

Responsibility begins with me

CSR Report 2011

Casinos Austria AG and

Österreichischen Lotterien Gesellschaft m.b.H.

Facts & Figures

Facts & Figures Casinos Austria AG

in millions euro	2009	2010	2011
Total revenues (inland)	284.8	267.4	279.7
Tax payments (inland)	128	112	102
Employees*	1,695	1,640	1,580
Casino guests (in millions)	2.33	2.36	2.36
Gaming tables	237	230	233
Gaming machines	1,861	1,885	1,933

* Annual average full-time equivalent (FTE), incl. CAGAST, CAST, CCB & CALL.

Facts & Figures Österreichischen Lotterien Gesellschaft m.b.H.

in millions euro	2009	2010	2011
Sales			
Total	2,633.70	2,642.45	2,899.60
of which:			
Lotto "6 aus 45"	601.32	582.02	654.94
Toto and Torwette	12.19	12.19	11.25
EuroMillions	187.22	180.46	299.31
Bingo	11.35	11.51	11.52
ToiToiToi	17.15	18.18	16.53
Zahlenlotto 1-90	4.29	4.21	3.80
Joker	178.03	173.68	191.36
Rubbellos	123.00	118.65	125.56
Brieflos	27.91	26.51	26.24
Klassenlotterie	34.16	33.87	31.77
win2day.at (incl. Keno)	1,069.09	1,074.97	1,125.15
win2day.at Poker	6.53	6.34	5.77
WINWIN (Video Lottery Terminals)	361.45	399.86	396.40
Tax payments			
incl. gaming-related taxes and taxes from ordinary income and other taxes and duties	421.19	398.43	459.21
Sports sponsoring in acc. with Section 20 Austrian Gaming Act	71.34	79.01	80.00
Employees*	461	479	491
Sales network			
Lotto/Toto sales outlets	3,852	3,820	3,817
Instant lottery distribution network (Rubbellos and Brieflos)	-	6,161	6,045
Rubbellos points of sale	6,543	-	-
Brieflos points of sale	6,521	-	-

* Annual average full-time equivalent (FTE)

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Reporting Period/ Profile of Report

This Corporate Social Responsibility (CSR) Report has been prepared and produced for the benefit of all internal and external stakeholders of Casinos Austria AG (“Casinos Austria”) and Österreichische Lotterien Gesellschaft m.b.H. (“Austrian Lotteries”). It covers the year 2011 and contains information about the performance of both companies as well as their important economic, environmental and social activities and challenges in Austria. It is the sixth CSR report published by Casinos Austria and the fifth such report produced by Austrian Lotteries. Casinos Austria published its 2010 CSR report in June 2010, the same month in which Austrian Lotteries published its 2010 interim CSR report.

Since a new corporate structure which came into effect from 1 October 2008 has brought the two companies closer together from both an organizational and a geographical perspective, the directors of Casinos Austria and Austrian Lotteries decided in 2011 to produce their first-ever joint CSR report.

Further information on each company’s products and services can also be found in the Casinos Austria and Austrian Lotteries Annual Reports for 2011.

This CSR report has been compiled in accordance with GRI (Global Reporting Initiative) guidelines, which stipulate indicators for the three pillars of sustainability: economic, environmental and social.

It also serves as UN Global Compact progress report for Casinos Austria AG and Österreichische Lotterien Gesellschaft m.b.H..

The content of the report was selected by the CSR officer in consultation with the directors and in close cooperation with all affected Business Units and Corporate Functions. The data supplied by the individual Business Units and Corporate Functions for this report was selected by the responsible subject matter experts from the documentation and statistics they have diligently compiled and maintained for many years and was verified for correctness and accuracy by their respective line managers.

The Ten Principles of the UN Global Compact

At the core of the UN Global Compact lie ten principles derived from various international declarations.

Human Rights

Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2

make sure that they are not complicit in human rights abuses.

Labor

Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4

the elimination of all forms of forced and compulsory labor;

Principle 5

the effective abolition of child labor; and

Principle 6

the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7

Businesses should support a precautionary approach to environmental challenges;

Principle 8

undertake initiatives to promote greater environmental responsibility; and

Principle 9

encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10

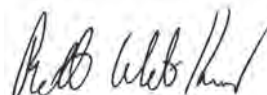
Businesses should work against corruption in all its forms, including extortion and bribery.



Friedrich Stickler



Karl Stoss



Bettina Glatz-Kremsner



Dietmar Hoscher

Foreword by the Management Board



f. l. t. r.: Friedrich Stickler, Karl Stoss, Bettina Glatz-Kremsner, Dietmar Hoscher

Our companies

are not companies like every other. In our field of business – gaming – there is only a fine dividing line between fun pastime and worrying vice. Our high level of active responsibility ensures this threshold is never crossed in the way we do business.

Society thus has every right to expect that a gaming operator will apply and adhere to particularly strict business principles and that social responsibility and sustainability will be fundamental aspects in everything it does.

The Casinos Austria/Austrian Lotteries Group has always taken this responsibility very seriously. Responsible gaming and player protection have been established practice across the group for many years. Our companies are recognized leaders in the international gaming industry in the implementation and development of responsible gaming programs and methods.

For us, sustainability also means providing active support for projects in all areas of society. Through their extensive sponsoring activities and partnerships with numerous different organizations, the companies in our group support not only a wide variety of sports and cultural initiatives, but also a diverse range of social projects and concerns.

This sustainability report offers a very good illustration of the broad significance and meaning of responsible gaming in our group. Our employees assume responsibility every single day. They, in turn, form the basis of a group of companies who are responsible members of Austrian society and whose ultimate goal is to ensure that all Austrians benefit from their actions and business activities.

Over the last few years, we have not only brought Casinos Austria, Austrian Lotteries and their subsidiaries physically closer together, we have also implemented a new organizational structure for the group. As a consequence, we are now in a position to produce a joint CSR report for the group for the first time.

Friedrich Stickler

Karl Stoss

Bettina Glatz-Kremsner

Dietmar Hoscher

Introduction by the CSR Director



Dietmar Hoscher

We live in a time

in which the gaming industry is coming under constant scrutiny across Europe. NGOs and the media increasingly uncover cases of scams involving all manner of fanciful illegal gaming offers, while stories of gambling addiction and inadequate player protection frequently make the headlines. In Austria, it is the slot machine sector in particular that has come into the crossfire of criticism in recent years – criticism that has ultimately led to a radical amendment to the country's gaming law. The European Commission has added the online gaming sector to its agenda and has set itself the objective of developing proposals for stricter regulations at European level. It also wants to extend regulations to combat money laundering to all forms of gambling.

Casinos Austria and Austrian Lotteries welcome these developments. The fact that society is increasingly demanding greater integrity and more responsibility from gambling operators has to be seen as clear progress. For many years now, the companies in our group have led by doing and serve as a practical example of how the highest standards of social responsibility can be successfully implemented in a sensitive sector like ours. Casinos Austria has also assumed a pioneering role here on the international stage: we have implemented a systematic approach to CSR management, publish annual reports on our CSR activities and continue to extend our commitment to social responsibility and sustainability.

Casinos Austria and Austrian Lotteries both joined the UN Global Compact in 2011 – in January and February respectively. Founded by former UN Secretary-General Kofi Annan, the UN Global Compact is probably the world's most important CSR platform.

The sustainability principle is apparent in all areas of our business. It is as integral a part of our approach to responsible gaming as it is to our efforts to be a decent employer and business partner or to our support and commitment to sports, culture, the arts, social issues, ecology and climate protection. This report is designed to offer an overview of our extensive CSR efforts. I hope you enjoy reading it.

Best regards

Dietmar Hoscher
Director of the Management Board
of Casinos Austria



Introduction by the CSR-Manager

Have you looked in the mirror yet today?

Of course you have! You're already on page 9 of the Casinos Austria/Austrian Lotteries Group's CSR report, which means you've already passed the cover. "Responsibility begins with me" is the theme we have chosen for our first joint CSR report, because a CSR concept is essentially only as good as the people who turn it into reality each and every day. This might sound like a truism, but the fact that they are understood and practiced by everyone in a company really is an important benchmark for the sincerity and seriousness of CSR activities.

Corporate sustainability management is even more dependent than other functions in a company on everyone pulling together.

That's why we at the Casinos Austria/Austrian Lotteries Group are proud of the progress we've made in recent years in involving staff in CSR activities. They all show a great deal of active commitment, be it in their own contributions to protecting the environment or in their support for social causes, e.g. by volunteering to cook at a homeless shelter run by Caritas in Vienna. This is a particularly good example of the fact that social responsibility in our companies is not just "an order from above", it is something everyone does and supports. This naturally applies above all to our core business, where extensive training initiatives have made responsible gaming – the most important pillar of our comprehensive approach to sustainability – a matter of course and a core corporate principle. Our responsible gaming policies and measures far exceed any legal requirements. This is an important point, because a modern understanding of CSR begins precisely with a company's approach to its core business. Doing good is obviously a good thing, but a socially responsible company has to have first done its homework and made sure its own products and services are marketed in a responsible, sustainable manner.

The fact that the Casinos Austria/Austrian Lotteries Group has succeeded in doing so is clearly linked to this commitment on the part of our staff – but equally also to the fact that our directors understand and stress the importance of CSR and are fully behind our activities all the way.

This report not only summarizes our achievements in 2011, it also forms the basis for our ongoing plans and efforts in 2012. As CSR Officer, I would like to take this opportunity to thank the members of the management board and all the staff in our group for their continued efforts and support.



Verena Proksch
Head of Department CSR
Casinos Austria/Austrian Lotteries Group

Casinos Austria

Corporate Principles

10 guiding principles for a responsible coexistence

- 1.** As a services company, everything we do centers on our guests and their individual needs and demands. Our behavior and the design of our products combine international standards of quality and service with the decisive “value added” of typically Austrian friendliness and charm.
- 2.** We treat others the way we wish to be treated ourselves.
- 3.** Our staff, works council and management are fully committed to a sustainable, socially balanced, fair and cooperative attitude that centers on our guests.
- 4.** We are aware of and accept our responsibility to society.
- 5.** Gambling can be a problem for some people. We therefore accept and are committed to the regulatory mandate of the Austrian authorities and strive in all our casinos to promote, encourage and offer the optimal level of responsible gaming for our guests.
- 6.** We are aware of and accept our responsibility for our company.
- 7.** In line with our corporate objectives, all our employees are empowered and required to assume responsibility, be innovative and show commitment.
- 8.** We offer our employees a stimulating and supportive working environment.
- 9.** Job descriptions, scope of authority and any associated responsibilities are clearly defined. This leads to informed, purposeful and motivated employees who provide our guests with optimal service.
- 10.** We draw our strength from our clear focus on our guests and our markets.

Austrian Lotteries Guiding Principles

Responsible – Innovative – Cooperative

Austrian Lotteries is an internationally renowned gaming company with a responsible, innovative and cooperative approach. We offer a broad portfolio of high quality products for the adult gaming market. Responsible gaming forms the basis of all our business activities. This core attitude to our stakeholders is actively practiced by company management and by all our staff.

Maintaining the trust and confidence of our customers and the licensing authority is central to all our efforts and endeavors. We combine regulatory responsibility with entrepreneurial commitment, live credibly by these principles and are an economic success with a clear financial basis and strength.

Our business model embraces innovation. We develop and use modern technology to guarantee the best possible level of security in our gaming products. Our pioneering role can be attributed above all to our motivated, high performing staff, who are a cornerstone of our lasting success. We are committed to providing them with an attractive working environment that encourages open communication and supports a work-family balance.

We see ourselves as a good corporate citizen and support institutions and projects that serve the interests of Austria and its population. In line with the license awarded to us, we strive to make our products available across the whole of Austria. We work closely and responsibly with our sales partners and strive to ensure our customers always enjoy the best possible service. In doing so, we place a particularly strong emphasis on adherence to our responsible gaming principles.

Legal Foundations

Casinos Austria and Austrian Lotteries provide the services and products covered by the state gambling monopoly in Austria.

In Austria, the right to operate games of chance is reserved to the State, whereby the Gaming Act [*Glücksspielgesetz*] provides for the transfer of corresponding licenses. Pursuant to this provision, all 12 casino licenses for Austria were granted to Casinos Austria in due consideration of the legally established regulatory, social and fiscal policy objectives. Austrian Lotteries holds the license in accordance with Section 14 of the Gaming Act to operate the lotteries defined in Sections 6 to 12b of the Gaming Act, Federal Law Gazette [*Bundesgesetzblatt/BGBl.*] No. 620/1989, as amended in BGBl. I No. 76/2011. Furthermore, subsidiary and affiliated companies handle activities in the “international casino operations”, “sports betting”, “skill games” and “catering” sectors as well as for the internet gaming platform win2day and the Video Lottery Terminals (VLT) sector.

Under Austrian constitutional law, the legal framework for the regulation of the gaming sector is established by the powers of legislation and execution accorded to the Federation in the matter of ‘monopolies’. In accordance with jurisdiction, the federal lawmaker passed the Gaming Act, which stipulates that all forms of games of chance – with a few limited exceptions – shall be operated by the Federation. The scope of the Federation’s gaming monopoly is defined in Sections 1 and 2, and limited by the exceptions laid down in Sections 4 and 5, of the Gaming Act.

Since the provision of games of chance as a leisure pastime is subject to particular social demands and requirements, special provisions must be made to regulate this provision. On a general level, these terms serve to ensure that regulatory and socio-political objectives are met. In Austria, this is achieved by means of a license system established in the Gaming Act, which only permits the operation of games of chance under certain provisions. The lawmaker’s objective here is to steer the clearly immanent human desire to gamble into orderly channels.

A total ban on games of chance would not be prudent – because it would simply result in gambling being provided by illegal sources and thus no longer being subject

to any form of state regulation or control whatsoever. Consequently, legal gambling services must also be promoted. A liberalized gambling market would also not bring about the desired results, since it would inevitably lead to an oversupply of gambling products – with dramatic effects for instance from a gambling addiction perspective.

The Federation can currently grant 15 casino licenses. The strict requirements a company must meet to be granted such a license are defined in Section 21 of the Gaming Act, which stipulates that a license can, for example, only be granted to an applicant whose shareholders do not have a controlling influence that would prevent the necessary reliability from a regulatory perspective. Furthermore, said applicant must have a paid-up share capital of at least 22 million euro and provide evidence that these funds originate from a legitimate source.

The specific requirements regarding the reliability and economic potency of a casino operator justify such a system. The potential negative implications and risks associated with the operation of casinos provide further support for the notion that the number of casinos operated should be kept at a low level. These risks include, for example, the threat to a person’s economic existence that can arise from a passion for gambling, possible unlawful activities on the part of casino operators, or the potential penetration of the sector by criminal groups.

The legal foundations likewise establish the basis upon which Austrian Lotteries provides lottery games in Austria and constitute the rules for their provision. The licensing authority controls adherence to these rules and monitors, for example, the number of games on offer and whether they are operated in line with the regulatory objectives. By monitoring shareholder structures, the licensing authority ensures that criminal elements do not penetrate the Austrian gaming market. It also authorizes every new product, making sure in the process that it meets the stipulated rules – which also contain responsible gaming provisions and concepts.



Ulrike Klari-Izundu
Thinking in terms of opportunities also provides people with positive confirmation. It encourages them to continually recognize, follow and realize opportunities.

Everyone has their own reservoir of particular abilities that help them to achieve their goals more quickly. When I notice such positive abilities, I like to mention them.

Positive reinforcement of this kind makes people more aware of their abilities and increases the likelihood that they will use them – be it in their private or in their professional lives. They create confidence, give a sense of well-being, and are often the precursors to the seizing of an opportunity.

The licensing authority clearly stipulates in Section 14 (2) 7 of the Gaming Act that a license may only be granted to an applicant who can be expected to exercise the license most effectively as a result of its particular experience, infrastructure, development measures and equity capital, as well as its systems and measures to prevent gambling addiction, protect players, prevent money laundering and criminal activities, guarantee operational reliability, provide quality assurance, monitor its own activities and comply with any other applicable provisions in the Gaming Act.

Casinos Austria holds the 12 licenses currently issued for the operation of casinos at the following venues: Baden, Bad Gastein, Bregenz, Graz, Innsbruck, Kitzbühel, Kleinwalsertal, Linz, Salzburg (Wals-Siezenheim), Seefeld, Velden and Vienna.

Austrian Lotteries submitted a bid in the public tender launched in June 2011 for the reissue of the lottery license. In the decision dated 10 October 2011, Austrian Lotteries was successfully awarded the license to operate lotteries pursuant to Sections 6 to 12b of the Gaming Act, BGBl. No. 620/1989, as amended in BGBl. I No. 76/2011, for the period through to 30 September 2027.

Over the last 25 years, Austrian Lotteries has impressively demonstrated its ability to apply this license effectively to all lottery games and shown its clear reliability and high level of responsibility to society and the Austrian state in the organization and provision of the licensed games of chance.

Both companies have their headquarters in Vienna, Austria.



Philip Newald

I don't kill ideas, I listen to suggestions.

I do this every day with my staff. I motivate them to develop sales oriented, customer friendly processes on their own and then work with me to fine tune them. If they are feasible from an organizational and business perspective, I make sure they are implemented quickly.

Management

Ownership Structure and Companies

Medial Beteiligungs GmbH

UNIQA

Vienna Insurance Group

Raiffeisen Gruppe

Bankhaus Schelhammer
& Schattera AG

Münze Österreich AG

**Bankhaus Schelhammer
& Schattera AG**

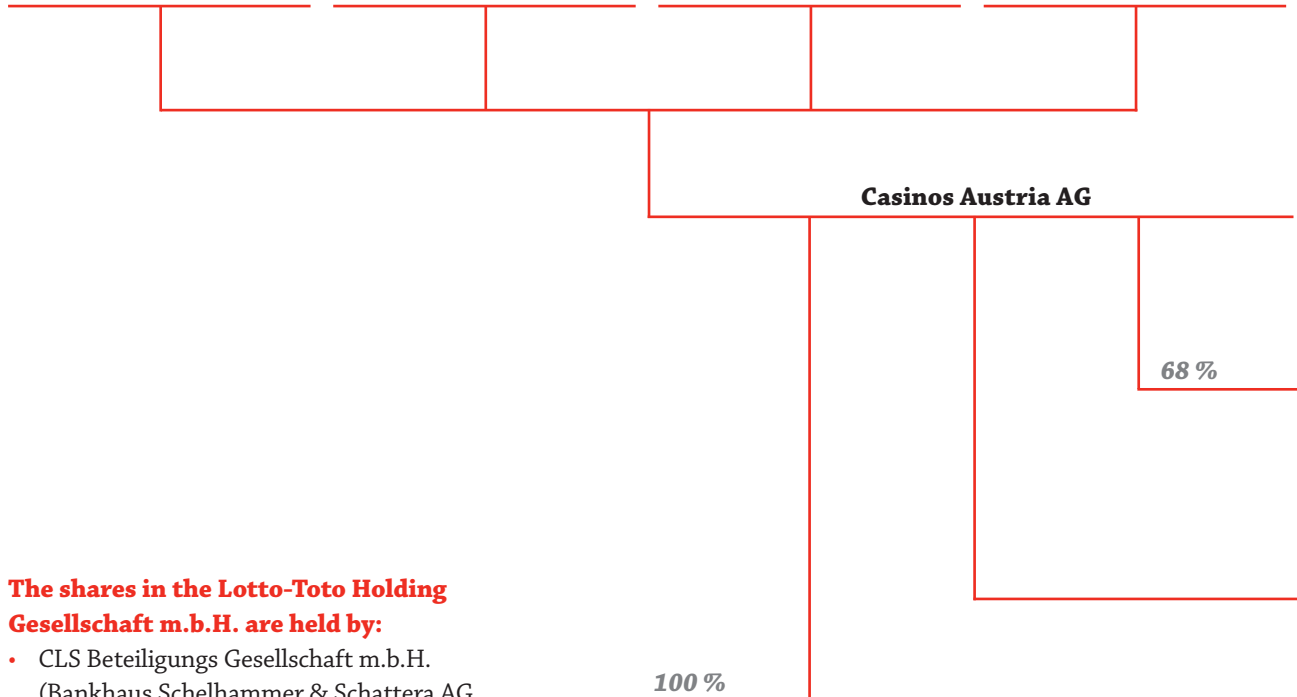
Private Shareholders

38.3 %

33.2 %

5.3 %

23.2 %



Casinos Austria AG

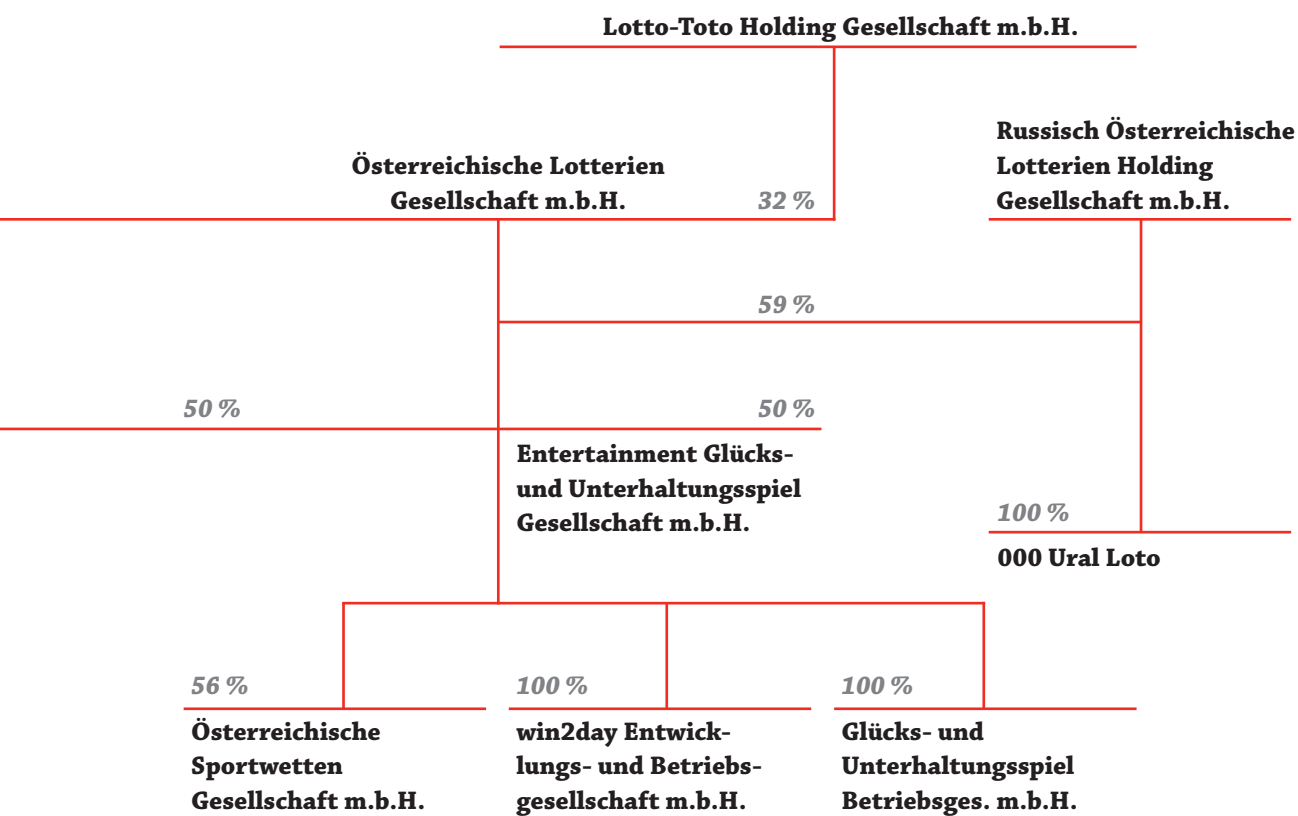
68 %

100 %

**Casinos Austria
International Holding
GmbH**

The shares in the 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, RZB Holding GmbH, Österreichische Volksbanken-AG),
- LTB Beteiligungs-Gesellschaft m.b.H. (BAIH Beteiligungsverwaltungs GmbH, BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse AG, Hypo-Banken-Holding Gesellschaft m.b.H., Erste Bank der oesterreichischen Sparkassen AG),
- Österreichischer Rundfunk.



Organizational chart: CASAG Shareholders and Shareholdings, as of 31.12.2011

Group Management Bodies

Casinos Austria Management Bodies

Executive Committee:

- Walter Rothensteiner, Director General
President of the Supervisory Board (Chairman)
- Wolfgang Duchatzek, Vice Governor
Vice President of the Supervisory Board (1st Deputy Chairman)
- Günter Geyer, Director
Vice President of the Supervisory Board (2nd Deputy Chairman)
- Maria Theresia Bablik
Vice President of the Supervisory Board (3rd Deputy Chairman)

Members:

- Helmut Jonas, Director General (ret.)
- Friedrich Karrer, Director
- Gerald Neuber, Director
- Thomas Schröfl, Attorney-at-Law
- Gerhard Starsich, Director General
- Gottfried Wanitschek, Director
- Peter Zöllner, Director

Delegated by the Central Works Council:

- Jürgen Nachbaur (Central Works Council Chairman)
- Gerhard Dell-Osbel
- Christian Holz
- Gerhard Hrubes
- Peter Löb
- Manfred Schönbauer

State Commissioners:

- Alfred Lejsek
- Alfred Katterl
- Johannes Pasquali

Management Board:

- Karl Stoss, Director General
- Dietmar Hoscher, Director
- Bettina Glatz-Kremsner, Director

Austrian Lotteries Management Bodies

Executive Committee:

- Walter Rothensteiner, Director General
President of the Supervisory Board
- Helmut Jonas, Director General (ret.)
Vice President of the Supervisory Board
- Gerhard Starsich, Director General
Vice President of the Supervisory Board

Members:

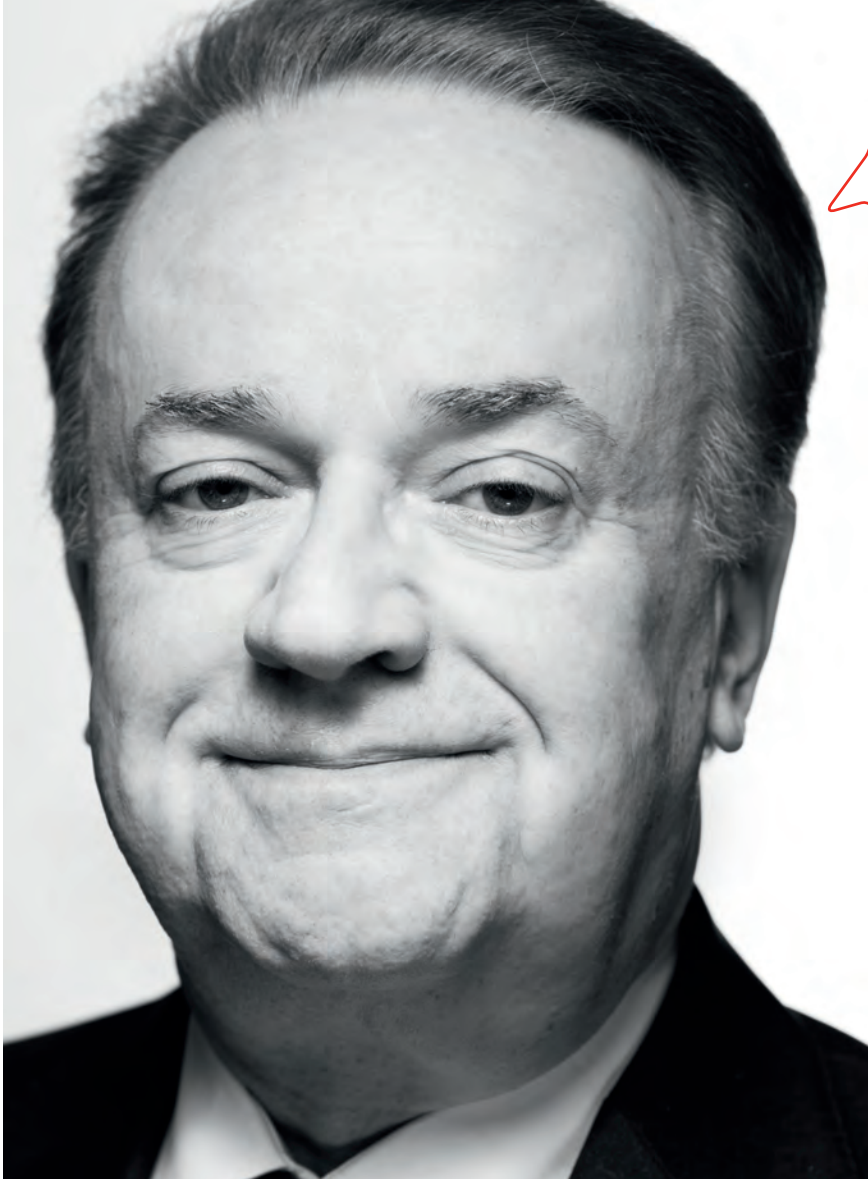
- Maria Theresia Bablik
- Gerhard Baumgartner, University Professor
- Jochen Bottermann, Director
- Erich Hampel
- Alfred Ludwig, Director General
- Manfred Url, Director
- Alexander Wrabetz, Director General
- Peter Zöllner, Director

Delegated by the Central Works Council:

- Norbert Eigl
- Franz Baumgartner
- Ernst Gyöngyösi
- Gertrude Kopp
- Christopher Nemeč
- Gerald Schwarz

Audit Committee:

- Walter Rothensteiner, President, Director General
- Helmut Jonas, Vice President, Director General (ret.)
- Gerhard Starsich, Vice President, Director General
- Gerhard Baumgartner, University Professor
- Alfred Ludwig, Director General
- Alexander Wrabetz, Director General



Herbert Beck I take time for my fellow men.

Alfred Schweitzer once wrote: "Do something for the privilege of simply doing it, open your eyes and look for someone who needs a bit of your time, a little compassion, a little company, a little care." I wanted to respond to this appeal and take some time for people who do not form part of my direct work and family environments. I serve in a voluntary capacity as president of the *Johanniter Hilfsgemeinschaft* in Austria, a charitable organization of the Orders of St. John, which provides support to the increasing number of people who are falling through the social net even in our country. I am also a church lector. I take great pleasure in trying to come closer to this appeal through my endeavors in both these roles.

Members of the Audit Committee delegated by the Central Works Council:

- Norbert Eigl
- Franz Baumgartner
- Gertrude Kopp
- Christopher Nemeč

State Commissioners:

- Martin Atzmüller (State Commissioner)
- Christoph Schlager (Deputy State Commissioner)

Management Board:

- Karl Stoss, Director General
Chairman of the Board
- Friedrich Stickler, Deputy Director General
Deputy Chairman of the Board
- Bettina Glatz-Kremsner, Director
Member of the Board

as of 31.12.201





Brigitte Retzenwinkler
**I take care to separate
and dispose of waste
correctly.**

I separate my waste into paper, glass, plastic, cans, batteries and non-recyclable waste.

Group Organizational Structure

Business Units (BU)

Casinos Austria Karl Stoss Dietmar Hoscher Bettina Glatz-Kremsner <i>Extended BU Management:</i> Christian Schütz	International Business Karl Stoss Dietmar Hoscher Bettina Glatz-Kremsner <i>Extended BU Management:</i> Alexander Tucek Christoph Zurucker-Burda	Lotteries Bettina Glatz-Kremsner Friedrich Stickler <i>Extended BU Management:</i> Peter Ulovec Erwin Binder
Betting & Sports-Related Skill Games Dietmar Hoscher <i>Executive Management:</i> Philip Newald Georg Weber	VLT/Slot Machine Business Dietmar Hoscher <i>Executive Management:</i> Robert Vierziger	Online Gaming Friedrich Stickler Bettina Glatz-Kremsner <i>Executive Management:</i> Friedrich Stickler Martin Jekl

Corporate Functions (CF)

Corporate Development Full Management Board Operative: Friedrich Stickler Bettina Glatz-Kremsner <i>Extended CF Management:</i> Peter Ulovec Reinhard Summerer Christian Schütz	Internal Audit Full Management Board Operative: Karl Stoss <i>Extended CF Management:</i> Erhard Peinthor	Human Resources Karl Stoss <i>Extended CF Management:</i> Adolf Geppl Erich Valenta	Corporate Communications Karl Stoss <i>Extended CF Management:</i> Martin Himmelbauer
Finance & Group Controlling Bettina Glatz-Kremsner <i>Extended CF Management</i> Wolfgang Sperl	Legal Affairs Dietmar Hoscher <i>Extended CF Management</i> Peter Erlacher	Public & European Affairs, CSR Dietmar Hoscher <i>Extended CF Management</i> Markus Eder	Information Technologies Bettina Glatz-Kremsner <i>Extended CF Management</i> Erich Schuster
	Services Friedrich Stickler <i>Extended CF Management</i> Oskar Berszenyi Nathan Bomze	Responsible Gaming, Advertising & Sponsoring Friedrich Stickler <i>Extended CF Management</i> Herbert Beck	

Group Organizational Chart; as of 31.12.2011



Ines Benisch
**I switch electrical devices
off completely.**

The individual companies Casinos Austria, Austrian Lotteries, Casinos Austria International, win2day Entwicklungs- und Betriebsgesellschaft m.b.H., Österreichische Sportwetten Gesellschaft m.b.H. and Glücks- und Unterhaltungsspiel Betriebsges. m.b.H. are organized into individual Business Units, which draw on the corresponding services of the so-called Corporate Functions (or Group Functions). The available Corporate Functions are as follows: Corporate Development, Human Resources, Corporate Communications, Responsible Gaming, Advertising & Sponsoring, Legal Affairs, Public & European Affairs/CSR, Information Technology, Services, Finance & Group Controlling and Internal Audit (as of 31.12.2011).

The “Casinos in Austria” Business Unit is the central coordination and support unit for the 12 Austrian casinos

and works with the casino directors to develop the strategic goals for the gaming, guest relations and marketing sectors. Other functions like administration & organization, security & surveillance and controlling are also coordinated centrally. The unit also serves as the interface between the 12 casino operations and the 10 corporate functions.

Austrian Lotteries is positioned in the group organizational structure as “Lotteries” Business Unit, develops and plans its strategic focus in direct cooperation with the management board and assumes authority for its own operations and day-to-day business. Accordingly, its marketing, product development, sales, draws, international business and Russian Federation, corporate counsel and board administration activities are organized and carried out directly in the business unit (as of 31.12.2011).

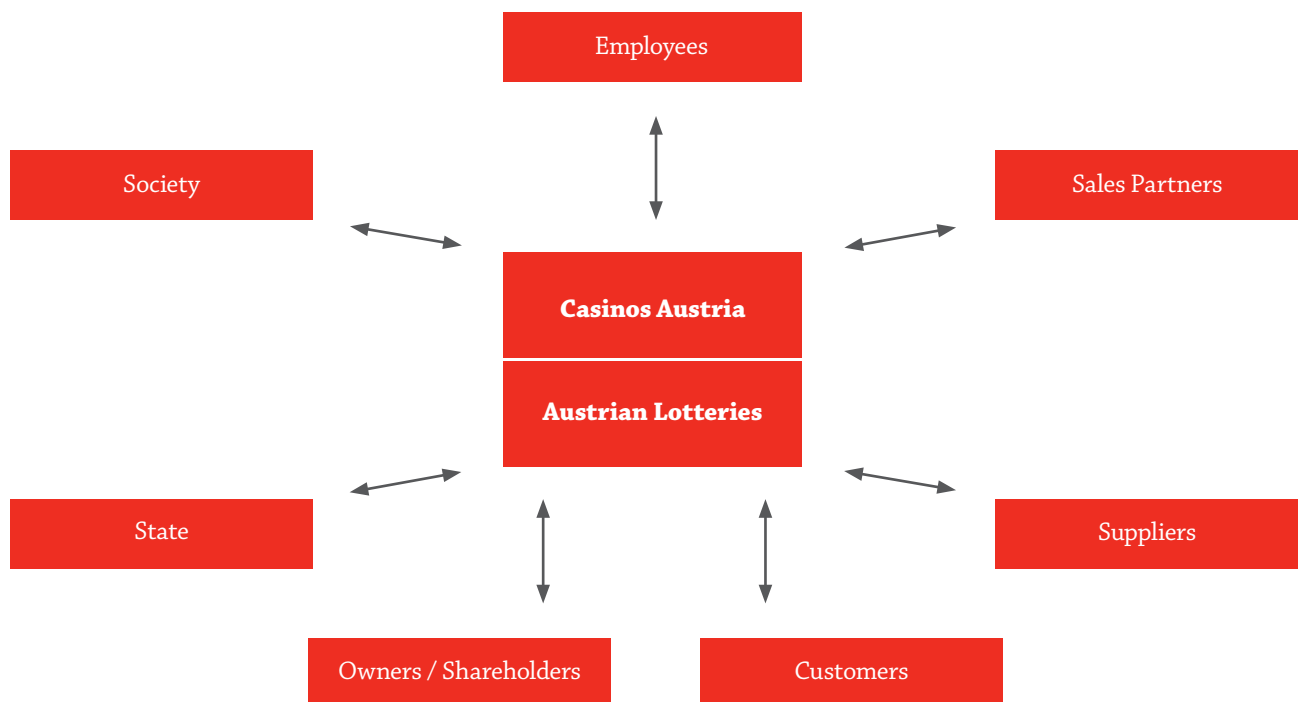
Our Stakeholders

Politicians, lawmakers, customers, suppliers, owners, recipients of sponsoring funds, employees, works council representatives, the media, interest groups, investors, sales partners, regulatory bodies, local authorities

The Casinos Austria/Austrian Lotteries Group has extensive relationships with a diverse range of stakeholders. We frequently invite the media to briefings, background discussions or press conferences. We are also particularly keen to establish a lively debate with our guests and customers.

A further important instrument in maintaining successful contact to our stakeholders is our corporate newsletter. This was introduced in 2007 and has

since been sent out several times a year to a mailing list that includes members of both the lower and the upper houses of the Austrian parliament as well as of the individual state parliaments. Our goal with this newsletter, which goes by the title “*Glücksspiel mit Verantwortung*” [“Responsible Gaming”], is to inform political decision makers at federal and state level of current regulatory developments in the gaming sector. Three such newsletters were sent out in 2011 (the same number as in 2010).



Management Systems

Anti-Corruption

The Casinos Austria/Austrian Lotteries Group rejects corruption in any form. We strongly supported the efforts of Austrian lawmakers to introduce enforceable adaptations to the country's anti-corruption regulations through the 2008 Penal Code Amendment Act [*Strafrechtsänderungsgesetz*].

The service regulations in place at Casinos Austria prohibit any member of staff from accepting personal gifts or benefits. Should this regulation be breached, disciplinary proceedings are initiated immediately. Likewise, the Austrian Lotteries collective agreement clearly regulates the situation regarding the acceptance of gifts. Employees are not permitted to accept any gifts which might create a bias or conflict of interests in their professional duties without the company's express, prior consent.

Our code of conduct also details how such conflicts of interest can occur and what employees should do in such a situation. This also applies to anti-corruption issues.

Other Guidelines and Policies

We also have a range of other specific guidelines and policies in place. These apply to all members of staff and cover areas such as:

- Data protection
- Responsible gaming
- Money laundering
- Information security (the basis for all IT related guidelines, including those covering the classification and handling of information, IT governance, IT principles, decision rights, etc.)
- Purchasing (e.g. uniforms cannot be produced using child labor).

We have worked in close cooperation with our staff to define and establish an appropriate code of conduct. The goal of this code of conduct is to ensure that all our actions are ethically and legally impeccable and thus

reflect the high moral standards of our companies. All our employees are aware of their responsibility to society, our guests, our customers, our stakeholders and their co-workers. The code of conduct not only defines the behavior we demand of ourselves, it also reflects our expectations of our business partners.

Risk and Opportunity Management

Monitoring of international developments in "best practices" in risk management indicates the increasing relevance of strategic risk management. Casinos Austria and Austrian Lotteries have therefore introduced strategic risk and opportunity management for the group as a whole to complement the risk management already in place for their operative business. These standardized procedures allow us to increasingly capitalize on new business opportunities and consciously address and steer the associated risks. In addition to meeting the legal requirements of the Company Law Amendment Act 2008 [*Unternehmensrechtsänderungsgesetz*], this creates added value for the potential exploitation of new opportunities.

Our extensive service regulations – adherence to which is monitored by means of internal audits – and internal reporting procedures allow us to recognize and address potential risks and their effects at a very early stage, thus providing the basis for the timely introduction and execution of appropriate risk reduction steering measures. To ensure data comparability and migratability, our corporate risk management team is responsible for the unified implementation of risk management guidelines across the group. Unified risk and opportunity categories have also been established for all companies and divisions in the group. Through their participation in this group-wide process, the risks and opportunities for the group become the targeted concern of all managers.

An internal control system (ICS) ensures the conformity and cost effectiveness of procedures with regard to asset security and compliance with corporate principles. This ICS is regularly monitored by the Corporate Function "Internal Audit".

Our risk and opportunity management system allows us to manage the risks relating to product security and quality, player protection, the protection of minors, and customer safety in an even more controlled manner than before and at the same time make increased use of associated opportunities to optimize product quality and customer satisfaction.

Financial Risk Management

Our financial risk management is based on treasury and/or investment guidelines as well as written fund agreements. The content of these guidelines and agreements is monitored at regular intervals by the investment committee and adapted if necessary to the current requirements. To minimize risk, regular audits are carried out by the Corporate Function "Internal Audit" and quarterly or regular fund reports are provided by the fund managers.

Guest and Data Protection

We place utmost importance on protecting the privacy of all our customers, sales partners and staff in the collection, processing and use of their personal data. We adhere to the applicable data protection regulations as a matter of course. The enforcement and maintenance of player confidentiality is a specific and essential component of our stated data protection policy at Casinos Austria and Austrian Lotteries.

In 2011, the focus of our data protection activities lay primarily on optimizing the high standards that had already been introduced in 2010. Binding rules of conduct for data protection for licensed gaming operators were drawn up as planned, brought into force by the Federal Chancellery with the support of the Austrian Economic Chambers (WKO) – Occupational Category Casinos Austria and Austrian Lotteries – and published on the WKO homepage and our own corporate websites. Casinos Austria and Austrian Lotteries are currently the only licensed gaming companies worldwide who meet the strict provisions laid down in these rules of conduct.

The structures created in 2009 and 2010 to safeguard and develop our data protection policies were further consolidated in a group-wide data protection management system (DSMS). Individual processes in this system are to be handled in future in conjunction with our information security management system (ISMS). In a first step, the data and some of the monitoring criteria were unified across both systems.

To retain the GoodPriv@cy certificates obtained in February 2010, internal data protection audits were carried out in our Business Units. All units audited proved to be fully compliant with the applicable auditing and award regulations for the GoodPriv@cy standard.

The insights gained during these audits will also prove beneficial for the external GoodPriv@cy retention audit that will be carried out by SQS in October 2012. Any weak points uncovered by SQS must normally be eliminated by the time of the next audit. There are however no known weak points at present which might prevent retention of GoodPriv@cy certification in October 2012.

Creating awareness among all members of staff and management is a key way of safeguarding data protection. Accordingly, information events were held by the Data Protection and Anti-Money Laundering department during the reporting year in all casinos in Austria. Several training courses and seminars were also held for different target groups at the Austrian Lotteries headquarters in Vienna.

Goals we have set ourselves

- 1.** Training courses to provide staff with the latest information on and insights into data protection and measures to raise awareness among all staff
– continuous
- 2.** Data protection road show at all casinos in Austria
– 2012/13
- 3.** Update of e-Learning modules
– 2012/13
- 4.** Internal and external data protection audits in all business units
– continuous

Prevention of Money Laundering and Criminal Activities

We have been using an ISAE 3000 approved management system in our efforts to prevent money laundering and criminal activities since 2011 and continuously assess money laundering risks. All our internal business processes have been segmented into steering processes, core processes and supply processes.

Steering processes serve to establish the group's strategic focus and provide a structural framework (e.g. planning long-term, medium-term and short-term development, setting target agreements, monitoring performance).

Core processes (also frequently referred to as business processes) serve specifically to directly meet the needs of our guests and customers (e.g. provision of casino games, responsible gaming activities, etc.).

Supply processes support other processes and safeguard the smooth provision of services (e.g. making capital, personnel, IT services or facilities available).

We subject every task and every transaction with a particular risk of a potential link to money laundering or the financing of terrorism to special scrutiny. To meet this commitment and comply with those provisions of Article 41 (4) of the Austrian Federal Banking Act [Bankwesengesetz] which are applicable by reference, we subjected all our business processes to an in-depth analysis in 2011. The aim of this analysis was to uncover, identify, document and assess any risks of money laundering or the financing of terrorism and introduce appropriate measures to eliminate or minimize these risks.

We use a range of measures to demonstrably and systematically realize the "know your customer" requirements laid out in the Gaming and Banking Acts. Our established security policies, organizational structure and the ISO 27001 compliant security measures in place in our central computer center guarantee adherence to applicable security regulations for the operation of data storage systems.

The changes and additions to the Gaming and Banking Acts were enforced in 2011 by means of a new and binding anti-money laundering guideline for the companies Casinos Austria AG (CASAG), Glücks- und Unterhaltungsspiel Betriebsges. m.b.H. (WINWIN) and Österreichische Lotterien Gesellschaft m.b.H (win-2day).

All statutory provisions in the Gaming and Banking Acts relevant to the companies in our group were categorized and assigned into risk groups. These risk groups were then subjected to a series of internal tests and subsequently plotted on a risk and risk maturity map. All business processes were documented to ensure full transparency for our management team and anti-money laundering officer. Furthermore, our internal monitoring and control system ensures that the statutory provisions are reviewed at regular intervals and, where necessary, incorporated into our business processes.

In 2011, the following groups of employees were trained by our anti-money laundering officer at a series of workshops:

- all managers and staff at Casinos Austria AG involved in cash desk management and services
- all new employees at Glücks- und Unterhaltungsspiel Betriebsges. m.b.H.
- all staff in the Operations and Process Management department at Austrian Lotteries

Our corporate anti-money laundering officer took several web-based training courses in 2011. He also attended the following ongoing training/learning events:

- a two-day European anti-money laundering conference in Amsterdam organized by the Association of Certified Anti-Money Laundering Specialists (ACAM)
- an “Efficient Internet Research for Anti-Money Laundering Officers” seminar
- a know-how transfer session with Josef Mahr, head of the money laundering registration office at the *Bundeskriminalamt* [Austrian Federal Bureau of Criminal Investigation].

Participation at further relevant conferences and seminars is budgeted for 2012.

Goals we have set ourselves:

1. Nationwide introduction of e-Learning modules on the prevention of money laundering and criminal activities
– end 2012
2. Provision of specific training to all managers and relevant staff at Glücks- und Unterhaltungsspiel Betriebsges. m.b.H. and Austrian Lotteries
– throughout 2012
3. Evaluation of statutory provisions
– continuous

Affiliations

Casinos Austria and/or Austrian Lotteries are affiliates/members of the following (and other) organizations:

Culture / The Arts

- Volkstheater Foundation
- Society of Friends of the Austrian National Library
- Association of Friends of Mozarthaus Vienna
- Sigmund Freud Foundation

Business

- Federation of Austrian Industries
- Austrian Economic Chambers
- Vienna Economic Forum
- German Chamber of Commerce in Austria
- Österreichische Hoteliervereinigung [Austrian Hotelier Association]
- Verein Wirtschaft für Integration [Business for Integration Association]
- Verband der öffentlichen Wirtschaft und Gemeinwirtschaft Österreichs [Austrian Association for Public and Social Economy]

Sport

- Österreichische Sporthilfe [Austrian Sports Aid]
- Austrian Olympic Committee
- Austrian Paralympic Committee
- Special Olympics
- ÖFB – Club der Freunde der Nationalmannschaft [Friends of the National Football Team]

Other

- European Casino Association (ECA)
- respACT [Austrian business council for sustainable development]
- UN Global Compact
- Austrian Red Cross
- St. Gallen Symposium
- Ludwig Boltzmann Society



Adolf Geppel **I take the stairs instead of the elevator.**

Since I took part in a special stair climbing training program for the "Great Wall Marathon" in May 2010, I have avoided using elevators wherever possible

My motto is:

"Climbing stairs is an absolute hit.
It keeps my body healthy and fit."

- Board for the Promotion of Vienna University of Economics and Business
- Austrian Chapter – The Club of Rome
- Verein "Unser Stephansdom"
[St. Stephen's Cathedral Preservation Society]
- Kuratorium Sicheres Österreich
[Safe Austria Board]
- Weizmann Institute of Science
- Friends of the Cistercian Monastery in Zwettl
- European Lotteries and Toto Association
- World Lottery Association
- European Football Pool
- Wohlfahrtseinrichtung der Tabaktrafikanter
[Tobacconists Welfare Society]
- Belvedere Cercle
- Kuratorium kulinarisches Erbe Österreichs
[Austrian Culinary Heritage Board]
- Transparency International



Martin Ziegelwanger
**I make sure the fish
and seafood I buy
comes from sustainable
sources and has not
been fed antibiotics
– and I have a clear
preference for domestic
species.**

I prefer domestic species of fish (catfish, char, carp): they are by no means inferior to sea fish, have not been transported half way around the globe, and I can be sure of their origin and quality. I'm quite happy to spend more for the privilege.

Naturally, my real reason for this preference is to help preserve endangered species. This includes protecting their habitat – the world's oceans and seas. Most coastal tourist centers have organizations in place to protect local species and reefs. I always like to give them my support.

Responsible Gaming

Responsible gaming is not just an unambiguous mandate delivered by the national regulatory authorities: player protection and a responsible approach to the gaming product are an integral part of corporate culture at Casinos Austria and Austrian Lotteries and are firmly rooted in the histories of both companies. Responsible gaming is also fundamental to business in our subsidiary and affiliated companies Casinos Austria International, win2day, WINWIN and tipp3.

A recent study on gambling and player protection in Austria (*Glücksspiel und Spielerschutz in Österreich*, Kalke et.al. 2011) indicates that around 0.66 percent of the Austrian population are pathological gamblers. This finding confirms the high significance of responsible gaming. At the Casinos Austria/Austrian Lotteries Group, we take our responsibility in this regard very seriously, and our responsible gaming measures and policies far exceed statutory requirements. These range from our intensive training courses, workshops and seminars for staff and sales partners on how to handle responsible gaming issues with customers through to the information and advice we offer to at-risk players and gambling addicts. We are also extremely committed to the protection of minors. Our managers and staff with direct contact to customers and guests attend specially designed training seminars and workshops with national and international subject matter experts, where they learn how to handle responsible gaming issues. Every new member of staff who joins the group receives compulsory training in responsible gaming.

The high level of national and international regard enjoyed by our responsible gaming experts is also reflected in the numerous invitations they receive from leading institutions in Europe and North America to speak at relevant congresses. We have also been working closely and actively sharing information with counseling and treatment facilities across Austria for many years. The core tasks of our Corporate Function “Responsible Gaming, Advertising & Sponsoring” include the lasting implementation, evaluation and update of programs, guidelines and concepts to ensure the group has an optimal customer policy in place for responsible gaming. The Casinos Austria/Austrian Lotteries Group has always endeavored to draw greater attention to the problem of gambling addiction and give it greater prominence in the public debate. After all,

gambling addiction – like any other addiction – is a problem for society and thus merits broad, public attention.

Responsible Gaming at Casinos Austria

For Casinos Austria, perfect customer service extends beyond the actual visit to a casino. The level of player protection that sets Casinos Austria apart and guarantees fun gaming without a bitter aftertaste starts the moment a guest registers with us in the lobby. We provide our staff with regular and thorough training to ensure they are able to recognize tell-tale gaming behavior. We are fully aware and acknowledge that gambling can be a problem and may have negative consequences for some people. Our staff training program is complemented by appropriate security systems which allow a permanent monitoring of gaming activities and behavior. Needless to say, this monitoring is carried out discretely and unobtrusively, to avoid people having the impression that they are being continuously watched. However, as soon as any money is exchanged in one of our casinos, the transaction is recorded. If the frequency of such transactions, the amounts involved, or a combination of the two raise cause for concern, a trained member of staff will initially broach the matter with the guest and work with them to resolve the situation. The potential solution could involve a ban, a stake limit or a restriction in the number of visits a guest may make in a given period. Since young people are a particularly vulnerable group, stringent entry controls in the lobby not only deny them access to the casino, but also prevent them from even coming into the close proximity of gaming facilities.

Our staff participated with great interest in the 2011 responsible gaming training offensive at all our casinos in Austria. Our responsible gaming experts provided in-depth information on the latest gambling addiction research findings, while local counseling and treatment facilities came to the casinos to give presentations. This provided staff with an opportunity to familiarize themselves with the services provided by these facilities, gain a comprehensive overview of the diagnosis and treatment of gambling addiction, and obtain concrete insights into the work of such counseling or treatment facilities.

Casinos Austria's Responsible Gaming brochure was also made available in 2011 in Mandarin, Turkish, Slovenian, Czech and Croatian. This brochure is available in all our casinos and contains background information on gambling addiction as well as details of the available counseling and treatment facilities.

Responsible Gaming at Austrian Lotteries

Ever since the company was founded, Austrian Lotteries has made it its task to actively work against potential problems that might arise as a result of gambling. To ensure gaming remains a fun pastime, we have voluntarily committed to and enforced a diverse range of appropriate restrictions. We closely monitor adherence to our terms and conditions of play, inform customers in detail about the odds and the risks of gambling, incorporate relevant responsible gaming aspects into our game design and the development of new games, and place particular importance on providing good training to our staff.

Austrian Lotteries has been certified under the responsible gaming standards of the European State Lotteries and Toto Association and the World Lottery Association since 2009. Both these umbrella organizations are committed advocates of responsible gaming and the consistent combating of illegal gambling.

Austrian Study on the Prevention of Gambling Addiction

Austrian Lotteries had long sought to obtain sound figures regarding the gambling behavior and habits of the Austrian population. We were therefore particularly pleased when ARGE Suchtvorbeugung, the Austrian working group for addiction prevention and platform for addiction prevention centers across the country, commissioned a study on the prevention of gambling addiction with our financial support. The study was carried out by the Center for Interdisciplinary Addiction Research at the University of Hamburg in Germany.

The goal of this study was to collect significant data on gambling addiction in Austria and use this data to produce recommendations to prevent this situation.

Existing responsible gaming measures were also evaluated by means of a survey of customers and sales partners. The results of the study were presented to the public in May 2011 and published in book form.

Responsible Gaming in Sales Outlets and Instant Lottery Points of Sale

Children and young people are not – and have never been – a target group for Austrian Lotteries products. International studies show that people should not have their first contact with gambling at too early an age. That's why Austrian Lotteries has voluntarily restricted the sale of all its lottery products (Lotto "6 aus 45", Toto and Torwette, Extra Toto and Extra Torwette, Joker, Zahlenlotto 1–90, EuroMillions, Bingo, Rubbellos, Brieflos, ToiToiToi and Klassenlotterie) to persons aged 16 or over since April 2009. Our sales partners play a central role in this policy to protect minors, since they are the ones who have to adhere to and enforce this voluntary restriction. Regular mystery shopping campaigns are organized to monitor adherence to this responsible gaming measure.

To help them in this endeavor and provide them with further support, all our sales partners were supplied with a revised edition of our Responsible Gaming brochure for distribution to customers. This brochure contains information on gambling addiction as well as details of available counseling and treatment facilities.

Joint initiative with KIJA

In 2011, Austrian Lotteries and KIJA, the Austrian association of lawyers for the rights of children and young people, worked together to design and produce a sticker which was mounted at the entrance to all Austrian Lotteries retail outlets and instant lottery points of sale. The sticker communicates a clear message: "No sale of lottery products to children and young people under the age of 16!".

Gambling is not for Children

In 2011, Austrian Lotteries once again participated in the "Annual Holiday Campaign" run by the Washington-based National Council on Problem Gambling in conjunction with the International Center for Youth Gambling Problems and High-Risk Behaviors at McGill

University in Montreal. This year our campaign was run under the motto “Gambling is not for children”. The primary message of this annual information campaign is that children are not a target group for lottery products and that adults should not buy lottery products as gifts for children and young people.

Responsible Gaming at win2day

From the outset, Casinos Austria and Austrian Lotteries have always placed particular importance on the protection of minors and on protecting players from excessive gambling on the win2day online gaming platform. Measures to protect minors and control access to online games have been an integral part of the site since its launch and have been continually extended and improved. An additional player protection mechanism was added to the site’s self-exclusion options in 2011: when a self-exclusion order expires, the user can no longer simply just begin gambling again, he/she must actively confirm his/her wish to do so. Pop-up windows now also appear on the screen to help users with their time management while playing slot games.

GamCare Certification

In May 2011, the win2day online gaming platform was certified by GamCare, the UK’s national center for the provision of information, advice and practical support in relation to the social effects of gambling. By granting this certification, GamCare attests that the win2day platform successfully complies with GamCare’s strict responsible gaming recommendations for electronic gaming.

This certification confirms that win2day has implemented the following high social responsibility standards and player protection instruments:

- Age verification system
- Customer deposit and pay-out controls
- Self-exclusion option for players
- Information on responsible gaming, counseling and treatment facilities
- Training for customer service staff in social responsibility and recognizing problem gambling behavior

Responsible Gaming at WINWIN

Access to the video lottery terminals (VLTs) in the WINWIN outlets is only granted to persons aged 18 or over. In cases of doubt, trained WINWIN personnel will request proof of age (official photo ID). Prior to starting a game on a WINWIN VLT, the player is required to actively accept the general terms and conditions of play on the screen. Additional terms and conditions of play are also displayed prominently at the cash desk in each outlet. Each VLT is equipped with specific responsible gaming features designed to limit the maximum playing time and support players in their time and cash management: players are automatically sent messages after 60, 90 and 120 minutes informing them how long they have been playing and asking if they want to continue with the game. The terminal automatically stops the game at the end of the maximum permitted playing time (150 minutes), when the player is issued with a ticket to present at the cash desk.

Responsible Gaming at tipp3

tipp3 bets – both at sales outlets and via the internet – can only be placed by persons aged 18 or over. Sales outlet customers are served by staff with appropriate training in responsible gaming. Users of the www.tipp3.at internet site see their personal account balance on the screen at all times to help them with cash management. They also have the option to reduce their personal deposit limit at any time.

Responsible Gaming at Ural Loto

Responsible gaming is a firm part of corporate philosophy at Ural Loto, the company which operates the “Lucky Hearts” scratch card, Lotto “6 from 40” and Joker lottery products in the Republic of Bashkortostan. Ural Loto products are only sold to persons aged 18 or over. Staff in the sales outlets receive responsible gaming training from authorized field sales representatives.

Responsible Advertising

We have always voluntarily based our advertising activities on high ethical standards. Our 11-point “Code of Conduct Responsible Advertising” ensures that all our advertising and sales activities adhere to the highest ethical standards and, in particular, are not targeted at any vulnerable groups who might be at risk of developing a gambling problem. Full adherence to the Code of Conduct Responsible Advertising is ensured by mandatory procedures applicable across the Casinos Austria/Austrian Lotteries Group. All advertising activities are checked for adherence to the code and individually approved by the Corporate Function “Responsible Gaming, Advertising & Sponsoring” prior to commission and implementation.

Responsible Gaming Academy 2011

Once a year, Casinos Austria and Austrian Lotteries host their renowned Responsible Gaming Academy (RGA), where delegates have the opportunity to attend a series of dedicated seminars and workshops and discuss the latest insights with external experts. The 8th RGA, which was held in Vienna on 4-5 May 2011, focused on responsible gaming in the online sector. The invited speakers presented the findings of their current research and discussed the latest developments in gambling research with over 200 delegates.

The presentations at the 8th RGA covered a broad spectrum of responsible gaming topics: Professor Mark Griffiths (Nottingham Trent University, UK) talked about “Online Behavioral Tracking in Internet Gambling Research – Past, Present and Future” and the opportunities available to researchers and the gaming industry to screen and analyze gambling behavior. Professor Friedrich Wurst (Christian-Doppler-Klinik, Salzburg) gave an interesting presentation on “Gambling Addiction – Diagnosis, Treatment and Research”. Professor Richard Scase (University of Kent, UK) took a look at potential corporate developments in his “Gaming 2024” presentation. Professor Jon E. Grant (University of Minnesota, USA) talked about “Neurobiology and the Cognitive Functioning of Problem Gambling”,

providing an insight into the current state of research in cognitive research and discussing the psychological and pharmacological approaches to the treatment of problem gambling. Doris Malischnig (Head of the Prevention Department) described the numerous responsible gaming activities in place in the Casinos Austria/Austrian Lotteries Group in a presentation entitled “The Five-Point Player Protection Program – the Road to Success”. Professor Christian Haring (Head of the Psychiatric and Psychotherapy Department at the regional hospital in Hall, Tyrol) has been working on the treatment of pathological gambling for many years. In his presentation on “Benchmark Criteria and Learning Goals for Responsible Gaming Training Programs in the Gambling Industry”, he described the current progress and initial findings of an ongoing research project at the UMIT Health and Life Sciences University in Austria to develop such benchmark criteria.

In addition to the many members of staff who play a central role in the active prevention of gambling addiction at the companies in the Casinos Austria/Austrian Lotteries group, delegates at the RGA 2011 included specialists from counseling centers and treatment facilities across Austria as well as renowned industry experts.

Sponsoring of the European Association for the Study of Gambling 2010

To facilitate exchange between national and international experts on gambling addiction, diagnosis, therapy, treatment and prevention, we sponsored the 8th European Conference on Gambling Studies and Policy Issues in Vienna. The Head of our Corporate Function “Responsible Gaming, Advertising & Sponsoring”, Herbert Beck, and Head of our Prevention department, Doris Malischnig, also gave presentations on responsible gaming and prevention at this event. Through our joint initiative with Vienna-based firm gabarage upcycling design, we also made an important contribution to the reintegration of former addicts. gabarage upcycling design is a socio-economic workshop set up by the drug department at the Anton Proksch Institute Clinical Centre. The creative team at gabarage works with designers and artists to develop ecologically sustainable design objects and articles for private individuals and businesses.

Cooperation Partners/ Counseling Facilities

Casinos Austria and Austrian Lotteries work with a number of excellent institutions who counsel and treat gambling addicts or study gambling addiction. Such activities also allow us to provide financial support to these partners.

Vienna

Spielsuchthilfe

[Gambling Addiction Support]
Siebenbrunnengasse 21/DG
1050 Vienna
Phone: +43 1 544 13 57
E-mail: therapie@spielsuchthilfe.at
Internet: www.spielsuchthilfe.at

Anton Proksch Institute

[Inpatient Treatment for Gamblers]
Gräfin-Zichy-Straße 6
1230 Vienna
Phone: +43 1 880 10 0
E-mail: info@api.or.at
Internet: www.api.or.at

Lower Austria

Anton Proksch Institute

[Addiction Counseling Center Wiener Neustadt]
Langegasse 18
2700 Wr. Neustadt
Phone: +43 2622 32 007
E-mail: wr.neustadt@api.or.at
Internet: www.api.or.at

Anton Proksch Institute

[Addiction Counseling Center Baden]
Helenenstraße 40/41
2500 Baden
Phone: +43 2252 25 94 47
E-mail: baden@api.or.at
Internet: www.api.or.at

SHG Anonyme Spieler – W. Gizicki

[W. Gizicki Gamblers Anonymous Self Help Group]
Leopold-Gattringer-Straße 85
2345 Brunn am Gebirge
Phone: +43 660 123 66 74
E-mail: shg@anonyme-spieler.at
Internet: www.anonyme-spieler.at

Upper Austria

Spielsuchtberatung des Vereins für prophylaktische Sozialarbeit

[Addiction Counseling Association
for Prophylactic Social Work]
Stockhofstraße 9
4020 Linz
Phone: +43 732 77 77 34
E-mail: linz@schuldner-hilfe.at
Internet: www.schuldner-hilfe.at/spielsuchtberatung

Ambulanz für Spielsucht

[Outpatient Clinic for Problem Gambling]
Wagner-Jauregg-Weg 15
4020 Linz
Phone: +43 505 546 23 65 22
E-mail: spielsucht.wj@gespag.at
Internet: www.promenteoee.at/spielsucht

Carinthia

Spielsuchtberatung des Magistrats der Stadt Klagenfurt a. W.

[Klagenfurt Municipal Gambling Addiction
Counseling Center]
Georg-Lora-Straße 26
9020 Klagenfurt
Phone: +43 463 537 57 82
E-mail: spielsuchtberatung@klagenfurt.at

Ambulanz „de La Tour“ im LKH Villach

[De La Tour Gambling Outpatient Clinic]
Nikolaigasse 39
9500 Villach
Phone: +43 4242 24 368
spielsuchtambulanz.villach@diakonie-kaernten.at

Sonderkrankenhaus de La Tour

[De La Tour Special Gambling Unit]

De-La-Tour-Straße 28

9521 Treffen

Phone: +43 4248 2557-0

E-mail: krankenhaus-delatour@diakonie-kaernten.at

Styria

Fachstelle für Glücksspielsucht Steiermark c/o BAS

– **Betrifft Abhängigkeit Sucht**

Steirische Gesellschaft für Suchtfragen

[Styrian Society for Addiction

BAS Counseling Center, Gambling Unit]

Dreihackengasse 1

8020 Graz

Phone: +43 316 82 11 99

E-mail: info@fachstelle-gluecksspielsucht.at

Internet: www.fachstelle-gluecksspielsucht.at

Drogenberatung des Landes Steiermark/

Suchttherapieverein Steiermark

[Addiction Counseling Center in Styria]

Friedrichgasse 7

8010 Graz

Phone: +43 316 326044

Fax: +43 316 877 4654

E-mail: drogenberatung@stmk.gv.at

Internet: www.drogenberatung.steiermark.at

Salzburg

Universitätsklinik für Psychiatrie und Psychotherapie II

[University Clinic for Psychiatry and Psychotherapy II]

Ignaz-Harrerstraße 79

5020 Salzburg

Phone: +43 662 44 83-4603

E-mail: t.eigenberger@salk.at

Institut Glücksspiel & Abhängigkeit

[Gambling & Addiction Institute]

Emil-Kofler-Gasse 2

5020 Salzburg

Phone: +43 662 87 40 30

E-mail: office@game-over.at

Internet: www.game-over.at

Tyrol

Contra Gambling

Psychiatrische Ambulanz der Universität Innsbruck

[University of Innsbruck Psychiatric Outpatient Clinic]

Anichstraße 35

6020 Innsbruck

Phone: +43 512 504 236 57 und +43 050 504 490-23

E-mail: regina.prunnlechner@uki.at

Verein BIN

Beratung – Information – Nachsorge

[“BIN” Counseling Information Support Association]

Schmiedtorgasse 5

6060 Hall

Phone: +43 5223 53 6 36

E-mail: bin-hall@bin-tirol.org

Internet: www.bin-tirol.org

Therapie- und Gesundheitszentrum Mutters

[Mutters Treatment and Health Center]

Nockhofweg 23

6162 Mutters

Phone: +43 050 504 490 (Ortstarif)

E-mail: info.tgm@uki.at

Vorarlberg

Stiftung Maria Ebene

[Maria Ebene Foundation]

Maria Ebene 17

6820 Frastanz

Phone: +43 5522 727 46 1800

E-mail: stiftung@mariaebene.at

Internet: www.mariaebene.at

Beratungsstelle „clean“

[“clean” Counseling Center]

Schießstätte 12/8

6800 Feldkirch

Phone: +43 5522 380 72

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Melanie Bukovski

I dry my laundry on the line, not in a tumble dryer.

Instead of wasting unnecessary energy using a tumble dryer, I prefer to hang my washing on the line and leave it to dry in the fresh air. On warm, sunny days, it even dries more quickly on the balcony, and I get to enjoy a few rays of sunshine while hanging it out.

The prospects for the world's economy have become extremely gloomy since the summer of 2011. Despite its fundamentally strong economic data, Austria is an export economy and can expect to clearly feel the consequences of the financial, debt and confidence crises. After very good results in the first quarter of 2011, export growth (as measured by the Austrian Central Bank's growth indicator) has since noticeably cooled off.

Private consumer spending suffered in 2011 under the high rates of inflation. Despite growth in employment, household incomes scarcely grew at all in real terms. The predicted growth in consumer spending of 1.0 percent in 2011 and 0.7 percent in 2012 can therefore only be financed by a reduction in savings.

Casinos Austria still finds itself confronted with the same high number of competitive casinos near the Austrian borders. Since these operations are generally subject to far more favorable tax regulations and regulatory requirements, their numbers can be expected to continue to rise in the coming years. The new media sector (internet, mobile phone, interactive TV, etc.) has established itself as an international – and partly also national – distribution channel for gambling products and services, with further growth also to be expected in this area.

Legislative Developments

In addition to the difficult world economic situation, Casinos Austria was also confronted with a number of legislative developments in 2011 at both national and European level. Gambling and sports betting were topics of interest not only at the European Court of Justice (ECJ), but also at the European Commission and the European Parliament.

The ECJ delivered a number of landmark judgments in 2011, two of which warrant particular mention:

Case C-347/09 “Dickinger and Ömer”

This is the second case in which the ECJ has dealt with Austria's gaming sector – the first being Case

C-64/08, ‘Englemann’. In its judgment of 15 September 2011, the Court followed the opinions of the Advocate General and in so doing continued to pursue its previous case law with the utmost rigor. Once again, the ECJ affirmed that Austria's gaming monopoly is compatible with EU law. Furthermore, the judgment clarified that Austria's Gaming Act was compatible with EU law even prior to the 2010 amendment.

Case C-212/08 “Zeturf”

As far as the admissibility of cross-border online gaming (in the European context, this also includes sports betting) is concerned, the C-212/08 Zeturf action, which was instituted in France, moves in a similar direction. In its judgment, the ECJ recalls that Member States are in principle free to set the objectives of their policy on games of chance and, where appropriate, to define in detail the level of protection sought.

As the ECJ has acknowledged in its decisions, a Member State that is seeking to ensure a particularly high level of consumer protection in the gaming sector may take the view that it is only by granting exclusive rights to a single body, subject to strict control by the public authorities, that it can tackle with sufficient effectiveness the risks connected with that sector and pursue the objectives of preventing incitement to squander money on gaming and of combating addiction to gaming.

On 24 March 2011, the European Commission began a public consultation on the regulation of online gambling services and formulated a total of 52 questions for all interested stakeholders in its “Green Paper on on-line gambling in the internal market”. The consultation ran until 31 July 2011. The responsible Commissioner, Michel Barnier, emphasized that the aim of this consultation was not a liberalization, but a reliable regulation of the market for online gambling services. Both Casinos Austria and Austria Lotteries submitted corresponding position statements in response.

Online gambling also featured on the agenda at the European Parliament. In mid-November, MEPs issued a majority Resolution calling for stronger cooperation among Member States and common standards in the

regulation of online gambling to protect vulnerable consumers and fight illegal gambling. MEPs also called for better protection for minors in the online gambling markets. The Commissioner announced that an action plan would be drawn up by mid-2012.

Following its previous approval of the 2009 “Schaldemose Report”, the Parliament also approved the “Creutzmann Report” (both are named after their respective rapporteurs) in its plenary session on 15 November 2011.

The Creutzmann Report:

- emphasizes that, given the different traditions and cultures in the Member States, any regulation of the gambling sector is subject to and must be underpinned by the subsidiarity principle;
- is of the opinion that the principle of subsidiarity must be understood as “active subsidiarity”;
- highlights the fact that Member States have the right to regulate and control their gambling sectors in accordance with European internal market legislation and with their own traditions and culture;
- rejects, accordingly, any European legislative act uniformly regulating the entire gambling sector, but nonetheless takes the view that, in some areas there would be clear added value from a coordinated European approach, in addition to national regulation, given the cross-border nature of online gambling services;
- points out that the ECJ has accepted in a number of rulings that granting exclusive rights to a single operator subject to tight public authority control may be a means of improving the protection of consumers against fraud and combating crime in the online gambling sector more effectively.

Human Rights

The Casinos Austria/Austrian Lotteries Group has strict guidelines in place to cover any social, human rights or ecological aspects in the purchasing of materials or products. We only sign contracts with contractors who accept and commit in writing to the following provision:

“The Casinos Austria/Austrian Lotteries Group does not tolerate child labor. By accepting an order, the contractor agrees not to employ child laborers and confirms that no child laborers are employed in its own company or by any of its subcontractors. The contractor guarantees that the goods supplied have not been produced using any form of child labor that is exploitive, detrimental to health or akin to slavery, nor by any form of forced or bonded labor or any other form of labor that is exploitive or violates human dignity. All articles of clothing supplied must conform to prevailing laws, regulations and other applicable rules and provisions.”

We are committed to the selection and purchase of regional, seasonal and organic products from Austria. Through this commitment, we strengthen and contribute to regional value creation. In 2008, for example, we began a promising cooperation venture with the Austrian “Slow Food” association.

The Casinos Austria/Austrian Lotteries Group also endeavors to promote sustainable development in a global context. By purchasing coffee and orange juice with the Fairtrade seal of approval, we contribute to international efforts to establish fair production prices, support the provision of humane working conditions and fair, commensurate wages for producers in developing countries.

Casinos Austria – Purpose of Business

Casinos Austria's core business is the establishment and operation of casinos as defined in the Austrian Gaming Act of 28 November 1989, BGBl No. 620/89 as amended, and the exercise of activities in the gambling, gaming and leisure sector. Casinos Austria holds all 12, time-restricted casinos licenses currently issued by the Austrian Ministry of Finance and thus still enjoys a monopoly position as casino license holder in the Austrian market.

Our purpose of business is to operate and evolve our gaming products in an optimal manner from a regulatory perspective. In contrast to companies operating in a competitive market scenario, profit maximization is not – and cannot be – a corporate objective for Casinos Austria.

We achieve this objective through good business management practices and by providing maximum security to our guests. However, the level of stimulation of the legal gambling market that is both desired and maintainable does also limit optimal tax yields. Given this special situation, our objective is to successfully apply the principle of good business management to best meet the regulatory, social and fiscal interests and objectives of our shareholders.

Social responsibility and player protection are firmly established elements in our corporate culture. Since the primary focus of the Austrian gambling system lies on sound regulatory aspects and responsible gaming, our business goal lies in the optimization, not the maximization of revenues.

The primary regulatory objectives are consumer protection, the combating of organized crime, the prevention of money laundering and the protection of public morals and social order. This not only reflects the will of the general public, which manifests itself in the applicable legislation, but also the basic ethical approach and corresponding business maxim adopted by Casinos Austria.

Long-term support and promotion of tourism in Austria and issues that are of strong relevance to society – in particular in the sports, welfare and arts sectors – are further key aspects of our purpose of business. Our sponsoring activities are clearly evident and enjoy a high profile across the country. Casinos Austria is a key partner for sports, arts and welfare associations in Austria. It remains an unaltered fact that the Casinos Austria/Austrian Lotteries Group is the second largest taxpayer in Austria. Our casinos are leading tourist destinations in their host venues and thus a significant economic factor for the respective region.

Casinos Austria Products and Services

Casinos Austria offers its guests exciting gaming in a great atmosphere. Our international gaming mix includes something for every taste. We set trends in the gaming industry with our new games and product developments. It takes optimal preparation to successfully launch a new product on the modern gaming market. The monitoring and analysis of market trends and customer demands combined with experience from previous product launches play an important role in this success. At Casinos Austria, we profit here from our many years of experience in the gaming industry.

In March 2011, for example, we launched a new Astro Roulette game, which was developed by Linz-based croupier Christian Haunold and implemented by Casinos Austria. In this variation on Roulette, the numbers are replaced by letters and star signs to create a mystical, exciting, unique game based on the popular astrology theme. Astro Roulette was presented to the industry at the ICE Totally Gaming exhibition in London in January 2011 and celebrated its gaming floor premier on 12 March 2011 in Casino Linz. Austrian celebrity astrologer Gerda Rogers was given the honor of launching the first ball. In addition to classic table favorites, the 12 Austrian casinos also offer Easy Hold'em Poker, Punto Banco, Tropical Stud Poker, Red Dog and Wheel of Fortune. Mobile gaming tables add to the flexibility of the gaming experience. A total of 233 gaming tables

are on offer in the 12 casinos across Austria. The payout percentage for Roulette, for example, lies at around 98 percent of bets placed.

Easy Roulette is a combination of classic Roulette and slot machine gaming. The 37-number wheel (0-36) spins in real time, with the ball launched by a real life croupier. Players, however, place their bets on touch-sensitive video screens.

The 12 Austrian casinos also offer a total of 1,933 slot machines, with some 442 different games bringing great variety to the slot gaming mix. There is a particularly broad choice of slot games on offer in our so-called Jackpot Casinos, which are open from mid-morning and feature a casual dress code. Regular slot tournaments offer players the chance to experience the thrill of a slot competition.

We closely monitor and follow slot gaming trends and tested the latest technologies from various international slot machine manufacturers in 2011. Machines which successfully completed these tests were subsequently installed on our slot floors. The payout percentage for slot machines lies at up to 97 percent of bets placed.

Casino Operations as Regional Value Creation Centers

Casinos Austria is a leading Austrian company with business interests both at home and abroad. A recent study by the Vienna-based Institute for Industrial Research examined Casinos Austria's relevance for the domestic economy. The study confirmed that Casinos Austria is one of the country's leading companies and is thus a significant factor for production, value creation and employment.

Yet Casinos Austria and its affiliates and subsidiaries not only embody the classic characteristics of a leading Austrian corporation, they are also important factors in national and regional tourism. Our gaming venues are important components of the leisure and tourism portfolio on both a local and a regional level.

Casinos Austria has both direct and indirect effects on production in the Austrian economy. These direct effects stem from Casinos Austria being embedded in the Austrian economy's business and industry network, while the indirect effects are those that stem from tourism: our individual casino operations are not only highly significant economic factors for their host locations in their own right, affluent and high-spending casino guests also generate corresponding indirect effects.

Casinos Austria plays a very significant role in defining the leisure, culture and tourism sectors in Austria. In this function, the company is a major factor for the economy and the labor market and generates substantial economic effects.

We maintain and will continue to maintain fair, trust-based, constructive relationships to our regional service providers, suppliers and staff. We consider it very important that the greater part of any value created locally is also reinvested in the region.



Michael Alfon

**Whenever possible,
I travel by public
transport or by bicycle.**

To combine exercise into my family and work commitments, I try to walk or use my bike as much as possible. It is much easier to do small errands or go to meetings in town on foot than by car, and for longer distances I use my bike. Weather and schedule permitting, my journey to work and back is an exercise session – and environmentally friendly as well.

Casinos Austria Economic Indicators

Following an extensive restructuring program, and several years in the red, Casinos Austria succeeded in bringing its operating result clearly back into positive territory in 2010 with a plus of 1.9 million euro. In 2011,

we raised this already very gratifying result by almost a factor of ten, reporting gaming revenues of 270 million euro (+4.47%) and an operating profit of 18.9 million euro. Between January and December 2011, we welcomed a total of 2.36 million guests in our 12 Austrian casinos.

Guests 2011

No.	Casino	Domestic Guests	Foreign Guests	Total	% change compared to 2010
1	Wien	188,131	207,647	395,778	-0.14
2	Bregenz	107,455	216,611	324,066	3.96
3	Baden	255,638	28,800	284,438	1.31
4	Linz	187,739	95,039	282,778	0.09
5	Velden	180,288	51,868	232,156	0.82
6	Innsbruck	138,602	81,911	220,513	-4.90
7	Salzburg	114,273	74,377	188,650	3.76
8	Graz	153,513	33,710	187,223	-4.59
9	Seefeld	38,518	87,514	126,032	1.89
10	Kitzbüchel	29,254	26,889	56,143	-0.59
11	Kleinwalsertal	3,593	42,830	46,423	-5.62
12	Bad Gastein	8,381	9,416	17,797	-14.32
	Total	1,405,385	956,612	2,361,997	0.02

Umsatz 2011

Nr.	Casino	Revenues in euro	% change compared to 2010
1	Bregenz	55,277,339	16.32
2	Wien	52,680,470	6.39
3	Innsbruck	27,440,676	-5.47
4	Velden	25,869,148	6.96
5	Linz	23,856,587	6.14
6	Baden	23,114,106	1.45
7	Salzburg	20,028,746	9.97
8	Seefeld	15,332,567	-9.25
9	Graz	14,469,773	-12.65
10	Kitzbüchel	7,807,926	2.94
11	Kleinwalsertal	3,358,210	13.40
12	Bad Gastein	1,110,810	5.21
	Total	270,346,357	4.47



Sabine Nebenführ
I exercise and encourage
good mobile phone
manners.

I keep any phone calls I make in public to an absolute minimum and if I do have to make a call, I show consideration for the people around me – above all on public transport. I switch my mobile to silent when I am at work to make sure my ringtone doesn't disturb or annoy my co-workers. When I am in meetings, I direct my full attention to the people in the room, not my mobile phone.

Taxes paid in 2011

in TEUR	Federal Government	Regional Government	Local Government	Total
Velden	6,539	1,620	2,044	10,203
Salzburg	4,410	865	1,292	6,567
Bad Gastein	249	13	111	373
Kitzbühel	1,654	295	719	2,668
Baden	5,352	1,024	1,505	7,881
Seefeld	3,648	737	1,307	5,692
Wien	11,963	2,849	3,738	18,550
Kleinwalsertal	797	60	376	1,233
Bregenz	13,124	3,456	3,815	20,395
Linz	5,562	1,184	1,818	8,564
Graz	3,572	707	1,186	5,465
Innsbruck	6,489	1,540	2,072	10,101
Zentrale	4,087	0	414	4,501
Total	67,447	14,350	20,397	102,194





Andreas Stern

I shop where I live.

Whenever possible at the grocery on the corner. I can walk there, get some exercise in the process – and some good service as well.

Austrian Lotteries – Purpose of Business

Austrian Lotteries offers games of chance in Austria in line with its legal foundations. The company's purpose of business is defined in the Austrian Gaming Act and the associated clarifying statements and comments issued by the regulatory authority.

The key objective of the regulation of the gambling sector in Austria is to protect players from oversupply and from disreputable and/or illegal providers. Accordingly, the number and scope of games and the way they are managed and operated are closely monitored by the licensing authority for adherence to its regulatory and socio-political objectives. The licensing authority monitors the licensee's shareholder structure to ensure criminal elements are prevented from penetrating the Austrian gaming market and regulates and approves each new product through its license terms and conditions, which also include responsible gaming provisions.

Accordingly, the licensing authority stipulates unambiguously in Article 14 (2) 7 of the Gaming Act that the license to operate the lottery draws defined in said Gaming Act may only be granted to an applicant who can be expected to exercise this license most effectively as a result of its experience, infrastructures, development measures and equity capital as well as its systems and provisions to prevent gambling addiction, to protect players, to prevent money laundering and criminal activities, to safeguard its operations, to assure quality, to monitor its own activities and to comply with any other applicable provisions in the Gaming Act.

Product and Game Developments at Austrian Lotteries

As a dynamic and future-oriented company, Austrian Lotteries is one of the leading lottery companies in Europe when it comes to technology. We constantly strive to improve and raise the attractiveness of our portfolio – in adherence, of course, with our responsible gaming and security guidelines and provisions.

Since May 2011, for example, the odds of winning the EuroMillions lottery have been greater on not one, but two counts following the launch of the new Tuesday EuroMillions game and the addition of a further prize tier and new “match 5 main and 2 Lucky Stars” formula.

Schatztruhe [“Treasure Chest”], Cash, Super Cash and Ein Leben Lang [“Win for Life”] – four of the longest-running and most popular scratch card products sold by Austrian Lotteries – were all updated in 2011 and now offer more chances to win a main prize. The Schatztruhe scratch cards now have 30 top prizes of 30,000 euro each (previously 25) per series, while the number of top cash prizes (50,000 euro) in a series for the Cash cards was raised from 13 to 15. A series for both the Schatztruhe and the Cash products consists of 15 million cards, with a 57.5 percent pay-out rate and a current price of 2.00 euro per card. Not only was the number of 75,000 euro top prizes for the Super Cash product increased from five to seven, the scratch field was extended by two bonus numbers. A Super Cash scratch card costs 3.00 euro, there are five million cards in a series, and the pay-out rate is 61 percent. With a guaranteed monthly income being a key wish for the majority of Austrians, Ein Leben Lang is the most popular scratch card in the Austrian Lotteries portfolio, since its top prize guarantees the winner a fixed monthly sum for the rest of his/her life. The product was made even more attractive in 2011 by raising the maximum prize to 3,000 euro a month for life.

The range of casino games on offer on the win2day site was expanded in 2011 to include Joker Five” (video poker), Sunny Money (slot game), The Legend of Olympus (slot game), Ocean Gold (slot game), Farm-Win (slot game), Multiplayer Grand Blackjack (table game) and Crazy Poker (video poker). The mini-games Magic Money, Wild Fruits and Joker Five were added to the Bingo Room. Blackjack was also added to the MiniCasino section of the casino games. A browser-based version of the Robbie Rich slot game was developed for the iPhone and Android platform. Robbie Rich is now available not only for download, but can also be played directly via mobil.win2day.at.



Eva Hager
I buy Fairtrade products.

If I have the choice, I buy products with the Fairtrade seal of approval. This is one way in which we can all make a small contribution to creating greater fairness and improving environmental awareness.

Austrian Lotteries Products

Games

Lotto "6 aus 45" [numbers lottery]
Toto and Torwette [football pool and goal bet]
EuroMillions
Bingo
ToiToiToi [numbers lottery]
Zahlenlotto 1-90 [numbers lottery]
Joker
Rubbellos [scratch cards]
Brieflos [break open tickets]
Klassenlotterie [class lottery]
win2day [online gaming platform]
WINWIN [video lottery terminals]

Austrian Lotteries Economic Indicators

Total sales for Austrian Lotteries were up by 9.73 percent year-on-year to 2.9 billion euro. This increase compared to the already high sales figures reported for 2010 can be attributed above all to the successful relaunch of Lotto “6 aus 45” and the product changes for EuroMillions.

As indicated, this disproportionately high growth is the result of product policy measures already introduced by the end of 2010 for Lotto “6 aus 45” as well as the introduction of the new Tuesday draw for EuroMillions from 10 May 2011. There were also significantly more jackpots paid out in 2011, including a quintuple rollover Lotto jackpot and a 185 million EuroMillions EuroPot. These developments in turn had a positive impact on sales of the Joker product, which also contributed significantly to the increase in total sales.

Austrian Lotteries made total tax payments of 459.21 million euro in the reporting year, a figure which includes gaming-related, income and other taxes and duties. Since it was founded in 1986, the company has paid more than 8.49 billion euro in taxes to the Republic of Austria.

The gaming-related taxes and duties of 447.77 million euro paid in the reporting year are made up of the license fee of 264.60 million euro, gaming taxes of 178.59 million euro and sales tax on VLT sales to the amount of 4.59 million euro.

Average sales per sales outlet in 2011 for pick slip products amounted to 311,423 euro. Commissions for the Lotto “6 aus 45”, Toto, Torwette, Extra Toto, Extra Torwette, Bingo, EuroMillions, Joker, Zahlenlotto 1–90 and ToiToiToi games as well as the EuroBon for win2day came to over 81 million euro, an average of 21,310 per sales outlet.

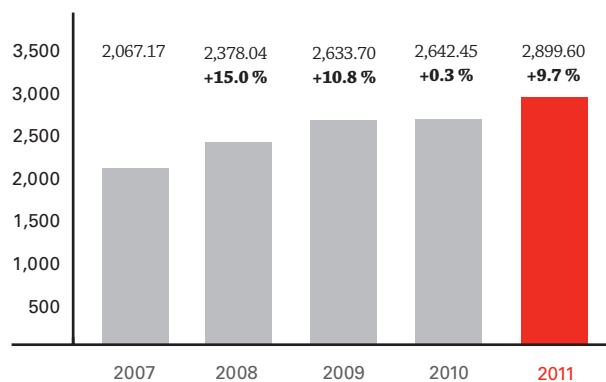
The instant lottery distribution network (Rubbellos and Brieflos) consisted of 6,045 points of sale at the

end of the reporting year. Average sales per instant lottery point of sale for 2011 amounted to 25,111 euro. Around 11.5 million euro in commissions were paid for Rubbellos and Brieflos products – an average of 1,894 euro per instant lottery point of sale.

Technological innovations and new products are important requirements for our sales partners in successfully carrying out their day-to-day business. We provide them with appropriate training courses and information events to support them in the use of new technology and sale of new products. The commissions each sales partner receives from Austrian Lotteries represent a significant contribution to their economic security.

As an Austrian company, Austrian Lotteries recognizes the importance of contributing to value creation in the home market. Our purchasing guidelines clearly stipulate that Austrian origin should be a factor in decisions and play a role in the award of purchase contracts. In 2011, Austrian Lotteries placed 95 percent of its purchase contracts in Austria and around 4 percent in other EU countries.

**Austrian Lotteries Total Sales
2007-2011 (in millions euro)**



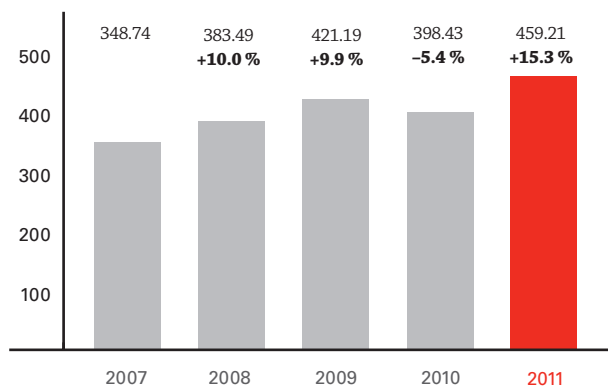
* Percentages show changes compared to the previous year



Brigitte Gössler I have a positive attitude.

Attitude and mood are important catalysts and help to release our energy. If the mood and atmosphere is good, everything becomes much easier. I watch for opportunities to emphasize or say something positive, but only if I also mean what I say.

**Austrian Lotteries Tax Payments
2007–2011 (in millions euro)**



* Percentages show changes compared to the previous year

**Austrian Lotteries Total Sales Per Product (in euro)
and Percentage Share of Total Sales**

Game	Total Sales (in euro)	Percentage Share
Lotto „6 aus 45“	654,936,250.55	22.59
Toto und Torwette*	11,248,301.40	0.39
Bingo	11,521,055.50	0.40
EuroMillionen	299,308,288.70	10.32
ToiToiToi	16,526,410.85	0.57
Zahlenlotto 1–90	3,800,013.55	0.13
Joker	191,362,576.20	6.60
Rubbellos	125,562,411.70	4.33
Brieflos	26,236,580.35	0.90
Klassenlotterie	31,771,160.00	1.10
win2day und Keno	1,125,153,388.22	38.80
win2day Poker	5,774,604.94	0.20
WINWIN	396,396,559.90	13.67
Total	2,899,597,601.86	100.00

* incl. Extra Toto and Extra Torwette



Stephen Gibson

I donate my time and my skills.

For the last four years, I've been manager of the "ZV Handball McDonald's" club in Wiener Neustadt to the south of Vienna. During this time, I have worked to expand the club's youth facilities and ensure its training program focuses on the future. Our membership has now grown from around 50 to just under 150 active players. The organization has been brought up to date, the parents of our junior players are more involved, and new trainers have been hired under the motto "let's give our junior players the best possible trainers."

Environment

At Casinos Austria and Austrian Lotteries, we assume responsibility both for our fellow man and for the environment. We consider it our duty not to be satisfied with standard solutions to environmental issues, but seek instead to go the extra mile and adopt new, innovative approaches to environmental protection. This includes improving efficiency in energy and material consumption as well as raising awareness for environmental concerns across the entire corporate group.

Annual Purchasing Volumes for Lottery Products

We purchase 95 percent of materials for our lottery products in Austria, a further four percent in other EU countries and the remainder in countries in the rest of the world. We consistently use the ecolabel on our products and, wherever possible, always ensure that our printed materials are produced in accordance with Austrian ecolabel stipulations or with appropriate certificates regarding their applicability for recycling as waste paper and harmlessness to health.

Travel Guidelines

The most environmentally friendly way to travel is of course not to use cars or airplanes. To avoid the need for travel, we are making increasing use of videoconferencing, a technology we deploy, for example, with great regularity for meetings between staff at headquarters and in our casino operations. We also have appropriate guidelines in place for business trips, which stipulate the mode of transport to be used. We encourage

our staff to use public transport for external meetings in Vienna and provide them with free tickets to do so.

Energy Optimization

In 2011, electricity consumption for the Casinos Austria/Austrian Lotteries Group (sites in Austria) amounted to 30,691,000 kWh (= 30.7 GWh), 90.7 percent of which was generated from 100 percent renewable sources. The remaining 9.3 percent were purchased for the casino venues in Kitzbühel and Bregenz from the local energy provider as “gray” (UCTE mix) electricity (UCTE=Union for the Coordination of Transmission of Electricity). Electricity for our Rennweg 44/46 site in Vienna has been purchased from 100 percent renewable sources (a combination of hydroelectric, wind, photovoltaic, biomass, biogas and geothermal energy) since 2008. This electricity purchasing strategy will be continued in the coming years.

Energy Saving through new Desktop PCs

In 2011, PCs across the entire Casinos Austria/Austrian Lotteries Group were upgraded to the Windows 7 operating system, which also necessitated the replacement of some existing hardware.

The replacement of old PCs with new PCs resulted in the following annual energy saving: 300 W x 800 PCs x (40 hrs x 52 weeks) = 50 MWh/a.

Annual Purchasing Volumes for Lottery Products

Units (in millions)	2009	2010	2011
Rubbellos	82.8	71.6	80.3
Brieflos	22.7	16.0	23.0
Pick slips	29.5	52.9	62.4
Thermal receipt rolls	0.3	0.2	0.26



Claudia Stoitzner
I live in a passive house.

For environmental reasons and out of a desire to use as little energy as possible, yet still live in comfort, I opted for an apartment in a passive house. A passive house combines maximum living comfort with minimum energy consumption.

**Annual saving achieved through server hardware virtualization
 (several virtual PCs running on one PC):**

Venue	Amount	Annual equivalent (kW x 24 hrs x 365 days)	Implementation
Casinos	12 kW	105 MWh/a	2011
Computer Centers	53 kW	464 MWh/a	recent years
Test Lab	22 kW	193 MWh/a	recent years

These figures are calculated on a 200W per server basis minus usage by the VMware visualization software infrastructure. Savings related to air conditioning and provision of standby electricity are not included in the calculation.

Energy Optimization at the Rennweg 44 Site

Replacement Lighting in Canteen

While plans had been in place to replace the lights in the staff canteen with a more economic and energy efficient solution in 2011, it became clear during discussions on potential changes to the serving area that it would be more sensible to handle all the changes to the canteen as one single project.

In addition to the replacement of the lights, the serving area will now be remodeled to allow the quicker serving of meals and a possibility to obtain meals outside regular canteen hours to cater to staff working nights, on public holidays or on weekends. In the course of the renovations, appropriate measures involving the placement of sound-absorbing panels in the ceiling space will also be introduced to reduce the noise level in the dining area. Since the placement of these panels must fit with the lighting concept, the canteen lights will now be replaced in conjunction with the other renovations and improvements to the staff canteen, which are planned for 2012.

Mounting of Sun Protection Film

The consolidation of workplaces in 2009 also led to an increase in thermal load per square meter. At the same time, not all employees were able to position their workplaces to avoid glare from the sun. This problem was mentioned frequently in our workplace evaluation study, raising the need for prompt action. To resolve the situation, sun protection film was mounted on the windows of all offices which face the midday sun, thereby significantly reducing not only glare, but also room temperature by about one to two degrees Celsius. This work was completed at the end of 2011.

Retrofitting of WC Lighting with Motion Detectors

We carried out a test installation of motion detector lighting in WCs in 2011 and subsequently compared the energy consumption with that of a regular lighting system. The calculated energy saving and depreciation considerations led to a retrofit of the light controls in all WC facilities in 2011.

Replacement of Dishwashers in Kitchenettes

We replaced the dishwashers in all kitchenettes in 2011, since their predecessors had reached their wear limit. The focus in the selection of the new dishwashers naturally lay on energy saving and low water consumption.

Charging Stations for e-Bikes

Since many members of staff have switched to e-bikes, and this trend is clearly on the rise, we have created a dedicated parking area in the garage and installed an eight-socket charging station, where all members of staff can plug in and charge their e-bikes at company cost.

Heat Consumption and Water Consumption in General

The reduction in heat consumption in comparison to 2010 lies in the normal fluctuation range. The periods January/February 2011 and November/December 2011 were both warmer than the corresponding periods in 2010 and thus resulted in a corresponding reduction in heat consumption. Following the massive rise in water consumption in 2010, all water consumption sources were optimized in 2011. The humidity controls on air conditioning systems were improved and the irrigation system in the gardens at the Wiener Neustadt site was adjusted. Water consumption by the humidifiers themselves was also reduced. In the kitchens, particular improvements were achieved with the grease removal tank. Water was used sparingly to clean windows and the façade. All in all, a variety of smaller and larger scale optimization efforts led to a 40 percent reduction in water consumption in 2011 compared to the previous year.



Markus Fohler
I cancel unnecessary junk mail and switch wherever possible to e-mail newsletters.

Electricity Consumption

in kWh	2009	2010	2011
Total	6,828,075	6,382,390	6,537,919
Change year-on-year	+3.9 %	-6.5 %	+2.4 %

Heat Consumption

in kWh	2009	2010	2011
Total	2,526,643	2,755,395	2,336,436
Change year-on-year	+4.7 %	+9.0 %	-15.2 %

Water Consumption

in m ³	2009	2010	2011
Total	11,617	17,505	10,494
Change year-on-year	+13.2 %	+50.0 %	-40.1 %

Waste and Packaging Management

The use of logistics at our warehouse in Wiener Neustadt to handle mailing activities for all companies in the group has increased efficiency and reduced postage costs. When planning mailing activities, we place particular focus on delivery frequency, size, quantity and correct mode of transport.

Packaging used by Austrian Lotteries is disposed of via the ARA (Altstoff Recycling Austria) packaging recycling system. The reason for the change in quantity of disposable palettes and cover boards* lies in the fact that our Rubbellos supplier in Canada primarily

uses disposable palettes. The manipulation costs (longer return transport distance and the costs involved) mean that euro palettes are not a feasible economic or ecological alternative. The relaunch of the Schatztruhe, Cash, Super Cash and Ein Leben Lang scratch cards led to an increase in the quantity of disposable palettes and cover boards.

In 2011, 260 tons of waste were generated at the Rennweg 44/46 site and the warehouse in Pfaffstätten, which has been included in the waste volume calculation since 2010. Due to space restrictions, this warehouse is used to gather and correctly dispose of waste materials like scrap metal from Vienna (slot machine workshops, etc.)

Austrian Lotteries Packaging Quantities

in kg	2009	2010	2011
Product cartons	4,273	4,994	3,996
Cardboard for use in transport	859	629	596
* Disposable palettes and cover boards	5,404	8,988	9,900
Iron strips	117	28	185
Packaging film	1,229	333	230
Plastic bands	96	94	122
Total	11,978	15,066	15,029

Waste Quantities Casino Operations

in kg	2009**	2010	2011
Non-hazardous waste (non-recyclable)	-	150,388	212,715
Non-hazardous waste (recyclable)	-	199,621	357,421
Hazardous waste	-	955	1,097
Total	-	350,964	571,233

** For technical reasons, no figures could be provided for 2009.



Katrin Kubalek
I'm a first-aider.

As a first-aider, I can provide immediate assistance if someone becomes ill or has an accident. I can give the patient correct support until a doctor arrives.

Waste Quantities Rennweg 44/46 and Pfaffstätten Warehouse Sites

Category in tons	2009	2010	2011
Paper (incl. carton)	101.99	113.6	109.59
Glass (clear and colored)	1.80	2.3	3.54
Scrap metal	1.27	7.4	4.11
Organic waste	30.08	24.8	28.21
Light waste (plastic)	1.19	3.9	5.08
Non-recyclable waste	12.77	39.9	30.53
Bulky waste	7.76	31.3	19.02
Electric items (e-waste)	30.52	15.2	11.41
Hazardous waste	0.93	7.3	2.68
Other waste	23.4	44.9	46.35
Total	211.71	290.2	260.52





Gernot Höfer

I set up a car pool and use it myself.

I accommodate carpool wishes into shift rota planning at Casino Graz. This means that before I finalize the shift rota, I give my staff the opportunity to deposit their carpool wishes. I can then take these into consideration and build them into the rota. There are a number of members of the team at Casino Graz who live in the Leibnitz area and have been carpooling to work for many years.

Employees

Real corporate success can only be achieved through a qualified and motivated team of employees. The Casinos Austria/Austrian Lotteries Group is committed to providing an attractive working environment that fosters open communication and diversity. The goal of our human resources policy is to attract motivated, effective and productive staff, thus making a key contribution to our competitive ability, the development of new products and the opening up of new markets.

Since some of our casinos open well before noon and don't close again until the early hours, our employees have to be flexible, mobile and dedicated to their work both during the day and at night. Customer service excellence virtually around the clock is the guarantee of success our employees bring to the company.

This report details our progress in 2011 and provides an outlook of our plans for 2012.

Health

As health conscious employers, we continued our efforts to maintain and promote good health across the entire corporate group in the previous year. Special focus was given in 2011 to the "healthy back". 76 members of staff at the Rennweg 44/46 site took part in this initiative, which included presentations by back experts, spinal checks and a special training program.

A second area of focus in 2011 was the situation for Austrian Lotteries sales representatives. Seminars on good health practices at work for sales representatives were held for the entire field sales force and were attended by 36 out of the 38 lotteries sales reps, giving them a coverage of 95 percent.

We also successfully completed the planned follow-up sessions on resource management for managers.

Outlook

In the interests of sustainability, we will continue to place particular focus on health issues in 2012. A

combination of further awareness raising measures and concrete programs relating to nutrition, exercise and mental health are planned for this year.

Casino & Lotteries Academy

The Casino & Lotteries Academy – or "Compact Learning" – is an internal know-how platform covering the latest developments in the group. It serves to keep employees up-to-date on what's going on in the different business units and facilitates the targeted exchange of know-how on specific topics and targets groups with internal experts and specialists. The Academy promotes understanding between employees in the different divisions and strengthens cooperation throughout the group. It also hosts a diverse range of seminars, workshops and presentations.

The "Welcome Day" provides new members of staff with information about the group and our business units and areas of business.

The know-how transfer between staff is used above all in project work and in process management.

Specific meetings are organized for female office managers to provide them with networking opportunities and introduce them to new working methods through targeted talks and presentations.

The Academy is particularly useful for sharing information and experiences in international projects and in the creation of intercultural know-how.

Outlook

A "FIT TO USE" program will be introduced in 2012 to train new hires and employees who are returning to work after maternity leave or a career break in company-specific IT topics.

A new Innovation Workshop will be added to the Academy program.

Internal trainers and speakers will be offered a compact

“Train the Trainer” course to support their efforts and raise the professionalism of training offered via the Academy.

“Work and Family” Audit Certification for Austrian Lotteries

In recognition of its responsibility to provide a good work-family balance and support staff in their efforts to combine the two, Austrian Lotteries is undergoing the EU-approved Austrian “Work and Family Audit” – a three-year process in which the balance between family and work is assessed, developed and optimized in all relevant divisions of the company. Companies in Austria who have undergone a specific audit process and worked to improve their “family-friendliness” receive a state seal of approval from the Federal Ministry of Economy, Family and Youth. All measures introduced in the course of the “Work and Family” audit ultimately benefit all members of staff in the group.

The audit process at Austrian Lotteries began on 28 February 2011 with a strategy workshop in which the project group – who had been responsible for the project from the outset – developed initial suggestions for family-friendly measures. In the following weeks, staff had the opportunity to submit further ideas and proposals to project team members in person or via e-mail. At a further workshop on 11 April 2011, the concrete proposals were selected and agreed with the management board. Just two days later, the auditor visited the company and surveyed staff about work and family topics. The defined work and family goals and measures will be implemented over a three-year period.

Following the assessment of these measures by the Ministry auditor, Austrian Lotteries was awarded basic “Work and Family” certification in June 2011 and presented with the certificate at an official presentation ceremony on 23 November.

Austrian Lotteries holds the state seal of approval of family-friendliness.

Measures already implemented in 2011:

- Signing of the “Lower Austrian Family-Oriented HR Policy” Charta
- Granting of paid leave to staff on compassionate grounds in emergencies
- If required, the timing of in-house events is adapted to suit the non-core working hours of part-time staff (non-core working hours for full-time staff do not generally correspond to those for part-time staff)
- Definition of contacts in Human Resources for issues relating to work-family balance (publication in the intranet)
- Appointment of a designated, confidential family advisor (works council)
- The first annual “Mother/Father Breakfast” for staff on maternity leave (information session with a member of the board over breakfast) was held on 23 November 2011 in our Studio 44 event center
- Introduction of a re-entry program for staff returning to work after maternity/paternity leave
- Provision of access to the intranet for staff on maternity/paternity leave

Measures currently being planned and prepared:

- Up-to-date information on childcare options during school holidays, forum for parents, forum for sharing experiences, etc.
- Additional information on compassionate/care leave, paternity leave, etc.
- Information on family support and counseling facilities
- Use of existing information structures (e.g. scheduled head of division/head of department meetings) to sensitize people to the work-family balance issue
- Inclusion of work-family balance issues in staff appraisals

Outlook

The defined goals and measures are binding and will be implemented over the next three years. Care has been taken to ensure that the measures introduced as a result of the “Work and Family Audit” ultimately serve the benefit of all staff in the group.

Casinos Austria Training Initiative

A large-scale survey of training requirements was carried out in all our casino operations in 2011. 86 percent of staff took part in this survey, which formed the basis for:

- A comprehensive staff development program (the “Training Initiative 2011”)
- Comprehensive training in responsible gaming and other CSR-related issues like data protection, information security, and the prevention of money laundering, with responsible gaming training in particular forming a key pillar in the staff development policy
- Measures to promote management development, information sharing between managers, cement the new organizational structures and promote cooperation.

Selection procedures for around 100 managers were organized in 2011, with all management positions either reconfirmed or reassigned in the process. As part of the subsequent training initiative, a comprehensive management training program was launched to support these managers and provide them with the necessary background and qualifications. This program will continue in 2012. All managers participate in regular 360° feedback sessions and management assessments, thus establishing and cementing a high standard of management at Casinos Austria.

Other measures included our so-called manager meetings, which were held in March and April 2011 in Vienna. All managers and management trainees took part in these three-day meetings, which were designed to provide managers from across Austria with an appropriate opportunity to build networks and bring staff at headquarters and the casino operations closer together. In addition to training on CSR-related topics (responsible gaming, information security, data protection, prevention of money laundering), the event included presentations on all current issues and projects as well as brainstorming sessions to collect and develop new ideas.

At the first module in the management development program – “(Service) Leadership” – 161 managers and management trainees had the opportunity to reinforce and develop their roles as managers and service-oriented leaders.

To promote high potentials, so-called management pools of some 70 management trainees were nominated in key strategic areas. The establishment of these pools and the early identification and development of potential managers ensures that our high standards of management can be sustained and maintained in the long-term.

Outlook

The management development program will be continued and deepened in 2012. Management trainees will receive further training and mentoring in 2012.

Internal Trainers

A total of 23 members of staff participated in our comprehensive training program for internal trainers in 2011. The future trainers attended three intensive modules of comprehensive training in relevant industry subject matter (information security, prevention of money laundering, data protection), didactics, communication skills and presentation techniques. The goal behind the establishment of the internal trainer pool is to raise the quality of internal training and secure company know-how.

In 2011, over 1,200 members of staff were trained in the following CSR-related subjects: responsible gaming, data protection, information security and the prevention of money laundering.

The training courses were conducted by external experts (Josef Siska, Prevention of Money Laundering), internal experts (Corporate Function Responsible Gaming, Data Protection Officer) and internal trainers.

Outlook

Continued implementation and consolidation of these measures.

Office 2010 Training Courses

During our large-scale changeover to Windows 7 and Office 2010 several accompanying measures (e-Learning, training courses) were offered to help users with the transition and provide them with a short and precise overview of the major software changes.

A total of 289 members of staff participated in these “What’s New” training courses, including 61 employees from our casinos operations.

Training for Junior Staff

Training courses for around 270 junior members of staff in the Gaming, Guest Relations & Organization departments were launched in fall 2011. Successful completion of this training is a prerequisite for promotion to the next grade. The first 100 students had successfully completed their training by the start of 2012.

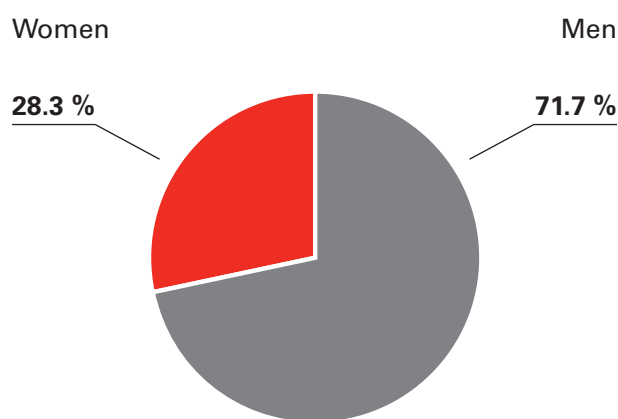
The “Remplaceur” course is a requirement for promotion to a senior position, the “GO” advanced training for promotion to receptionist or cashier, and the “Slots Expert” course for promotion to a customer service or technical position on the slot floor.

The courses cover processes, rules and regulations, standards, guiding principles, quality management, corporate culture and philosophy, guidelines and manuals. They include training materials and an on-line self-test to allow participants to monitor their progress.

CSR Indicators 2011

	Seminar costs in euro	Seminar days
Casinos Austria	280,755.72	1,941
Austrian Lotteries	836,037.09	1,983
Total	1.116,792.81	3,924

Casinos Austria Employee Statistics



Employee Headcount 2011*

Gender	Headcount	in %
Male	1,173	71.74
Female	462	28.26
Total	1,635	100.00

* Headcount figures for 31.12.2011

Length of Service 2011*

Years	Headcount	in %
0-4	347	21.22
5-9	247	15.11
10-14	126	7.71
15-19	204	12.47
20-24	375	22.94
25-29	179	10.95
30-34	63	3.85
35-39	86	5.26
> 39	8	0.49
Total	1,635	100.00



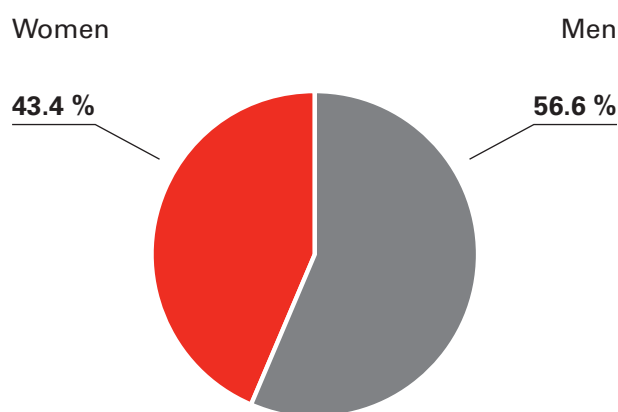
Sigrid Hainzl
I don't use plastic bags.

When I go shopping, I always take my shopping basket with me. I keep a fabric bag in my purse for spur of the moment purchases and a fold-up basket in my car for larger shopping trips.

Employment of People with Special Needs

2008	2009	2010	2011
19 people with disabilities employed	19 people with disabilities employed	17 people with disabilities employed (2 on maternity leave)	19 people with disabilities employed (3 on maternity leave)
Quota 73	Quota 73	Quota 69	Quota 73

Austrian Lotteries Employee Statistics



Average Annual Full-Time Equivalent

	2009	2010	2011
Total	461	479	491

Average Length of Service (in years)

	2009	2010	2011
Men	10.4	10.5	11.0
Women	10.1	10.3	10.1
Total	10.3	10.4	10.6

Gender Quota in Management (in %)

	2009		2010		2011	
	female	male	female	male	female	male
Board	33.33	66.67	33.33	66.67	33.33	66.67
Head of Division	18.75	81.25	14.29	85.71	15.38	84.62
Head of Department	31.70	68.30	32.50	67.50	33.33	66.67
Group Leader	41.38	58.62	39.39	60.61	45.00	55.00



Bernd Wollmann I give blood regularly.

I am on the Red Cross SMS distribution list and receive a message when my blood group is required. When I get the message, I head off to the nearest blood donor center.

Fluctuation in %

	2009	2010	2011
Men	2.92	2.81	4.15
Women	2.09	3.41	2.18
Total	5.01	6.22	6.33

Investment in Training (in euro)

	2009	2010	2011
Total	670,000	820,000	836,000

Sick Days (% of total calendar days)

	2009	2010	2011
Total	3.38	3.25	3.36

Workplace Accidents

	2009	2010	2011
Total	6	2	3



Thomas Buchta

I smile when I'm on the phone – because you really can hear a smile.

Before I ring someone up or pick up the phone to take a call, I try to think about someone special to me and make a conscious effort to smile. This positive approach gets me in the right mood for the call.

This makes it easier both for the person I'm talking to and for me to conclude even a difficult call on a positive note.

Commitment to Society and Social Causes

Casinos Austria and Austrian Lotteries consider it a matter of principle to get involved and commit themselves to social causes and issues in society beyond the requirements of their statutory mandate. As the employers of 5,416 people, we carry a large responsibility; as partner to 3,817 sales outlets and 6,045 instant lottery points of sale, we contribute to safeguarding jobs. The legal requirements for employee safety, fire safety and waste materials management form the basis of all corresponding measures in place in the Casinos Austria/Austrian Lotteries Group. Additional activities over and beyond the legal requirements are implemented when necessary and appropriate for the safety and health of our staff.

Responsibility to our guests, players and customers, and fair and reliable cooperation with our business partners is an absolute priority and prerequisite for all companies in the group. We actively demonstrate our commitment to society through our sports sponsoring activities and our support of numerous other projects and initiatives.

Cooperation with AfB (charitable, non-profit organization for the creation of jobs for people with disabilities)

Creating jobs for people with disabilities requires innovative ideas, clear concepts and strong partnerships. The non-profit organization, AfB, is working to create an IT company managed and run by people with disabilities. The organization plans to have created over 500 jobs in the IT sector for people with disabilities by the end of 2013.

Nowadays, work on used IT equipment and devices is usually done in low-wage countries. By applying this concept in Europe, AfB is not only reintegrating people with disabilities into employment, it is also strengthening the economic area. In 2010, AfB turned over more than 140,000 used items of IT hardware.

We now give any IT hardware we no longer require to AfB, who collect, inventorize, test and, if necessary, repair it. All data is erased using Blancco certified data erasure software. The devices are then valued and resold with a 12-month guarantee.

Disposal of Personal Mobile Phones

All staff can hand in personal mobile telephones to our Telecommunications & Client Systems department for correct disposal. SIM cards are destroyed, and any data on the phone is erased. In 2011, some 40 mobile phones were handed in for disposal.

Fire Safety at the Rennweg 44/46, Wiener Neustadt and Pfaffstätten Sites

In 2011, a total of 141 members of staff (including seasonal and temporary staff) were briefed on fire safety regulations and given the mandatory initial training in fire safety regulations for the respective site(s).

All new members of staff are also taken down the designated escape routes to the emergency exits, shown how to operate the emergency exit mechanisms and required to try them out for themselves (“do-it-yourself principle”).

The 2011 building evacuation drill for the Rennweg 44 site was successfully carried out on 30 September 2011.

The 2011 building evacuation drill for the Rennweg 46 site could not be completed due to the change in facility management.

The 2011 building evacuation drill for the Wiener Neustadt site was successfully carried out on 31 August 2011.

The 2011 building evacuation drill for the Pfaffstätten site was successfully carried out on 27 June 2011.

Workplace Safety at the Rennweg 44/46, Wiener Neustadt and Pfaffstätten Sites

The twice yearly mandatory workplace safety commission has met jointly for Casinos Austria and Austrian Lotteries since October 2012. Our subsidiary companies are also invited to participate in this commission and accept this opportunity, even though they are not actually large enough to be legally required to form such a commission. This approach is conducive and appropriate given that the individual managing directors all have a general responsibility to ensure the protection of their staff.

The following people participate in the commission:

- Members of the works council
- Company physicians
- Safety experts
- Safety officers
- Staff representatives

The commission discusses, logs (in writing) and puts into practice relevant workplace and employee safety and medical issues. These include, for example, the protection of non-smokers, preventive medical provisions like vaccination programs, and workplace assessments.

Ideenreich – Imaginative Ideas

Under the Motto “Imaginative Ideas. Let’s Hear Your Suggestions – Everything’s Possible!”, our Innovation Management department set up a new “suggestion box” in the group intranet in 2010 to give staff the opportunity to put forward ideas outside the scope of their own field or department in a quick, easy and anonymous process. No idea is too small to be of interest for the suggestion box. Indeed, it is often the small things that make the workplace better. Suggestions can be made in all areas, and we particularly welcome concrete ideas which improve cost effectiveness, simplify work processes, enhance the working atmosphere, augment our customer focus, raise safety in the workplace and promote corporate social responsibility.

Making a suggestion is really simple: ideas are deposited using a special online form in the intranet. They can also be submitted in writing. Our Innovation Management team reviews the suggestions and then forwards them to the relevant department. This department checks out the possibilities and provides feedback as to why an idea perhaps might not be able to be put into practice. The intranet solution has proved very popular, since it offers users the possibility to read suggestions that have already been submitted and track the status of an assessment.

A total of 59 suggestions were submitted in 2011, and 7 of the 38 ideas assessed were accepted (an acceptance rate of 18 percent). Plans are already in progress to implement 10 suggestions, 21 reviews are still pending, and 21 ideas were rejected.

A particular success story from a CSR perspective which originated from the Ideenreich “suggestion box” is our “Cooking for a Good Cause” initiative, which has been running since 2010 and remains just as popular in 2012.

Lottery Days in Museums

We feel it is important to make art and culture a readily accessible and tangible experience for everyone, and this was the idea behind our “Lottery Days” initiative. The first such event was held in 2010 at the Albertina museum in Vienna, and the initiative was continued very successfully in 2011. On special “Lottery Days”, customers who have purchased an Austrian Lotteries product enjoy free entry to the designated venue. The product purchased can be a Lotto, Toto or Bingo ticket, or even a Brieflos break-open ticket or Rubbellos scratch card. It doesn’t even have to be for a current draw or series. Given the overwhelming success of this promotion, it was obvious that it would be extended: many people who perhaps could not have afforded a visit to a museum or art gallery were able to obtain a moving and lasting impression of many different masterpieces and collections.





Julia Posch

I unplug chargers and electrical devices after use.

To keep my electricity consumption to a minimum, I unplug the charger for my mobile phone after use – and I do the same for my electric toothbrush. I also disconnect the plug socket extension adapter for my TV, DVD player and radio when I go away for the weekend. And I don't forget the coffee machine or my hairdryer either. On balance, I feel that I do use less energy, and the devices also last longer because they are not running permanently. Above all, it gives me a good feeling to know that I am only using the amount of electricity that I actually need.

CSR Activities in our Casinos

Casinos Austria's core business activity lies in the operation of the 12 limited period casino licenses issued by the Ministry of Finance. Our casino staff are on hand to serve our guests 364 days a year.

We reported on CSR activities at the individual casino operations for the first time in 2008. In 2011, our CSR Officer made her second tour of these operations. The lists below primarily provide an overview of new activities; the activities listed in previous years also remain in place.

Casino Baden

Society

- Sponsoring of associations and events, increasingly in the local area (fire brigade, "No Problem" ball, final destination for the Harley-Davidson Charity Tour).

Environment

- Energy saving light bulbs; LEDs for supplementary and effect lighting.
- Community-based heating: wood chip heating is carbon neutral. The casino received confirmation in 2011 that 95 percent of the energy it uses is green energy.

Casino Bregenz

Society

- Support for the *Lebensart* ["Art as a Way of Life"] project run by the Vorarlberger Lebenshilfe aid organization.
- Art exhibition: paintings by disabled hobby artists are exhibited in the casino and offered for sale to casino guests (who generally buy all the paintings available). The proceeds are donated to Lebenshilfe.
- Financial support for Lebenshilfe by not giving Christmas gifts.

Environment

- Energy saving light bulbs; mercury vapor instead of low voltage light bulbs (30 percent reduction in consumption).
- Further (10 cm) roof insulation added during 2011 renovations.

- A new cooling unit was installed in 2011, the benefits of which should be measurable from 2012.
- "West Pool": eight Poker tables are now transported only between Innsbruck, Seefeld, Kleinwalsertal and Bregenz in the west of the country, thus avoiding long transport routes to Vienna.

Casino Graz

Society

- Throughout Advent, staff from the casino donated their free time to work a mulled wine stand and collect money for the "Red Nose" charity.

Casino Innsbruck

Society

- In 2011, the casino hosted the "Pink Ribbon Charity Night" in aid of the Austrian Cancer Support Society in Tyrol for the third time – as a sign of solidarity with women suffering from breast cancer and to encourage awareness of the benefits of check-ups.
- Partner and sponsor of the Tyrolean Ladies Run (with lectures on running training, health-related topics, etc. in the casino in the run-up to the event).
- Commissions to and promotion of local artists.
- Donation of proceeds of promotion games to social organizations and facilities (e.g. Cancer Aid for Children, Lebenshilfe aid organization).
- Event for the Tyrolean Senility Aid Association.

Staff

- Training of a member of staff as life coach and social counselor for other staff members.
- Free access to a psychologist.
- Healthy cuisine.
- Self-defense course.

Casino Kitzbühel

Society

- Various events for good causes (e.g. exhibitions of work by local artists) in the Casineum event area.

- Through the personal efforts of staff in the casino, a total of 15,000 euro was raised to help a needy family in the region.

Casino Kleinwalsertal

Society

- The casino consciously serves regional/seasonal cuisine and buys food products primarily from the *Walser Buura*, a cooperative of local valley farmers. The quality of these products is significantly higher than those from conventional suppliers and justifies the higher costs.
- In line with this policy, the casino also joined the local Önsche Walser Chuche association of eight chefs in the Kleinwalsertal valley who advocate the purchase of regional products and use of traditional preparation and cooking methods. Its restaurant and catering facilities are actively involved in promoting Kleinwalsertal as an Austrian *Genuss Region* [area for good regional food], and the casino has already been designated a good regional food destination [*Genusswirt*], a designation that requires the use of specific core products from the region.

Casino Linz

Environment

- PCs are always switched off.
- Environmentally responsible disposal of toner cartridges.
- Used parts on slot machines are re-used.
- Clean air policy (regular hygiene inspection and monitoring of bacteria counts).
- Testing of water for legionella bacteria

Casino Salzburg

Environment

- Installation of Dyson fully-automated, hygienic hand dryers which use 80 percent less energy than conventional hand dryers in all washrooms.
- Active ventilation through fans and slot machine cooling systems.
- Reduction in heating costs through installation of a new burner.

Casino Seefeld

Environment

- Carpools with company vehicles.
- New drink dispensing system at bar (reduction of waste resulting from single serve bottles and cans).
- Electronic towel dispensers (only two sheets per guest).
- Electronic soap dispensers.
- Increased use of energy saving light bulbs (large-scale switch to LEDs).

Casino Velden

Society

- First level managers do voluntary community service.
- 2010: construction of a terrace at the “Meierei” home for the disabled in Treffen near Villach.
- 2011: construction of a raised flower bed in Landskron.
- Participation in the “Show Responsibility” project.
- “Shared Space” project to improve the transport infrastructure. The casino is contributing in financial and proprietary terms to this project, which aims to establish equality among all road users and is due to be implemented in 2011/2012.

Casino Wien

Society

- In 2011, the staff association at Casino Wien once again supported the “Help for Butterfly Children” initiative for children with epidermolysis bullosa. All proceeds from the hot punch stand run by members of staff in their spare time were donated to the DEBRA Austria association.

Sponsoring

As a successful corporate group, we have a responsibility to society to provide resources for relevant activities and projects.

Casinos Austria's corporate history is inextricably linked with the establishment and maintenance of sponsoring partnerships. Our philosophy here has always been one of continuity. Two long-standing partnerships – both of which will celebrate key anniversaries in 2012 – offer excellent examples of just how deeply and effectively sponsorship is anchored in the Casinos Austria corporate culture. The Casino Grand Prix, Austria's largest show jumping tournament, celebrates its 25th anniversary in 2012. And Casinos Austria will be the main sponsor of the Wiener Festwochen, a cultural event of international standing, for the 45th year in succession in the same year.

45 years of Wiener Festwochen

When it comes to sponsoring, acceptance of social responsibility means also providing support to organizations and projects which are of more general interest and not necessarily linked to the sponsor's own area of business. This is particularly important when it comes to sponsorship of culture and the arts. When times are tough for the economy, cultural and arts institutions are often among the first to face cutbacks in funding. All the better then that the Wiener Festwochen festival has been able to count on the support of a reliable partner since 1968 – the year Casinos Austria was founded. Festival director Luc Bondy greatly values the fairness and loyalty which forms the basis of this partnership. The festival enlivens Austria's capital city for five weeks each year. Throughout this period, festival events are not only numerous, they are also extremely diverse – from theater, opera and concert to dance. This coincides with one of Casinos Austria's key objectives with its support for the Wiener Festwochen: to provide a variety of good entertainment to as wide an audience as possible.

Alpha Prize for Literature

Diversity is also a defining element in our philosophy when it comes to choosing which arts and cultural

projects to sponsor. In 2010, for example, Casinos Austria launched its new "Alpha Prize for Literature" in cooperation with Vienna municipal libraries. In 2012, the prize will provide financial support and help in creating a broader audience for a third talented writer. Official confirmation of the success of the Alpha prize can be seen not only in the number of entries (70) submitted for the award – in 2011, the company was itself awarded the "Maecenas" prize from the Austrian Business Committee for the Arts in recognition of its continued support for Austrian literature.

25 years of the Casino Grand Prix

Our partnerships in other segments are no less enduring. The Casino Grand Prix was launched in 1987 with the backing of Casinos Austria. As the country's most lucrative show jumping tournament series, the event marked the start of a new era for equestrian sport in Austria. Its purpose was – and still is – to promote young talent and introduce them to the international show jumping arena. The tournament celebrates its 25th anniversary in 2012. Since that first event back in 1987, which was won incidentally by Austrian show jumping legend Thomas Frühmann, over 4,000 riders have competed in over 120 Grand Prix tournaments.

Casino on Tour

Providing support to humanitarian initiatives plays a central role in our sponsorship activities. Our Casino on Tour institution is as long-standing as it is commendable. In 2011, donations raised at these mobile casinos totaled over 100,000 euro, all of which went to charitable causes. The Casino on Tour takes over 400 promotional games to glamorous gala events like the Opera Ball or Volkshilfe Gala run by the Austrian public aid organization.

Austrian Lotteries is in the lucky position to have been a successful company for many years. But we are also aware that success, luck and happiness do not come to everyone as a matter of course. That's why we place such great importance on providing support to social and health-related projects and institutions.



Doris Smekal I started a fund-raising campaign.

Every year, the staff in our Marketing department make donations to charity. By auctioning off all the Christmas presents received in the department each December, we always raise a large amount.

The idea was born about 20 years ago at a Christmas party, when we had just received a "begging letter" that had particularly touched our hearts. The auction idea grew, and in the years that followed, our donations went to support children or families in need.

For the last five years our donations have gone to the *Neunerhaus* organization for the homeless, a decision prompted by the "Give a Smile" campaign to create a dental surgery for the homeless. We have also always considered it important to maintain contact to the people or organizations who receive our donations – and this has shown us that even small donations can help to achieve big things.

Casino on Tour Events

Casino	2010	2011
Bad Gastein	7	1
Baden	23	16
Bregenz	41	17
Graz	22	13
Innsbruck	39	57
Kitzbühel	7	–
Kleinwalsertal	11	13
Linz	54	29
Salzburg	24	22
Seefeld	50	10
Velden	20	28
Vienna	60	64
Total	358	270

Casino on Tour Donations Raised (in euro)

Casino	2010	2011
Bad Gastein	–	1,012.00
Baden	5,222.85	3,570.06
Bregenz	6,000.00	2,672.60
Graz	7,695.82	5,668.00
Innsbruck	17,560.00	31,663.00
Kitzbühel	5,025.00	–
Kleinwalsertal	6,300.00	5,614.00
Linz	14,017.70	7,769.10
Salzburg	9,505.75	6,267.10
Seefeld	6,661.00	6,120.25
Velden	8,081.00	15,440.82
Vienna	26,331.50	9,771.18
Headquarter	13,412.00	17,172.00
Total	125,812.62	112,740.11

Lebenshilfe Niederösterreich

From barrier-free house to barrier-free society – a goal that is coming a step closer through our sponsoring of the most modern barrier-free house yet in the Lebenshilfe’s Karl Ryker village. With the aid and support of the Lebenshilfe organization, the house will allow its residents – who work in one of the associated workshops – to live independently. The next step has also already been taken: support for the construction of two new apartment blocks in Wiener Neudorf/Klosterpark, which will become the new home for 24 disabled men and women.

Sports Sponsoring in Austria

Sports sponsorship is a social mandate that Austrian Lotteries has happily embraced since we were founded in 1986. Over the past 25 years, the company has paid a total of 989.2 million euro into the Besondere Bundes-Sportförderung [special federal sports fund]. Austrian sport received 80 million euro from Austrian Lotteries in 2011, making sponsorship the most important source of financing for sport in the country. Amateur sports, which play a very important role in society, profit in particular from this solidarity model. The restriction or withdrawal of sponsorship funding would deprive many sports associations of their financial basis.

Sponsoring as Financial Basis

Prior to 1986, a number of organizations – like Österreichische Kinderhilfe [Austrian Children’s Aid], Österreichische Sporthilfe [Austrian Sports Aid] or Österreichische Seniorenhilfe [Austrian Senior Citizens Aid] – received their funding both from donations and from operating lottery draws for non-cash prizes. The launch of Lotto “6 aus 45” in September 1986, created an overpowering level of competition. To resolve this situation, Austrian Lotteries reached agreements with Österreichische Kinderhilfe, Österreichische Sporthilfe and Österreichische Seniorenhilfe to contribute to their financial needs.

WWF Austria

While the variety and integrity of nature are essential for the well-being of the human race, our assistance is sometimes required to maintain them. That’s why Austrian Lotteries is a proud supporter of the WWF in Austria. The partnership has been in place since 1986, with many successful projects realized over these 25 years, including

the resettlement of the bearded vulture in Austria or initiatives to protect endangered species living in Austria, like the brown bear, the white-tailed sea-eagle and the white stork. Since 2007, we have been supporting the WWF’s river program, a conservation project covering the country’s most important river landscapes and extending from the river Inn in the west, along the Traun to the March-Thaya-Auen in the east.

tipp3 FairPlay Project Pool

No other sport has so much potential to bring people together as football. Football is played all around the world – without regard for gender, age, skin color, ethnic origin, religion or income. The intercultural football project “Fair Play. Different Colors. One Game.” capitalizes on this fact. tipp3 supports this project through the “FairPlay Project Pool”, which was founded in 2009 and through which over 50 football events have already been successfully organized as a symbol against racism, discrimination and the exclusion of minorities. In this way, Österreichische Sportwetten Gesellschaft m.b.H. demonstrates its strong commitment to integration and diversity.

In 2011, some 2.2 million euro in sponsorship funding was made available through Österreichische Sportwetten Gesellschaft m.b.H. Together with the sports sponsorship provisions in the Gaming Act (80 million euro in 2011) and media contributions (24.5 million euro in 2011), this amounted to a total of 106.7 million euro for Austrian sports.

Selected Sponsoring Projects

Humanitarian and Social

- Benefit Concert in aid of Moldavia/20 Years of Concordia
- Caritas Vienna – House Immanuel for Mothers and Children in Need
- Europahaus Pulkau [center and “meeting place” for young people from across Europe]
- Harley-Davidson Charity-Tour
- Hospiz Österreich – Counseling and Competence Center for Hospice and Palliative Care
- Integrationsfußball-WM [Integration Football World Cup]
- Lebenshilfe Niederösterreich

- [counseling and aid organization in Lower Austria]
- Löwenherz Social Prize and Gala for People in Need
- TRIGOS [award for socially responsible companies]
- Verein MiA – Award for the Integration of Female Migrants in Austria
- Verein Wirtschaft für Integration – Integration Award
- Volkshilfe [public aid organization]
- 100Years Women’s Day in Austria

Health

- Aktion “Leben mit Krebs”
[“Living with Cancer” initiative]
- Arbeiter-Samariter-Bund Austria
[Workers’ Samaritan Federation]
- Austrian Mountain Rescue Service
- Austrian Red Cross
- DEBRA Austria
- Initiative “Nein zu Arm und Krank”
[“No to Poverty and Illness” initiative]

Environment and Nature

- Neptun Wasserpreis [Austrian prize for water-related environmental achievement and innovation]
- Schönbrunn Zoo in Vienna
- Vienna Society for the Protection of Animals
- WWF Austria

Art and Culture

- Alpha Prize for Literature
- Austrian National Library
- Bregenz Festival
- Bregenz Spring Festival
- BUCH WIEN [Vienna International Book Fair]
- Danube Island Festival
- Grafenegg Music Festival
- Heldenberg Lipizzaner Gala
- ImPulsTanz Dance Festival
– DanceAbility Workshops
- Kunsthistorisches Museum
[Museum of Art History in Vienna]
- KURIER Romy Gala
- Museum of Natural History Vienna
- Resonanzen-Festival
- Spanish Riding School/Fête Impériale
- Technisches Museum
[Vienna Museum of Technology]

- Volkstheater in Vienna
- Vienna Jazz Festival
- Vienna State Opera
- Wiener Festwochen [Vienna Festival]
- Wiener Stadthalle [event center in Vienna]

Business, science, research

- European Forum Alpbach
- EU Citizens Forum PRO Lower Austria
- Future Forum Austria
- Journalistinnenkongress and MedienLÖWIN [Congress and Media Prize for Women in Journalism]
- Lower Austrian EDUCation Award
- University of Vienna
- Women in Business Day
- Vienna Economic Forum

Tourism

- Genuss Gipfel/Genuss Guide
[“Good Food Summit/Guide”]
- Goldene Roulette Kugel
[prize for services to Austrian cuisine]
- Goldene Traube
[award for the best wine from Burgenland]
- Jost Krippendorf Prize [for services to tourism]
- Salzburg Tourism Fair

Sports

- Austrian Paralympic Committee
- Bregenz Handball Tournament
- Casino Grand Prix
- Special Olympics Austria
- Tag des Sports [Austrian Day of Sport]
- tipp3 Bundesliga powered by T-Mobile
- Vienna City Marathon
- Wiener Equestrian Festival

Casino on Tour

Our mobile Roulette and Black Jack gaming tables are always a very popular addition to the entertainment at gala events, balls or company presentations. The chips used have no face value, and guests play for non-cash prizes. The mobile casinos are not only fun, they also serve a good cause – any donations received at the tables are always donated to charity.





Daniela Liedl

I get off one station earlier and walk the rest of the way.

Since I always travel to work by public transport and then sit in the office for the rest of the day, I have made it my habit to get off the train earlier and walk at least part of the way. I often take a later train after work to give me a chance to stretch my legs and walk to the next station. I walked with our pushchair a great deal when I was on maternity leave – and it's a habit I intend to keep up.

UN Global Compact Communication on Progress (COP)

Companies that join the UN Global Compact are required to submit an annual progress report, the so-called Communication on Progress (COP), to the Global Compact Office in New York.

With this report, participating companies attest that they are working to implement the 10 principles in the UN Global Compact and have taken concrete corporate responsibility measures. The COP also safeguards the integrity of the UN Global Compact, by requiring

participating companies to report regularly on their progress with respect to its human rights, labor, environment and anti-corruption principles. It also offers these companies the opportunity to continually improve and promote communication with their stakeholders.

Accordingly, this CSR Report also serves as our annual Communication on Progress.



Casinos Austria Goals

MANAGEMENT SYSTEMS

Goal

COP

Training and communication of latest insights in data protection and prevention of money laundering and raising of awareness among staff for such issues.

Ongoing.

Roadshow and new e-Learning modules at all Austrian casinos on data protection and prevention of money laundering.

Implemented in 2011.

Internal and external partial audits regarding data protection in a total of six divisions.

Implemented in 2011.

Extension of applicable prevention of money laundering policy to win2day and WINWIN.

Implemented in 2011.

Identification and documentation of money laundering risks and review of the implemented control measures.

Implemented in 2011.

EMPLOYEES

Goal

COP

Continuation of measures to maintain and promote health in all companies in the group.

Implemented in 2011.

Further management and "train the internal trainer" measures to consolidate the new corporate structure.

Ongoing.

Training and development of junior managers.

Ongoing. Long-term project.

ECOLOGY

Goal

COP

Replacement of lighting in the canteen with a more economic and energy-efficient solution.

Implementation planned for 2012.

Purchase of electricity for 2011 and 2012 from 100 percent renewable sources.

Implemented.

Mounting of additional sun protection films on all office window that face the midday sun (energy savings, staff no longer suffer glare from the sun).

Implemented in 2011.

Austrian Lotteries Goals

Since the publication of our first CSR report in 2007, Austrian Lotteries has continued to inform stakeholders about the CSR goals we have set for the coming years and report on progress. We set ourselves a total of 30 goals in the following areas in 2007: strategy, responsible gaming, economics, good causes, ecology, employees, social commitment and society. By 2009, 24 of these goals had been achieved, three had been partly achieved and four were still pending. We also set ourselves a further 11 new goals. The following list provides details of the status quo regarding our goals for the coming years and the progress we have already made.

STRATEGY

Goal

Reorganization of the CSR team supporting the corporate CSR officer to allow the implementation of projects / recommendations and prepare CSR activities.

Stakeholder forum and group stakeholder survey.

COP

Implemented in 2010. The CSR team meets regularly to share information.

The CSR team examined forum and survey possibilities in 2011. Surveys of different stakeholder groups are planned for 2012.

EMPLOYEES

Goal

Continuation of measures to maintain and promote good health in all companies in the group.

COP

Implemented in 2011.

Measures to consolidate the new corporate structure.

Implemented in 2011.

“Work and Family” certification.

Implemented in 2011.

ECOLOGY

Goal

Development of appropriate car and travel guidelines to accommodate company expansion into international markets.

Appropriate provisions regarding means of travel were added to travel guidelines in 2011.

Production of a green balance sheet reflecting the new corporate structure.

Pending.

Restructuring of the computer center in Wiener Neustadt to make it more energy-efficient.

Server standardization and virtualization strategy continued to plan in 2011.

Replacement of lighting in the canteen with a more economic and energy-efficient solution.

Implementation planned for 2012.

Purchase of electricity for 2011 and 2012 from 100 percent renewable sources.

Implemented.

Mounting of additional sun protection films on all office window that face the midday sun (energy savings, staff no longer suffer glare from the sun).

Implemented in 2011.

RESPONSIBLE GAMING

Goal

Continuation of responsible gaming information events for staff.

COP

7th Responsible Gaming Academy (RGA) held from 10-12 May 2010; 8th RGA held from 4-5 May 2011.



Retention of certification under the European Lotteries and Toto Association and World Lottery Association Responsible Gaming standards.

Next full certification planned for 2012.

GRI Content Index G3.1

Global Reporting Initiative



Code	Content after GRI-G3
1	Strategy and Analysis
1.1	Statement from the most senior decision-maker of the organization.
1.2	Description of key impacts, risks, and opportunities.
2	Organizational Profile
2.1-2.10	
3	Report Parameters
3.1-3.13	
4	Governance, Commitments, and Engagement
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.
4.14 -4.17	Stakeholder management (selection approaches, key issues).
5	Economic
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.
EC3	Coverage of the organization's defined benefit plan obligations.
EC4	Significant financial assistance received from government.
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation through commercial, in-kind, or pro bono engagement.
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.
6	Environmental
EN1	Materials used by weight or volume.
EN2	Percentage of materials used that are recycled input materials.

EC Core Indicators
EC Additional Indicators
 (GRI) reported fully
 (GRI) reported partially
k.B. not reported

n.r. not relevant
KV collective bargaining agreement
BV employer/works council agreement
CASAG Casinos Austria AG
ÖLG Österreichische Lotterien Ges.m.b.H.

Pages		UN Global Compact Principles	Pages	
CASAG	ÖLG		CASAG	ÖLG
6f 25	6f 25	Support policy	7	7
12,12f,13,16f, 42f, 46	12,12f,13,16f, 50f, 52			
4, 6f, 9, 97	4, 6f, 9, 97			
16f 18f n.r.	16f 18f n.r.	1-10	16f	16f
18 GB 2011 k.B.	11 GB 2011 k.B.			
k.B. k.B.	k.B. k.B.			
10	10f	1-10	10	10
AR 2011: p. 18	AR 2011: p. 11	1-10	AR 2011: p. 18	AR 2011: p. 11
k.B.	k.B.			
k.B.	k.B.	7		
28	28	1-10	28	28
28	28			
24	24			
		1, 4, 6, 7		
46f	52f			
none	none	7		
64ff	64ff			
none	none			
k.B.	k.B.	1		
k.B.	k.B.			
43	52	6	43	52
78ff	80ff			
k.B.	k.B.			
		7, 8, 9		
none	none	8	none	none
n.r.	n.r.	8,9	n.r.	n.r.

Code	Content after GRI-G3
EN2	Percentage of materials used that are recycled input materials.
EN3	Direct energy consumption by primary energy source.
EN4	Indirect energy consumption by primary source.
EN5	Energy saved due to conservation and efficiency improvements.
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.
EN8	Total water withdrawal by source.
EN9	Water sources significantly affected by withdrawal of water.
EN10	Percentage and total volume of water recycled and reused.
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.
EN13	Habitats protected or restored.
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.
EN16	Total direct and indirect greenhouse gas emissions by weight.
EN17	Other relevant indirect greenhouse gas emissions by weight.
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.
EN19	Emissions of ozone-depleting substances by weight.
EN20	NOx, SOx, and other significant air emissions by type and weight.
EN21	Total water discharge by quality and destination.
EN22	Total weight of waste by type and disposal method.
EN23	Total number and volume of significant spills.
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.
EN30	Total environmental protection expenditures and investments by type.
7	Social: Labor Practices and Decent Work
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.
LA4	Percentage of employees covered by collective bargaining agreements.
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.
LA9	Health and safety topics covered in formal agreements with trade unions.

EC Core Indicators
EC Additional Indicators
 (GRI) reported fully
 (GRI) reported partially
k.B. not reported

n.r. not relevant
KV collective bargaining agreement
BV employer/works council agreement
CASAG Casinos Austria AG
ÖLG Österreichische Lotterien Ges.m.b.H.

Pages		UN Global Compact Principles	Pages	
CASAG	ÖLG		CASAG	ÖLG
n.r.	n.r.	8,9	n.r.	n.r.
58	58	8	58	58
58	58			
56f	56f	8,9	56f	56f
56f	56f	8,9	56f	56f
56f	56f			
n.r.	n.r.	8	n.r.	n.r.
n.r.	n.r.			
n.r.	n.r.	8,9	n.r.	n.r.
n.r.	n.r.	8	n.r.	n.r.
n.r.	n.r.	8	n.r.	n.r.
n.r.	n.r.			
n.r.	n.r.	8	n.r.	n.r.
none	none			
n.r.	n.r.			
n.r.	n.r.			
n.r.	n.r.	7,8,9	41ff	41ff
n.r.	n.r.	8	n.r.	n.r.
n.r.	n.r.			
n.r.	n.r.			
60f	60f			
60f	60f			
n.r.	n.r.			
n.r.	n.r.			
n.r.	n.r.	7,8,9	n.r.	n.r.
61	61	8,9	n.r.	n.r.
none	none	8	none	none
none	none			
k.B.	k.B.	7,8,9		
		1,3,6		
68	70f			
68	70f	6	68	70
BV	BV			
KV	KV	1,3	KV	KV
n.r.	n.r.	3	n.r.	n.r.
BV	BV	1	BV	BV
k.B.	k.B.			
64	64ff	1	64	64
BV	BV			

Code	Content after GRI-G3
LA10	Average hours of training per year per employee by gender, and by employee category.
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.
8	Social: Human Rights
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.
HR4	Total number of incidents of discrimination and actions taken.
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.
9	Social: Society
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.
SO2	Percentage and total number of business units analyzed for risks related to corruption.
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.
SO4	Actions taken in response to incidents of corruption.
SO5	Public policy positions and participation in public policy development and lobbying.
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.
10	Social: Product Responsibility
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.

EC Core Indicators
EC Additional Indicators
 (GRI) reported fully
 (GRI) reported partially
k.B. not reported

n.r. not relevant
KV collective bargaining agreement
BV employer/works council agreement
CASAG Casinos Austria AG
ÖLG Österreichische Lotterien Ges.m.b.H.

Pages		UN Global Compact Principles		Pages	
CASAG	ÖLG		CASAG	ÖLG	
67	67	1,6	68f	70f	
64, 66f	64ff				
k.B.	k.B.				
68f	70f				
k.B.	k.B.				
		1,2,3,4,5,6			
k.B.	k.B.	1,2,3,4,5,6			
n.r.	n.r.	1,2,3,4,5,6	n.r.	n.r.	
41	41	1,2,3,4,5,6	41	41	
none	none	1,2,6	none	none	
none	none	1,2,3	none	none	
none	none	1,2,5	none	none	
none	none	1,2,4	none	none	
k.B.	k.B.	1,2			
none	none	1,2	none	none	
		10			
k.B.	k.B.				
k.B.	k.B.	10			
k.B.	k.B.				
25	25	10	25	25	
k.B.	k.B.	1-10			
k.B.	k.B.	10			
none	none				
k.B.	k.B.				
		1,8			
n.r.	n.r.	1	n.r.	n.r.	
none	none	1	none	none	
32ff	32ff	8	32ff	32ff	
none	none	8	none	none	
k.B.	k.B.				
32ff	32ff		32	32	
k.B.	k.B.				
none	none	1	none	none	
none	none				



Statement GRI Application Level Check

GRI hereby states that **Casinos Austria AG** has presented its report "Responsibility begins with me" (2012) to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level C.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 25 May 2012

Nelmara Árbex
Deputy Chief Executive
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance.
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Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 22 May 2012. GRI explicitly excludes the statement being applied to any later changes to such material.



Statement GRI Application Level Check

GRI hereby states that **Österreichischen Lotterien Gesellschaft m.b.H** has presented its report "Responsibility begins with me" (2012) to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level C.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines.

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Amsterdam, 25 May 2012

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