the stakes, for scratch-off tickets, break-open tickets and ToiToiToi it is 17.5%, for lotto 1-90, Bingo and Keno it amounts to 27.5%.

The betting fee for all games of the Austrian Lotteries is 16% of stakes and gross income from games. For the electronic lotteries on win2day.at and WIN-WIN (video lottery terminals) the gross income from games, which is defined as the difference between money wagered and winnings paid out, is subject to taxation. Taxes amount to 40% of the gross income from games, consisting of a betting fee of 16% and a license fee of 24%.

#### Taxes paid by the company

in the years 2004-2008 in million euro



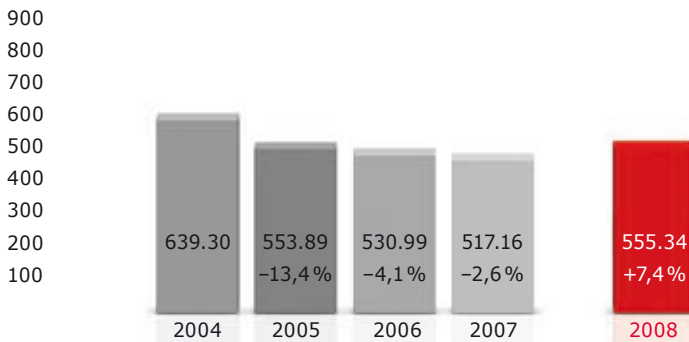
All developments year on year.

# DEVELOPMENT OF GAME SALES - LOTTO „6 OUT OF 45“

Last year, the sales volume for lotto „6 out of 45“ was 555.34 million euro. The increase in sales is on the one hand due to numerous jackpots – three additional jackpots and the first quintuple jackpot ever in 22 years of history made up for three jackpots which were sorely missing in lotto “6 out of 45” last year. On the other hand, the price adjustment effective as from late June 2008 also had a positive effect on sales.

## Sales development in lotto „6 out of 45“

for the years 2004-2008 in million euro



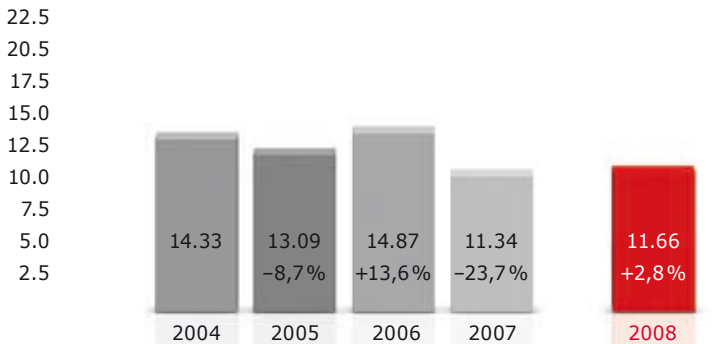
All developments year on year.

# DEVELOPMENT OF GAME SALES - FOOTBALL POOLS AND GOAL BET

The sales volume of the football pools (including extra football pools) was 11.66 million euro, and the sales volume of goal bet (including extra goal bet) was 1.08 million euro. Two jackpot series in the extra football pools which led to a sextuple and octuple jackpot respectively, and three "Quarter Million Rounds" in the extra football pools on the occasion of the UEFA EURO 2008 contributed significantly to positive sales developments.

## Sales development in the football pools (incl. extra football pools)

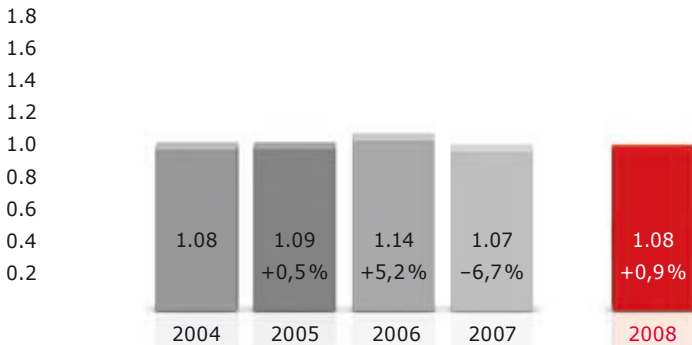
for the years 2004-2008 in million euro



All developments year on year.

## Sales development in goal bets (incl. extra goal bet)

for the years 2004-2008 in million euro



All developments year on year.

# DEVELOPMENT OF GAME SALES -

## BINGO

Last year, Bingo sales amounted to 11.29 million euro.

### Sales development in Bingo

for the years 2004-2008 in million euro



All developments year on year.

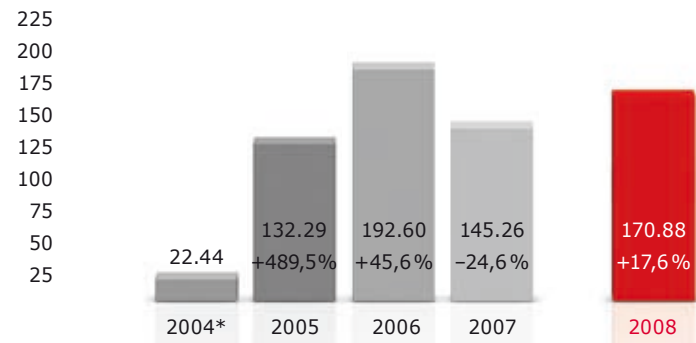
# DEVELOPMENT OF GAME SALES - EUROMILLIONEN

The sales volume of EuroMillionen was 170.88 million euro. The sales increase of 17.63% is based on the fact that the game developed positively on the whole, that there were four Austrian "high scorers" and that the amounts per roll cycle were higher than in the previous year. In the first 47 weeks there were longer roll cycles with higher EuroPot prizes than during the same period of the previous year, which definitely boosted sales.

## Sales development in EuroMillionen



for the years 2004-2008 in million euro



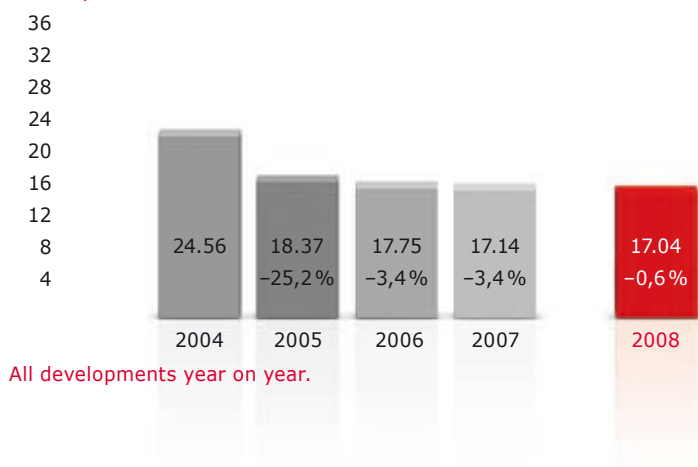
All developments year on year.  
\*As from 2 October 2004

# DEVELOPMENT OF GAME SALES - ToiToiToi

Last year's sales figure for ToiToiToi was 17.04 million euro.

## Sales development in ToiToiToi

for the years 2004-2008 in million euro



All developments year on year.

# DEVELOPMENT OF GAME SALES - LOTTO 1-90

In 2008 the sales volume of lotto 1-90 was 4.51 million euro.

## Sales development of lotto 1-90

for the years 2004-2008 in million euro

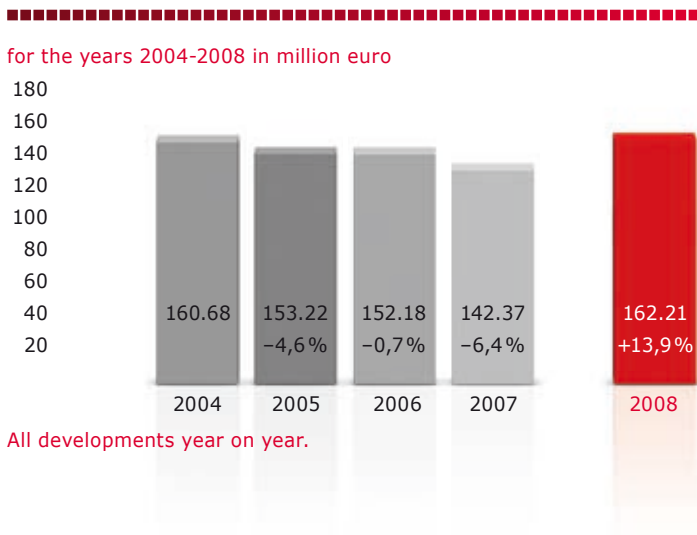


All developments year on year.

# DEVELOPMENT OF GAME SALES - JOKER

In 2008 the Joker sales volume was 162.21 million euro. The increase in sales of 13.94% is primarily due to the high number of jackpots in the "6 out of 45" lottery, to the high tiers prize amounts in the Euro-pot rounds of EuroMillionen and the price adjustment which took effect at the end of June.

## Sales development of Joker

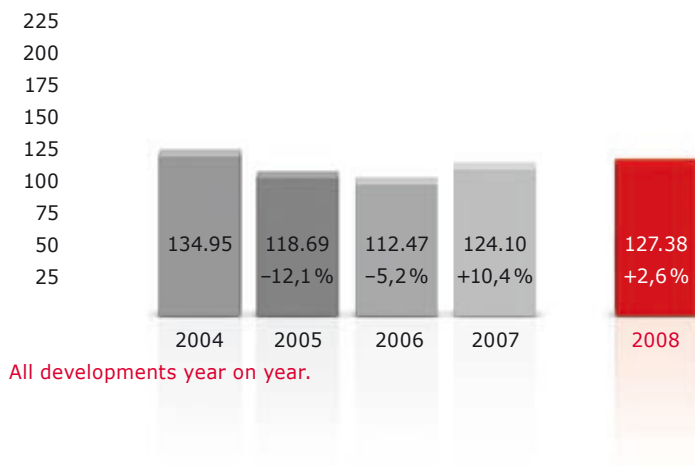


## DEVELOPMENT OF GAME SALES - SCRATCH-OFF TICKETS

2008 sales of scratch-off tickets amounted to 127.38 million euro. Since the switchover to increased prize distribution as from April 2007, the sales levels of scratch-off tickets have remained on a higher level. The positive trend continued throughout 2008.

### Sales development in Scratch-off Tickets

for the years 2004-2008 in million euro



All developments year on year.

# DEVELOPMENT OF GAME SALES - BREAK-OPEN TICKETS

In 2008 break-open ticket sales were at 25.85 million euro. The sales development for break-open tickets reflects the advanced stage in the product life cycle. Due to the increased prize distribution for scratch-off tickets and the fact that winning experiences were thus better than with break-open tickets, consumer tended to buy fewer break-open tickets. On 17 November 2008 break-open tickets were also changed to higher prize distribution, and a new instant product "Mega Brieflos" was introduced. This way, the level of the previous year was attained again.

## Sales development in Break-open Tickets

for the years 2004-2008 in million euro



# DEVELOPMENT OF GAME SALES - CLASS LOTTERY

Last year, the sales volume of the Austria class lottery was 36.17 million euro.

## Sales development in the Class Lottery

for the years 2004-2008 in million euro



All developments year on year.

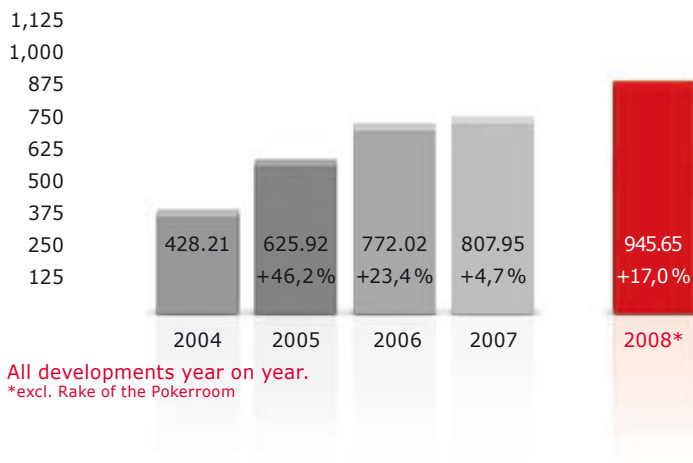
# DEVELOPMENT OF GAME SALES - WIN2DAY.AT

Last year, the sales volume of win2day.at (including Keno) was 945.65 million euro, the rake in the poker room was 5.05 million euro. The electronic lotteries on win2day.at increased their sales by 17% over the previous year, a fact which was also due to the introduction of poker that revitalised the platform.

## Sales development of win2day.at



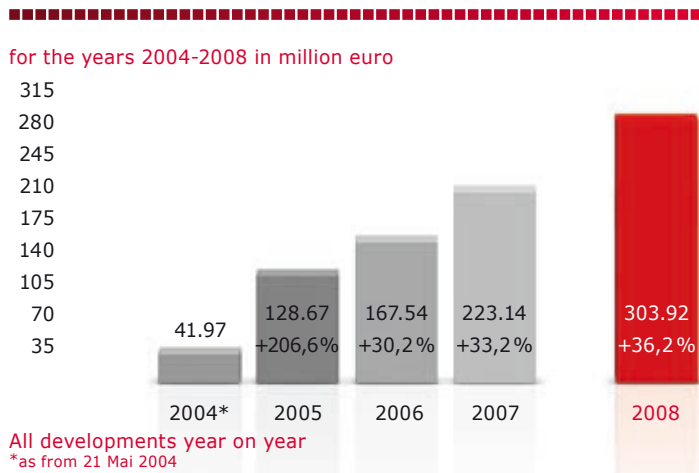
for the years 2004-2008 in million euro



# DEVELOPMENT OF GAME SALES - WINWIN (VIDEO LOTTERY TERMINALS)

The video lottery terminals at the eleven WINWIN locations reached a sales volume of 303.92 million euro. This is an increase of 36.20 over the previous year; WINWIN is continuing to develop well. In April 2008 the outlet in Landeck was opened, 29 October 2008 saw the opening of the eleventh location at Vöcklabruck.

## Sales development in WINWIN



## OUTLOOK

The Austrian Lotteries take particular interest in the current discussion on the regulation of games of chance within the European Union. At present the right to organise games of chance continues to rest with the individual member states.

Considering the conditions defined under the Austrian Game of Chance Act, the Austrian Lotteries' goal is to increase goodwill on a long-term basis and to realise the optimum possible profit. The possibilities resulting from the purchase of the lotteries' shares of BAWAG-P.S.K. by Casinos Austria are to be seen primarily in the strengthening of the company group and a reasonable bundling of forces, and thus of individual group functions.

2009 will see a further intensification of the two companies' co-operation, which will be furthered by the finalised re-location of the Casinos Austria headquarters to the address on Rennweg. At the same time, the Austrian Lotteries will further consolidate their market position by introducing new games and innovative technologies. The harmonisation of IT systems is an important step forward in co-operation within the group of companies. For this reason, the implementation of SAP ERP (Enterprise Resource Planning) in units Human Resources, Controlling, Finance, and Procurement was prepared starting from Q3 2008. The changeover of the individual units to the new system is scheduled for Q2 2009.

As a dynamic and future-oriented enterprise, the Austrian Lotteries are among the leading lottery companies in Europe in terms of technological edge. An in-house project group is working on the further development of Internet gaming products on win2day.at.

The market potential of the Austrian Lotteries in Austria has largely been exhausted and will soon reach its growth limits. In November 2008 the company Russisch Österreichische Lotterien Holding Gesellschaft m.b.H. was formed; its shares are held by the Austrian Lotteries, VPB Beteiligungs Gesellschaft m.b.H. as well as KEBA AG. The business purpose is to hold stakes in gaming and betting companies. Via its wholly owned subsidiary Ural Loto in the Russian Republic of Bashkortostan, a scratch-off ticket was introduced in the local market in December 2008. For the summer of 2009 the market launch of a lottery similar to lotto "6 out of 45" is planned for Bashkortostan.

Moreover, the Austrian Lotteries will continue analysing the foreign market. The company seeks to continue offering its know-how and services in other markets so as to economically strengthen the company in a sustainable manner. In doing so, the Austrian Lotteries can draw on the experiences of Casinos Austria International within the group and can thus bundle their common strengths in a purposeful way.

In keeping with its responsibility towards players, the Austrian Lotteries continue to organise Responsible Gaming training events, which will be held for ticket agent staff as well as for staff of instant product distributors in 2009. Moreover, it is planned to provide all instant product distributors with the information folder "Responsible Gaming – Information on risks related to gaming and the prevention of addictive gaming". The 6th Responsible Gaming Academy has been scheduled for May 2009. The target group for this event are staff of the Austrian Lotteries, Casinos Austria, WINWIN and tipp3.

## MILESTONES IN THE COMPANY HISTORY

Early 1980ies	Due to a drain of Austrian gaming capital to other countries, the introduction of a lotto game in Austria became a central issue. Othmar Haushofer, the Director General in the Federal Ministry of Finance in charge of the gaming sector, identified the problem.
1983	Herbert Salcher, Minister of Finance at the time, commissioned Leo Wallner and Kurt Nösslinger to prepare a plan for re-organising the Austrian gaming market.
2 July 1985	Toto-Lotto-Projektierungsgesellschaft m.b.H. was formed and the first employees were recruited.
6 June 1986	Amendment of the Games of Chance Act creating the legal basis for lotto, football pools and supplementary games.
11 June 1986	Toto-Lotto-Projektierungsgesellschaft m.b.H. obtained the license to run lotto, football pools and supplementary games.
2 July 1986	Lotto Toto Gesellschaft m.b.H. was formed.
1 September 1986	Lotto "6 out of 45" was launched and the football pools were taken over from the Austrian Gaming Monopoly Administration.
13 March 1988	Introduction of the goal bet
26 September 1988	Introduction of the Joker option
21 December 1989	The amended Games of Chance Act became the basis for the re-organisation of the gaming market.
22 December 1989	Lotto Toto Gesellschaft m.b.H. obtained the license to run break-open tickets, lotto 1-90 and the Austrian Class Lottery.
1 January 1990	The management of break-open tickets and lotto 1-90 was taken over from the Austrian Gaming Monopoly Administration.
1 May 1990	The management of the Austrian Class Lottery was taken over Austrian Gaming Monopoly Administration.
26 May 1990	The second winning option for break-open tickets was introduced.
3 October 1991	The company was renamed "Österreichische Lotterien Gesellschaft m.b.H."
21 December 1992	All retailers of the Austrian Lotteries were equipped with online terminals area-wide.
February 1994	The company's new corporate headquarters at Rennweg 44 in the third district of Vienna was inaugurated.
27 February 1995	Introduction of scratch-off tickets

3 September 1997	Introduction of the second draw (the Wednesday draw) in lotto "6 out of 45" and Joker
14 December 1998	Electronic lotteries on the Internet were launched via WebClub.at
8 November 1999	Introduction of Bingo
December 1999	All retailers were equipped with "KeWin", the new online terminal.
30 July 2000	The back-up computer centre and warehouse of the Austrian Lotteries was opened on the Civitas Nova grounds at Wiener Neustadt.
25 January 2001	Introduction of lotto "6 out of 45" and Joker to be played via WAP cellphone
17 September 2001	Introduction of lotto "6 out of 45" and Joker to be played on the Internet at WebClub.at
19 February 2003	Launch of win2day.at – the games platform of the Austrian Lotteries and Casinos Austria
3 March 2003	Introduction of ToiToiToi
21 May 2004	Introduction of the video lottery terminals set up at the first WINWIN location (Mayrhofen in Tirol)
17 June 2004	Introduction of lotto "6 out of 45" and Joker to be played via texting
2 October 2004	Introduction of EuroMillionen
1 January 2005	The amendment to the Games of Chance Act of 10 December 2004 took effect. Due to this amendment, 3% of the annual sales proceeds of the Austrian Lotteries are earmarked for the promotion of sports. The annual minimum is now 40 million euro whereas the maximum threshold was dropped so that funding in support of sports from the budget is increased further.
22 December 2005	Formation of ÖLG Holding Ges.m.b.H.
1 September 2006	20 Years Lotto "6 out of 45"
8 February 2007	The first EuroMillionen superdraw
7 February 2008	Opening of the poker room on win2day.at
16 May 2008	A man from Carinthia wins the EuroMillionen Europot, winning the highest prize in the history of gaming in Austria (55,609,411 euro)
25 May 2008	The first ever quintuple jackpot in lotto



## **Owner and Publisher**

Österreichische Lotterien Gesellschaft m.b.H.  
Rennweg 44, 1038 Vienna  
Phone: (+43 1) 790 70-0  
Fax: (+43 1) 799 39 39  
Internet: [www.lotterien.at](http://www.lotterien.at), [www.win2day.at](http://www.win2day.at)  
FN 54472 g, Commercial Court of Vienna  
DPR no. 0476706