

The 2007 Sustainability REPORT
of the Austrian Lotteries



österreichische
LOTTERIEN

Table of Contents

Profile of the Organisation and Reporting	7
Responsible Gaming	11
Economy	17
Good Causes	20
Ecology.....	23
Staff.....	29
Social Commitment and Society	34
Goals.....	39
Comments by External Experts.....	41
GRI Index	43

Key Data 2007 Compared with 2006 and 2005

	2007	2006	2005
Nominal capital in mill. EUR	110.0	110.0	110.0
Sales volume in mill EUR			
Total	2,067.17	2,040.88	1,828.37
Breakdown:			
Lotto "6 out of 45"	517.16	530.99	553.89
Football pools and goal bet	12.41	16.01	14.17
EuroMillionen	145.26	192.60	132.29
Bingo	11.81	12.26	13.63
ToiToiToi	17.14	17.75	18.37
Lotto 1–90	4.66	4.86	5.18
Joker	142.37	152.18	153.22
Scratch-off tickets	124.10	112.47	118.69
Break-open tickets	24.12	24.39	26.79
Austrian class lottery	37.59	37.81	37.53
win2day.at	808.02	772.02	625.92
WINWIN (Video lottery terminals)	223.14	167.54	128.68
Total of winnings in mill. EUR	1.461.98	1,397.87	1,205.92
Tax payment in mill. EUR			
Total			
(Game-related duties, income taxes and other taxes and duties)	348.74	376.40	390.33
Game-related duties in mill. EUR			
Total*	343.34	368.46	380.04
Breakdown:			
Betting fee	148.48	157.22	153.32
License fee	194.86	210.75	226.72
Result from ordinary activities in mill. EUR	30.13	41.01	39.83
Annual surplus mill. EUR	24.79	33.12	29.61
Retained earnings (net profit) in mill. EUR	24.00	24.01	24.00
Sports promotion in mill. EUR	61.22	54.85	46.71
Staff	474	451	440
Distribution network			
Lotto and football pools retail partners	3,894	3,913	3,910
Scratch-off ticket retail partners	6,871	6,949	6,966
Break-open ticket retail partners	6.950	7,048	7,094

* As from 2006 Media support is no longer contained in item 6a, but in item 6b of the Profit and Loss Statement.

Shareholders of the Austrian Lotteries:	
Casinos Austria AG	68%
Lotto-Toto Holding Gesellschaft m.b.H.* (Lotto – Football Pools Holding Limited Company)	26%
Österreichischer Rundfunk (Austrian Broadcasting Corporation)	6%

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

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

Locations

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

Address of the company's corporate headquarters:

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

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

Foreword

Karl Stoss: "Responsible gaming is more than just a phrase to us, it is our central guiding principle. Over many years, the Austrian Lotteries have proven that they are aware of the special sensitivity of the Games of 'Chance Act. We optimise our earnings without seeking to maximise it at all cost."

Friedrich Stickler: "Making much materialise...- with this in mind, the Austrian Lotteries support a wide range of humanitarian, cultural, scientific and sports-related projects – socially recognised and desirable efforts which would not get past the planning stage without sponsors' contributions."

Bettina Glatz-Kremsner: "In times of climate change and scarce resources, climate and environmental protection become ever more important. We take our responsibility as a service provider very seriously and we have introduced a number of measures in the interest of sustainability, e.g. when it comes of using energy and materials in an economical way, in our purchasing policy and in vehicle fleet management."

A sustainability report for a gaming operator – doesn't it sound like a contradiction in itself? What does gaming have to do with social responsibility, ecological commitment and economic sustainability?

We say: a lot! After all, or the Austrian Lotteries, day-to-day business is more than making it possible for people to try their luck.

"Responsible Gaming – this is guiding principle we have been guided by since our company was founded more than 20 years ago. The point is to keep our range of games within a well-structured framework and to protect players from unreliable providers. At the same time we seek to ensure that the danger of addiction is kept as small as possible for groups at risk. Moreover, we support a number of good causes by sponsoring, amongst other things, projects in the fields of ecology and nature, health, humanitarian aid, sports, art and culture.

For us, it was only logical to look our commitment from a broader perspective and evaluate what we are doing from the point of view of sustainability. Sustainability rests on three pillars – economy, social issues and ecology. It means that long-term success is only possible for us if the three pillars are organised in a way that is viable for the future. But how do we go about putting things into practice?

By deciding to position themselves as a sustainable undertaking, the Austrian Lotteries started a process that has moved a lot of things within the past few months – both within the company and outside, in our external activities. This sustainability report is thus like a snapshot representing an ongoing process. Nevertheless, it marks a clear yes to sustainability: The Austrian Lotteries are prepared to take societal and social responsibility, optimise their actions according to environmental considerations and work with economic sustainability in mind. Sustainability was also incorporated into the mission statement of the Austrian Lotteries. Our goals, which are also described in this report, will show that we gave lots of plans linked with the idea of sustainability in the future.

Apart from the three pillars of economic, social and ecological considerations, we have focuses on additional issues in this report: From the perspective of the Austrian Lotteries, they are particularly important as they are about "Responsible Gaming", "Good Causes" (the sponsoring activities of the Austrian Lotteries) and "Employees".

Our first sustainability report aims at showing that we adhere to the "Rules of the Game" and want to be successful in the long run as a sustainable undertaking. Gaming requires a lot of responsibility, and we are perfectly willing to assume it!

Profile of the Organisation and Reporting

Rule 1: Be responsible, innovative and partner-oriented

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

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

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

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

Rule 2: Explain your point of departure

The Austrian Lotteries have a special position as a games of chance operator because the Austrian Games of Chance Act only provides for one licensee to operate lotteries. The law stipulates that we have to implement the regulatory and socio-political goals of the state. The goals – including the protection of players, trustworthiness and security in game management – have guided our business activities since the company came into being in 1986. Sec. 14 of the Games of Chance Act describes the requirements to be fulfilled by the licensee for running games of chance. The act i.a. states that the licensee "...shall attain the optimum yield of game-related duties (license fee and betting fee) for the national revenue intake of the federal republic (...)". Legislation deliberately uses the word "optimum", not "maximum", which enables the Austrian Lotteries to pursue a policy of responsible self-restriction.

In 2007 the total turnover of the Austrian Lotteries was 2,067.17 mill. euro. Total taxes paid amounted to 348.74 mill. euro. The Austrian Lotteries employ a staff of 474.

Since February 1994 the corporate headquarters have been located at Rennweg 44 in the third district of Vienna. The company's second seat is located at the Civitas Nova estate near Wiener Neustadt. These premises also house the logistics centre, the parallel accounting centre as well as additional work stations. In October 2007, additional spaces were leased in an office building on Rennweg 46 in 1030 Vienna.

Explaining the Games of Chance Act (Federal Law Gazette no. 620/1989)

In countries where games of chance are banned altogether, gaming is often seen to be pushed into illegality. This is avoided in Austria, where the state continues to supervise legal gaming. Such supervisory tasks must primarily focus on protecting the individual player.

Rule 3: Present your proprietors (or: Respect/Appreciate your proprietors/Cooperate well with your proprietors)

At the end of 2007 ownership underwent a few changes: Casinos Austria AG took over the 34-per cent share formerly held by the BAWAG-P.S.K. group. Thus, Casinos Austria own 68% of the Austrian Lotteries. A 26-per cent share is held by Lotto-Toto-Holding Ges.m.b.H., whereas the Austrian Broadcasting Corporation (ORF) owns 6 per cent.

Rule 4: Keep the players entertained by offering variegated products

Under the Games of Chance Act the Austrian Lotteries are obliged to run all the games ever introduced. Hence, once a product is on the market, it has to be continued. The get-up may, however, be changed: For example, scratch-off tickets may be designed as advent calendars or treasure chests, depending on the time of year.

The Austrian Lotteries' Games

- Lotto 6 aus 45 ("6 out of 45")
- Football pools (Toto) and goal bet
- Bingo
- Euromillionen
- ToiToiToi
- Number pools 1-90
- Joker
- Scratch-off tickets
- Break-open tickets
- Class lottery
- win2day.at
- WINWIN

Rule 5: Cultivate cooperation and participation

As the shares formerly held by BAWAG-P.S.K. were acquired by Casinos Austria, the two games of chance operators have become even more closely associated.

Their association is underscored by the fact that they share the same executives. The corporate goals and objectives of the Austrian Lotteries and Casinos Austria are the same in content, which strengthens their positions in the Austrian gaming market. They cooperate closely in the fields of Responsible Gaming, internal audit, IT and communication. Stepped-up cooperation in all central services such as Human Resources, finance and accounting, purchasing and logistics as well as Legal are being reviewed.

Apart from C&P Leasing Gesellschaft, a 100% subsidiary of the Austrian Lotteries, we also have close ties with Österreichische Sportwetten Gesellschaft, win2day Betriebs- und Entwicklungsges.m.b.H. as well as Glücks- und Unterhaltungsspiel Betriebsges.m.b.H. and Glücks- und Unterhaltungsspiel Ebreichsdorf Betriebsges.m.b.H. These are all

subsidiaries of Entertainment Glücks- und Unterhaltungsspiel Gesellschaft, a company owned by Casinos Austria and the Austrian Lotteries to 50 per cent each.

Rule 6: Implement management systems

Corporate goals are set by the management board in cooperation with the heads of divisions and the managing directors of the subsidiaries. The long-term strategic orientation of the company is summarised in a mission statement to help all employees stay on target.

As the management board monitors the attainment of objectives on an ongoing basis, they are supported by Controlling; an internal audit unit is in charge of reviewing developments – in particular in the internal controls system - independent from processes. Reporting ensures continuous exchange of information. At present the company is continuing to develop a risk management system integrated into the organisational structure and process organisation to improve active risk control across the boundaries of units.

In case of significant innovations such as the launch of new games or changeover from one complex IT system to another, a complex project management system including project coordination and time-tested project management methods and procedures is in place.

To ensure information security an information security management system certified under ISO 27001:2005¹ has been introduced; it safeguards the risk-oriented handling of information risks according to the criteria of availability, confidentiality and integrity.

Rule 7: Incorporate “Corporate Social Responsibility”

Ever since the company’s foundation, the Austrian Lotteries’ focus on “Responsible Gaming” has underscored the company’s social commitment. However, we are convinced that there is room for further improvements to be introduced in all corporate areas. For this reason, we decided to implement the sustainable development scheme in our company.

Corporate Social Responsibility (CSR) is a concept serving as a basis for us to incorporate economic, social and environmental concerns into our corporate activities and our mutual relations with partners. For us, this spells more investment into relations with stakeholders, beyond our legal obligation.

Rule 8: Make sustainability a central rule of the game

Sustainability is enshrined in the mission statement of the Austrian Lotteries. In organisational terms the persons responsible form part of the Management Board Secretariat Staff Department which reports directly to the Management Board. A sustainability team is in charge of executing projects and formulating recommendations, development actions and monitoring adherence to plans. The team is also in charge of following up on and documenting sustainability efforts.

¹ International standard for the production, introduction, operation, monitoring, maintenance and improvement of documented information security management systems.

Positioning sustainability in the company

Rule 9: Explain the sustainability report

This sustainability report is address at all external and internal stakeholders of the Austrian Lotteries, its purpose is to provide an insight into the economic, ecological and social/societal concerns and challenges. The period under review are the years 2005/2006/2007.

The report is based on the so-called GRI (Global Reporting Initiative)² guidelines which contain indicators for the three pillars of sustainability – economy, ecology and social/societal issues. The quality of data collection is categorised according to so-called “application levels”. The three levels – A, B and C – reflect the extent and quality of the indicators presented. As more than 20 core indicators are covered, the sustainability report of the Austrian Lotteries conforms to level B of the GRI definition.³

Rule 10: Communicate all aspects of sustainability

Commitment to sustainability plays an important role in the communication strategy of the Austrian Lotteries. All achievements, developments and innovations are documented and reported once a year. Employees can keep themselves informed on an ongoing basis via Intranet, other stakeholders find relevant information on the Internet.

Sustainability is also an item on the agenda of management board meetings. In addition to economic data, the list of indicators also covers ecological and ethical/social aspects.

After the publication of the first sustainability report, a stakeholder survey will be carried out. It is to help in making corrections to the reporting system for future sustainability reports and to identify future challenges in sustainable development. Moreover, the Austrian Lotteries want to meet their stakeholder groups directly once a year at a Stakeholder Forum,

Rule 11: Show what the sustainability report has moved

The sustainability process was launched with an annex to our business report in 2006: “Our Approach - Our Corporate Social Responsibility”. Thus, the Austrian Lotteries not only made a clear statement to the outside world, things also started to move in-house. A year later we are now able to present our first sustainability report. We were specially happy about the enormous interest our staff took in contributing to the implementation of measures and initiatives.

² <http://www.globalreporting.org>

³ <http://www.globalreporting.org/GRIReports/ApplicationLevels/>

Responsible Gaming

Statement: Univ.-Prof. Dr. Michael Musalek

"Many people consider gaming to be mostly harmless. For this reason, it is hard for them to understand that some people get addicted. Often enough, addictive gambling is seen as the reflection of a weak character or aimlessness in life. In actual fact it is a serious chronic medical condition which requires treatment by experts. The earlier it is identified, the better the treatment options and the outlook for the future. A special focus in prevention should be on young people because the risk of gambling addiction is very high for them."

Rule 12: Assume responsibility for your game

Responsible Gaming has been a central concern to the Austrian Lotteries ever since their foundation more than 20 years ago. In the future, it will be an important strategic feature of the corporate philosophy, including an equally responsible approach to employees, customers, partners and resources.

Games of chance should primarily be fun. This is why it is our concern to actively counter the risks of gambling problems and addiction which jeopardised groups run. It is our aim to make sure that nobody is harmed by playing our games. As a provider of games of chance, we want to create framework conditions for sensible and regulated gaming.

Measures range from continuing education for employees and sales partners in matters of customer relations to counselling and help to players at risk and addicted to gaming. A special focus is on youth protection since children and adolescents are particularly exposed to the risk of developing gaming addiction.

All these measures are devised and coordinated by a separate department of the Austrian Lotteries.

What is gambling dependency?

Gambling dependency is defined as the pathologically excessive consumption of games of chance. A state of dependency is reached when the person concerned is obsessed with a game, making it the focus of his/her life. Persons affected invest too much time and money into games, they neglect other interests in their lives such as family, leisure time activities and work. Gambling careers often end in social isolation.

Rule 13: Raise awareness among your employees

In 2008 a special training plan on Responsible Gaming is being devised. It is addressed to all employees at all levels of the company. The extent and intensity of training will depend from the area of work and the employees' customer contacts. The aim is to make every employee aware of the current state of affairs in Responsible Gaming in the Austrian Lotteries and sensitise staff further to the issue.

The employees working at the customer service centre receive special training because they are confronted with our customers and their concerns every day, Players with problematic gaming behaviour also turn to our service centre. To make sure that our employees are well prepared, they had comprehensive training in 2006 and 2007. Further regular training events are planned for 2008 and the years to follow.

Rule 14: Organise a Responsible Gaming Academy

As has been the case in previous years, the series of events under the umbrella of our Responsible Gaming Academy will be continued. The series of lectures included

discussions on current issues and papers given by experts. Moreover, participants can debate interesting and controversial topics such as youth protection or restrictions for players on the Internet. The events of the Responsible Gaming Academy are primarily addressed to the employees of the Austrian Lotteries, Casinos Austria, Österreichische Sportwetten Gesellschaft as well as Glücks- und Unterhaltungsspiel Betriebsges.m.b.H. On 28 and 29 April 2008 the Responsible Gaming Academy will be held for the fifth time.

Ever since the Responsible Gaming Academy was established in 2004, the number of participants has been rising steadily: 56 persons attended the very first even; in 2007 the number had increased to 161. The increasing number of attendees and the feedback we get from questionnaires show that there is an enormous interest in these issues and confirm that we need to continue the Responsible Gaming Academy.

Rule 15: Train your sales partners (in Responsible Gaming)

When the new online terminals (KeWin Multimedia) were introduced, we seized the opportunity and added the subject of Responsible Gaming to the training we gave to our sales partners in working with the new equipment. About 1,940 certificates had been issued for successful attendance of the training programme. Training will continue in 2008 and by the time the programme has been completed, all sales partners and their employees will have been informed about current issues of Responsible Gaming.

Rule 16: Be committed to player protection

According to international estimates, about one per cent of the adult population is addicted to gaming; three to four per cent are directly at risk of becoming addicted. About 40 per cent of players start displaying problematic gaming behaviour before they turn 18. This goes to show that the protection of players continues to be one of the most important issues. For this reason the Austrian Lotteries pay much attention to it and the requirements they have introduced deliberately go beyond the extent of criteria to be met according to legislation.

The Austrian Lotteries take a wide variety of preventive measures to protect potential addicts: Information about the problem of gaming addiction ranks top of the list. On the Internet and by means of brochures, the risks and possible consequences are identified. In the spring of 2007, a folder titled "Responsible Gaming – Information on the Risks of Gaming and the Prevention of Gaming Addiction" was made available to all sales outlets. It can be picked up by all customers free of charge.

Moreover, the chances of winning are communicated clearly.

Chances to win a main prize:

Lotto 6 out of 45	1 : 8,145,060
EuroMillionen	1 : 76,275,360
Football pools (12)	1 : 531,441
ToiToiToi	1 : 700,000
Joker	1 : 1,000,000
Break-open ticket	1 : 2,200,000

Barriers which make it more difficult to access gaming for certain groups of persons or which interrupt the flow of the games are also useful because the faster games follow each other in succession, the higher is the potential for addiction.

Rule 17: Pay special attention to youth protection

Children and adolescents are specially at risk in gaming. Studies have shown that the age plays an important role in the development to problematic gaming behaviour. First contact with games of chance should therefore not be made at too early an age.

Gaming is very attractive for young people. At this age, they try to overstep boundaries to find their place. However, if young people constantly ignore boundaries in gaming, the risk of developing gaming addiction is particularly high.

Our sales partners play an important role in prevention: they have to become regulators vis-à-vis young people, having to ask for an ID to check the player's age in case of doubt. By means of special training, we show our sales partners that it is sometimes difficult to get an age estimate right, and we raise their awareness for dealing with the young in an appropriate way. Our procedures also include mystery shopping: this way, we are able to check if young people are given a chance to play although they have not yet reached the age at which gaming is allowed by law.

Our field force also assists in addressing issues of player protection with our sales partners and in implementing measures.

Rule 18: Set limits to gaming

The WINWIN video lottery terminals are equipped with special features introducing barriers before and during the game. As a matter of principle, players must at least be 18 years old to use WINWIN terminals. In case of doubt, our staff have to ask for a photo ID. After 60, 90 and 120 minutes the player is informed via terminal screen for how long he/she has played and if he/she wants to continue. After the maximum duration of 150 minutes the game is terminated automatically. The player has to turn to the cashier to continue playing, if desired. The remaining credit is transferred to a new card or paid out.

Access to the Internet gaming platform win2day was made more difficult by registration requirements: The age limit was raised from 16 to 18 years, name and date of birth are immediately verified online. Upon registration each player has to set limits for stakes and time played. The maximum amount per week is 800 euro. If a player wishes to raise the limits for time or stake, a cooling-off period of 72 hours has to be observed. Reductions of limits take effect immediately. Moreover, there is a link that enables player to bar themselves from playing for a certain period (one, three, six or twelve months). Once activated, it cannot be reversed.

Rule 19: Help those addicted to gaming

For years, the Austrian Lotteries have cooperated with institutions dealing with scientific research of pathological gaming and the counselling and treatment of persons affected.

The related addresses and contacts can be found in the information folders available in all sales outlets as well as on the Internet at www.win2day.at.

Interested parties and persons concerned may also contact our customer service centre at 0810 100 200 300 or help@lotterien.at.

Rule 20: Cooperate with institutions

In some cases, cooperation between the Austrian Lotteries and institutions counselling and treating addictive players has existed for 20 years. The Austrian Lotteries provide these institutions with financial support or sponsor individual projects.

Vienna <ul style="list-style-type: none">• Counselling service/therapy centre for gaming addicts and family members "AS" Tel.: +43/1/544 13 57 Internet: http://www.as-wien.com	Styria <ul style="list-style-type: none">• "BAS" Betrifft Abhängigkeit Sucht counselling centre for addicts Tel.: +43/316/82 11 99 Internet: http://www.bas.at
Lower Austria <ul style="list-style-type: none">• Counselling for addicts in Baden, Anton-Proksch-Institut Tel.: +43/2252/25 94 47• Counselling for addicts in Wiener Neustadt Tel: +43/2622/32007	Salzburg <ul style="list-style-type: none">• Gamblers Anonymous Salzburg Tel.: +43/662/87 34 71-0 Internet: http://www.ass.or.at
Upper Austria <ul style="list-style-type: none">• Verein für prophylaktische Sozialarbeit (Association for preventive social work) Tel.: +43/732/77 77 34 Internet: http://www.schuldner-hilfe.at	Vorarlberg <ul style="list-style-type: none">• Stiftung Maria Ebene Tel.: +43/5522/727 46 1951 Internet: http://www.mariaebene.at• Counselling centre "clean" Tel.: +43/5522/38072
Carinthia <ul style="list-style-type: none">• Gambler counselling office of the Municipality of Klagenfurt Tel.: +43/463/5375782• Walk-in counselling centre for gamblers "de La Tour" Tel.: +43/4242/208 22 49• "de La Tour" Tel.: +43/4248/2557-0	Tyrol <ul style="list-style-type: none">• Contra Gambling Psychiatric walk-in centre at the University of Innsbruck Tel.: +43/512/504 236 57• BIN Tel.: +43/5223/53 6 36 Internet: http://www.suchtberatung-tirol.at• Therapy and health care centre Mutters Tel.: +43/512/54 83 53

Responsible Manager of the Year

The Deputy CEO of the Austrian Lotteries, Friedrich Stickler, was awarded the title "Responsible Manager of the Year 2006" in the category "Public Interest" on 27 March 2007. The award was presented to him by Barbara Prammer, President of the National Council, for his achievement of establishing extensive responsible management far beyond pure business aspects in the Austrian Lotteries.

Rule 21: Advertise the fun in gaming

Responsible Gaming is inseparably linked with Responsible Advertising. Our advertising and marketing activities are subject to strict guidelines and self-imposed high ethical standards. According to these, advertisements of the Austrian Lotteries must exclusively be informative in nature.

The advertising themes always point out that winning is exclusively a matter of luck and that gaming is not an alternative to work.

Youth protection is a special principle: Children and adolescents are clearly not a target group for advertising, and ads in an environment accessible to children and adolescents – on TV, in cinemas or in print – must be avoided.

The advertisements for individual products are geared to primarily communicating the fun factor.

Basic principles of advertising statements:

- legal, decent, honest and true
- winning is exclusively a matter of luck
- no exaggerated presentation of winning chances
- no exploitation of anxieties related to money
- no promotion of risky gambling
- no depiction of high stakes
- no violence or sexual imagery
- the lottery is not an alternative to work
- the lottery is not a way out of financial troubles
- no insult to religious or political attitudes
- children and adolescents are not a target group in advertising

Rule 22: Set standards

The European Lotteries⁴ have developed a Code for Responsible Gaming which sets forth common European standards for all state-run or state-licensed lottery operators. These standards aim at optimising the preventive measures already taken by the operators organised in the European Lotteries to further minimise potential risks that gaming may cause to society and certain groups at risk. These standards i.a. include an extension of information and training campaigns, cooperation with research and health care institutions, support to sales partners, the development of advertising and marketing codes and cooperation with stakeholders. A comparison between the standards and the practices followed by the Austrian Lotteries does to show that Responsible Gaming is well anchored in our company.

Extract from the European Standards for Responsible Gaming:

Research: Support to research work and surveys is obligatory. This includes the financing of work in the field of addiction research and prevention as well the organisation and attendance of seminars and conferences.

Staff training: All employees of the company are sufficiently sensitised to and informed about the issue of Responsible Gaming so that Responsible Gaming becomes a fixture in day-to-day business.

⁴ The association of European state-run lottery and sports betting companies

Sales partner programmes: All sales partners are regularly provided with information material and trained in matters of Responsible Gaming.

Advertising and Marketing: It is ensured that advertising and sales promotion does not address minors or persons with problematic gaming behaviour and that no misleading information is disseminated.

Information about counselling and treatment: There is active cooperation with therapy centres and health-care representatives as well as organisations taking care of gaming addicts.

Information to players: Detailed information about winning chances (terms and conditions, instructions for playing) and about Responsible Gaming are offered to players.

Cooperation with stakeholders: There is an obligation to cooperate with representations of interest on a regular basis.

Economy

Rule 23: Optimise your sales volume

In the business year 2007 the total sales volume of the Austrian Lotteries was 2,067.17 million euro, which marks an increase of 1.3 per cent over the previous year. The high level of the previous year was maintained despite a rather bleak economic environment. Taking into consideration the framework defined by the Games of Chance Act, the goal of the Austrian Lotteries is to increase the corporate value on a long-term basis and to attain an optimum yield of duties and profit. In line with legal requirements, the Austrian Lotteries seek to develop the market with sound judgment. To rule out illegal gaming in all parts of the population to the greatest possible extent, legal offers have to be developed for all potential target groups. The order of the day, motivated by regulatory considerations, is to cover the entire market and not to be active in the most attractive segments only with profit in mind. We will, at the same time, continue to strengthen our market position in the future by introducing new games and innovative technologies.

Total sales volume of the Austrian Lotteries

	2005	2006	2007
Sales volume in mill. euro	1,828.37	2,040.88	2,067.17
Development year on year	+17.4%	+11.6%	+1.3%

Rule 24: Find new markets

In the long run our market growth in Austria will have its limits. 2008 will therefore be the year of foreign analysis: the Austrian Lotteries want to offer their knowledge and services in other markets and thus strengthen the company economically on a long-term basis.

In this respect we benefit from our close cooperation with Casinos Austria, which thanks to the new acquisition of the BAWAG-P.S.K shareholdings have come to hold a controlling 68 per cent interest in the Austrian Lotteries. Cooperation between the two companies will be further intensified and continuously increased in 2008. An analysis of costs, structures and processes is expected to further increase efficiency and workflows and to result in combined strengths. To succeed in foreign markets, the Austrian Lotteries will also exploit the know-how available within the group of companies.

In this regard especially Casinos Austria International can provide valuable input and impulses. An evaluation of new opportunities for the Austrian Lotteries in other countries will be carried out in the course of 2008, and subsequently initial steps to tackle new markets will be launched.

Rule 25: Ensure a high tax yield

Last year, the sum total paid by the Austrian Lotteries was 348.74 mill. euro, including game-related duties, income taxes and other taxes and duties. Since its formation in 1986, the company has paid more than 6.84 billion euro in taxes to the Republic of Austria. This makes the Austrian Lotteries, together with Casinos Austria, the Republic's second biggest tax payer and an important factor in the country's economy.

The game-related duties, amounting to 343.34 mill. euro, comprise a license fee of 194.86 mill. euro and a betting fee of 148.48 mill. euro.

The stakes of lotto "6 out of 45", football pools, goal bet, Joker and EuroMillionen are subject to a license fee, the rate of which has been graduated from 18.5% to be paid on the first 400 mill. euro received, to 27.5% on all further amounts, since 2006. The license fee for the Austrian class lottery is 2% of the stakes, for break-open tickets, scratch-off tickets and ToiToiToi it is 17.5%, for lotto 1-90, Bingo and Keno it amounts to 27.5%. The betting fee for all games of the Austrian Lotteries is 16% of stakes and gross income from games. For the electronic lotteries on win2day.at and with WINWIN (video lottery terminals) the gross income from games, which is defined as the difference between money wagered and winnings paid out, is subject to taxation. Taxes amount to 40% of the gross income from games, consisting of a betting fee of 16% and a license fee of 24%.

Taxes paid by the Austrian Lotteries⁵

	2005	2006	2007
Taxes paid in mill. euro	390.33	376.40	348.74
Development year on year	-1.3%	-3.6%	-7.3%

Rule 26: Elect the most popular games

The positive sales development of the Austrian Lotteries is attributable to the new increased winnings paid out with scratch-off tickets, as well as the positive sales development demonstrated with win2day.at and with WINWIN, the video lottery terminals.

In the field of ticket-based games, EuroMillionen saw a decline of 24.6% because of a smaller jackpot volume as compared to the previous year. Although the basic sales level of EuroMillionen rose significantly in 2007, the increased sales volume from long jackpot cycles occurring in 2006 could not be compensated.

Instant and passive lottery tickets attained a 5.5% advance in sales over the previous year, thanks to an increase in winnings paid out with scratch-off tickets.

The sales volume in the electronic lotteries on win2day.at was increased by 4.7% over the previous year.

The level of sales volume in WINWIN (video lottery terminals) developed very satisfactorily and rose 33.2% over the previous year.

Games of Chance of the Austrian Lotteries
Share of total sales volume in 2007

Game	Share in sales in mill. euro	Per Cent
Lotto "6 out of 45"	517,156,247.90	25.02%
Football pools, goal bet*	12,410,942.00	0.60%
Bingo	11,181,942.85	0.54%
EuroMillionen	145,264,407.15	7.03%
ToiToiToi	17,143,795.45	0.83%
Lotto 1-90	4,658,648.85	0.22%
Joker	142,371,068.05	6.89%
Scratch-off ticket	124,102,297.55	6.00%
Break-open ticket	24,118,930.80	1.17%
Austrian class lottery	37,598,510.00	1.82%
win2day.at	808,024,819.55	39.09%
WINWIN	223,143,305.77	10.79%
Total	2,067,174.915.92	100.00%

* Incl. extra football pools and extra goal bet

Rule 27: Pay out winnings

In 2007 total winnings amounting to 1,462.0 mill. euro were paid out (calculation basis: all Austrian Lotteries games).

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

Rule 28: Support Austria's economy

Supporting value added in Austria is important to the Lotteries as an Austrian company. Our procurement guidelines clearly define that, for example, Austrian origin is a criterion that plays a role in decision-making when contracts are awarded. We have thus developed and launched our new online terminal generation (KeWin) in collaboration with Austrian companies. The volume of investments was 21.3 million euro. In Q2 2008 all sales outlets will have been equipped with online terminals.

Technological innovations and new products are important means for our retail partners to boost daily business. We are making efforts to assist them by providing support through trainings and information workshops. The commissions paid by us to every retail partner further make a substantial contribution to their economic stability.

The commissions for lotto "6 out of 45", football pools, goal bet, extra football pools, extra goal bet, Bingo, EuroMillionen, Joker, lotto 1-90, ToiToiToi and the EuroBons (prepaid vouchers) for win2day.at amounted to over 64.5 mill. euro, or an average 16,564 euro per sales outlet, in the last business year. For scratch-off tickets and break-open tickets commissions amounting to roughly 12.1 mill. euro were paid, which corresponds to an average of 1,353 euros per scratch-off-ticket retailer and 411 euro per break-off-ticket retailer.

In 2007 the average sales volume was 218,333 euro per retailer for ticket-based games. Each scratch-off-ticket retailer generated an average sales volume of 18,062 and each break-off-ticket retailer 3,470 euro in 2007.

Good Causes

Statement: by DDr. Michael Landau, Director of Caritas

"House Immanuel, the mother/child shelter run by Caritas in support of homeless mothers and their children, essentially depends on donations. I should therefore like to thank the Austrian Lotteries for their decision to sponsor the House Immanuel for needy mothers and their children again this year!

This donation makes a substantial contribution, enabling us to continue the support in the House and to provide mothers and children with housing and intensive accompaniment. This is sustainable help: because accompaniment and support is to strengthen the mothers in the House that they regain the ability to care for themselves and their children. Last, but not least, Caritas can with the donations carry out urgent repair work in the apartments where, for example, new furniture or sanitary installations are needed."

Rule 29: Do good

The Austrian Lotteries consider it part of their responsibility to support "good causes", i.e., societally recognised and desirable goals and projects. As enshrined in the Games of Chance Act, three per cent from the sales proceeds generated by the Austrian Lotteries go to sports promotion and thus benefit mass sports activities (further information on sports promotion can be found in the Annual Report of the Austrian Lotteries). However, our commitment goes beyond the statutory requirements: Under the motto "Making much materialise ..." we sponsor a number of projects and initiatives in the fields of environment and nature, health, humanitarian issues, sports, art and culture, youth promotion, and economics, science and research.

In 2007 sponsorship moneys totalling roughly 2.8 million euro were provided. Along with the sports funding under the Games of Chances Act (61.2 mill. euro in 2007), as well as media support (amounting to 23.4 mill. euro in 2007), the sum total made available by the Austrian Lotteries was 87.4 mill. euro.

Sponsoring by the Austrian Lotteries

	2005	2006	2007
in mill. euro	ca. 2.5	ca. 3.0	ca. 2.8

Rule 30: Distribute fairly

What projects are funded by the Austrian Lotteries depends on a number of selection criteria. A decisive factor is how well a project fits in with the overall sponsoring policy and the target system of the Austrian Lotteries and whether the commitment serves a charitable purpose.

We plan to somewhat realign our budget currently distributed on diverse themes and will increasingly focus on humanitarian and health-related issues as well as environment and nature in the future. This will be done in response to a survey which Dr. Karmasin Marktforschung GmbH conducted at the beginning of 2007. The feedback from our stakeholders made us rethink our focus, which we will gradually shift thus taking into account the responsibility towards our cooperation partners. A first step will be taken in 2008: The big share of sports and art and culture in the sponsoring budget will be slightly reduced. In return, we will invest the funds becoming available into projects from the humanitarian sphere, health and environment & nature (see comparison charts).

Specifically, the following projects from these segments will be supported in 2008:

Environment & Nature WWF "River Programme"

Health Rudolfstiftung, Physical Medicine "Therapeutic Garden"

Humanitarian issues Lebenshilfe "Sollenau – Karl Ryker Dorf" (facility for persons with intellectual disabilities); "Barrier-free House"

Sponsoring since the launch of "6 out of 45"

Before the formation of the Austrian Lotteries, organisations like the Child Aid Foundation, the Sport Aid Foundation or the Senior Citizens' Aid Foundation organised number lotteries. The proceeds from that, in addition to donations received, were an important basis of funding for these organisations. When lotto "6 out of 45" was introduced in 1986, a superior competitor that could hardly be matched came into play. Therefore, the Austrian Lotteries concluded agreements in order to ensure the continued existence of the Child Aid Found, the Sport Aid Foundation and the Senior Citizens' Aid Foundation.

Rule 31: Do good and talk about it

All our sponsoring projects are a matter dear to our heart and show us how important this work is – be it the heating costs of families in need that we cover like in the initiative "Ein Funken Wärme" (A Spark of Warmth), or that we support exhibitions and music festivals, which make cultural tradition and values accessible to a large audience. Therefore, we are happy to fund all these projects.

In the future we want to raise the recognition of our „good causes“ with the general public. Because we think that these projects should be brought to a wide audience while our commitment should be highlighted at the same time – quite in line with the motto "Do good and talk about it."

The following projects were supported in 2007 (selection):

Environment and nature

Schönbrunn Zoo in Vienna "Giant Pandas"

WWF River Programme

Health

Cancer research initiative

"Leben mit Krebs" (the "Living with Cancer" campaign)

Austrian Mountain Rescue Service/rescue equipment

Humanitarian/social issues

Caritas / House Immanuel for needy mothers and children

Die Presse - Austria07 / Humanitarian commitment

"Ein Funken Wärme" (A Spark of Warmth) - a campaign by the daily paper "Kronen Zeitung" and Caritas

Licht ins Dunkel ("Light into Darkness", a campaign for children with disabilities)

Sports

Vienna City Marathon

Sports Day

"Football Player of the Year"/Young Star, with "Kronen Zeitung"

Art and culture

"Monet to Picasso. The Batliner Collection", exhibition at the Albertina (9/07 - 4/08)

"China - Facing Reality", exhibition at the MUMOK – Museum of Modern Art (10/07 - 2/08)

Burgtheater (seasons 2006/07 and 2007/08)

Donauinsselfest (a major open-air event on the artificial Danube Island in Vienna)

"Eine Stadt. Ein Buch." ("A City. A Book" – a campaign for the distribution of free books initiated by the City of Vienna)

The Mozart Museum at Domgasse in Vienna (1/06 - 12/07)

Grafenegg Music Festival (2007 - 2009)

Nestroy 2007 – The Vienna Theatre Award

Austrian National Library/ Book Sponsorship

Volkstheater (seasons 2006/07 und 2007/08)

Vienna Festival

Youth Promotion

Vienna University of Economics and Business Administration/Learning platform for students (10/05 - 9/08)

Economics, science and research

Boltzmann Institute/European Fellowship (6/06 - 5/09)

European Forum Alpbach

Milestone - Dr. Erwin Pröll Future Award

Ecology

Rule 32: Always think ecologically

In a time of climate change and scarcity of resources, protection of the environment and climate have become central issues of public interest, which attract attention and polarise society. It is not least therefore that sustainable corporate development is more in demand than ever. This also holds true for non-producing companies like the Austrian Lotteries.

For us as service company, there is a number of ways in which to act in an environmentally and climate friendly manner. We will improve material and energy efficiency and create awareness among our employees and also our supplies. Together with our business partners, we also set guidelines in our procurement policy: compliance with environmental standards by suppliers and service companies is checked and verified in most cases.

These measures help us to make a significant contribution to environmental protection. As this is a very important commitment for us, we plan to become a climate-conscious company in the long run. This means that we want to reduce our own greenhouse gas emissions to the greatest possible extent.

Rule 33: Create environmental awareness

When the sustainability process with the Austrian Lotteries was started, there were many interdisciplinary conversations and discussions with different departments. This has yielded an interesting insight: only very few employees were aware that environmental protection and conservation of resources have already been practiced with the Austrian Lotteries in a variety of ways.

Therefore, we consider it to be an important task to create awareness for these campaigns and to establish them in our company. Information campaigns will be started via Intranet and the staff magazine. A Waste Manual and Recycling Guidelines, which have been developed for our Vienna and Wiener Neustadt locations, are being adapted to reflect current changes. Stickers containing notices to switch off lights or turn off the computer should also improve awareness.

Information

Lights off!

If the lighting time in the offices at the Austrian Lotteries is reduced by only one hour per working day, the potential savings will be more than 23,000 kWh/year.

Rule 34: Save energy

At the two locations in Vienna and Wiener Neustadt, the Austrian Lotteries recorded a power consumption of roughly 6,700 MWh, or a slight decline of 0.3% as compared to the previous year. This means that power consumption remained nearly constant between 2005 and 2006 despite the fact that the number of staff and work places in the buildings increased and the data centre was enlarged. The higher power consumption in 2006 was due to, among other things, an increased heating and cooling output because of the exceptionally hot summer and cold winter.

While we are not immune to such external influences, we are at pains to further drive forward the energy optimisation in our buildings in Vienna and Wiener Neustadt and to improve consciousness and usage behaviour. Existing campaigns and planned actions

include, for example, measures concerning the air-conditioning in our buildings, lighting or water consumption.

	Power consumption (in kWh)		
	2007	2006	2005
Total	6,729,172	6,746,540	6,641,580
Development year on year	-0.26%	+1.58%	+4.3

	Heat consumption (in kWh)		
	2007	2006	2005
Total	2,115,471	2,505,618	2,384,142
Development year on year	-15.57%	5.10%	-8.1%

Rule 35: Make a good climate

The Austrian Lotteries have air-conditioning systems which supply the offices with fresh air (heated/cooled/humidified) as required by means of heat recuperation. The air change in a room is performed at a rate of 3.5 times per hour.

The building automation and technology equipment is run in the "free cooling" mode during the cooler seasons of the year. This means that during this time the required refrigeration is not, or only partly, generated by the refrigerating machines. The annual average power savings achieved amount to roughly 40,000 kWh for the headquarters in Vienna.

Rule 36: Mount energy-efficient lamps

Currently 400 lamps provide adequate illumination in the hallways of the lottery building. In 2008 these lamps will be replaced by energy-efficient models and the number of lamps will be reduced to 120. In this way, CO2 emissions will fall from roughly 20,400 kg to roughly 9,060 kg; additionally, the annual power costs for the hallway lighting will be cut by more than fifty per cent.

Furthermore, the Austrian Lotteries look into a proper utilisation of lighting fixtures that are equipped with automatic brightness control. This solution should enable additional power savings and further reduce CO2 emissions, which will be evaluated in 2008.

By the way, the wall lights in the hallways were completely deactivated at the end of 2007, because the ceiling fixtures, and in case of emergency the escape route lighting, provide sufficient lighting. This has brought about additional savings of 12,350 kWh.

Rule 37: Reduce water consumption

The total water consumption in the two company buildings in Vienna and Wiener Neustadt was roughly 14,200 m³ in 2007, which equals an increase of eleven per cent over the previous year.

2006 saw an extraordinary peak: the exorbitant rise of 32.7% was due to a test performed in connection with the watering of the outdoor facilities at Wiener Neustadt. The landscaped area measuring more than 6,000m² was watered very little, which has, however, disturbed all of the vegetation. Therefore, we decided to return to the proven method of watering in 2006.

	Water consumption (in m ³)		
	2007	2006	2005
Total	14,208	12,791	9,639
Development year on year	11.08%	32.70%	-15.8%

Rule 38: Separate your waste

In 2007 the amount of waste generated with the Austrian Lotteries was roughly 167 metric tonnes. This is an increase of nearly 15% compared to the previous year, which may be primarily attributed to the higher staffing numbers but also to a generally rising tendency in the amounts of waste produced. The average amount of waste per employee was 319 kg in 2006, which corresponds to an increase of roughly 6.69% over the previous year. In 2007 the average amount of waste produced rose 5.96% (338 kg per employee).

The increase experienced in other fractions is partly due to structural changes: for example, the disposal of waste electrical equipment was centralised in 2007. As in the preceding years the IT Procurement Division had managed the disposal of the great bulk according to the state of the art, these quantities of waste electrical equipment were not reflected by the 2005 and 2006 statistics; hence the subsequently steep rise from 0.49 metric tonnes (2006) to 10.95 metric tonnes (2007).

The amount of waste paper peaked exceptionally in 2006, because in that year a large number of scratch-off tickets and expired forms were destroyed and disposed of. The rise in biogenous waste by roughly 25% from 2006 to 2007 may be attributed to the large increase in the number of employees, which was due to, among other things, office relocations. We further plan to pass on biogenous wastes to biogas plant operators for energy recovery in the future.

Information on proper waste separation is available to our employees via the Intranet. In addition to details on everyday waste like residual waste, paper, biowaste, plastic, glass and metal, the site explains how to handle problematic materials like batteries or toners properly. Further topics include the destruction of data media, for which there is a separate, lockable container.

A waste management/recycling officer and deputy are in charge of answering questions and monitor the proper handling of the individual materials.

Fraction	Quantity (in tonnes)		
	2007	2006	2005
Waste paper	64.31	75.32	50.51
Waste glass	1.39	1.34	1.31
Metal waste	1.52	0.97	1.03
Biogenous waste	32.92	26.32	23.83
Light fraction	0.84	0.79	0.80
Residual waste	9.40	9.05	8.94
Bulky waste	8.83	4.19	12.64
Waste electrical equipment	10.95	0.49	0.67
Hazardous waste	0.47	0.54	0.44
Other waste	36.08	26.24	32.91
Total	166.71	145.23	133.08

Rule 39: Give computer equipment to students

Every year roughly 300 units of IT waste are generated, which mainly comprises PCs, printers, laptops, monitors, handhelds, servers, and storage and network components. The Austrian Lotteries have three possibilities to dispose of the old hardware: The major portion (roughly 80%) is scrapped by licensed companies. There are what is called "trade-in agreements" for roughly 15% of discarded elements. This means that old equipment is taken back when new equipment is bought. A small portion (5%) of the old equipment is passed on to various institutions and associations – including schools, kindergartens or the Volunteer Fire Brigade, which can use the computers, monitors and printers that were taken out-of-service.

Rule 40: Comply with procurement guidelines

The Procurement Guidelines of the Austrian Lotteries define ecological, social and human-rights-related fundamental values which are to be absolutely observed in procurement policy.

As regards the ecological requirements related to the materials and manufacturing processes, we attach particular importance to environmental compatibility and safety as well as the guaranteed disposal of waste in a proper manner. Especially for the scratch-off tickets, compliance has also been certified by environmental impact and safety reports. Wherever possible, we increasingly use materials non-hazardous to health (they must particularly be atoxic and nonallergenic).

Rule 41: Test new eco-friendly materials

In various areas, and also as a consequence of our internal sustainability process, we have tested new eco-friendly materials and will continue to look into alternatives in the future. For example, the Annual Report 2006 was manufactured under the Austrian eco-label for the first time. We will consider this as an option for all our printed materials. Currently technical aspects are examined in order to make the production sequence more eco-friendly. We plan to increasingly use the Austrian eco-label or FSC label⁶ and papers that meet even higher environmental standards (e.g. recycling paper) by 2010.

⁶ Forest Stewardship Council, certification system for sustainably produced timber products

Switching from the copy paper currently used (FSC certified) to recycling paper would, for example, reduce CO2 emissions by 2,600 metric tonnes per year.

At the same time, we will continuously adjust the quantity of advertising material produced to actual needs.

The betting slips used by the Austrian Lotteries will carry the FSC label or the Austrian eco-label in the future: If the environmentally friendly paper and its manufacturing meet the requirements and readability at the terminals is ensured, the changeover is expected to take place by the end of 2008.

Rule 42: Consider the quantities procured

In 2007 we distributed various printed materials, such as print advertising materials, scratch-off and break-open tickets, betting slips, information brochures, etc. All our products are equally subject to an evaluation of environmentally friendly alternatives and the sensible use of materials, always, of course, taking account of economic viability.

Our considerations target the choice of materials, on the one hand, and on the other hand eco-friendly ways of transit packing and transportation. The following examples are to illustrate, based on the large quantities, how important environmentally sound measures are:

Since 1990, 207 break-open ticket series with a total of roughly 1,330 million tickets and a number of 180 scratch-off ticket series consisting of roughly 1,700 million tickets have been delivered. All break-open tickets strung together would cover a length of 106,400 kilometres and could loop the Earth 2.7 times.

With the thermal receipt rolls consumed since 1990 at a total length of 336 million running metres, one could even tape the earth 8.4 times.

Annual procurement volume of essential lottery products (in million units)			
	2007	2006	2005
Scratch-off tickets	99,4	72,0	59,8
Break-open tickets	19,8	26,4	33,0
Betting slips	30,0	33,0	26,5
Thermal receipt rolls	0,2	0,2	0,2
Football pools brochure	5,6	5,6	5,7

Rule 43: Save travel, time and material with shipping

In 2007 we sent off roughly 250,000 packages. Our dispatch planning takes particularly shipping frequency, packing unit, quantity of packaging and the correct transportation into account.

In terms of shipping activities a lot was done in the past few years to promote environmental conservation, cost consciousness and efficiency. This has resulted in cost savings with postage and packing materials.

The various lottery products as well as advertising and information materials are delivered to our retail partners through bulk dispatch by the Mediaprint publishing house and the Austrian Postal Service. A critical factor in our choice of a transportation partner was the fact that the mass delivery services already and at any rate supply all tobacco shops, filling stations and other sales outlets. So no extra travel is incurred.

In procurement we pay attention to the packing in which the goods are delivered, and it is pointed out separately that offers needs to take that into account. We reuse undamaged packing material for further transportation as far as possible. The packing

put into circulation on the part of the Austrian Lotteries is disposed of via the ARA recycling system.

Rule 44: Have an eco-balance prepared

For the first time the Federal Environment Agency prepared an eco-balance concerning the Austrian Lotteries for 2006. In this context the emissions caused by the vehicle fleet and through energy consumption (room heat and electric current) were evaluated.

The total amount of greenhouse gas emissions by the Austrian Lotteries in 2006 was 4,574 metric tonnes of CO₂. The headquarters at Rennweg in Vienna accounted for the lion's share of 64%. Roughly 17% of greenhouse gas emissions were caused by the power supply for the company premises in Wiener Neustadt; 11% are attributable to the vehicle fleet and some seven per cent to room heating.

Total emissions for the air pollutants SO₂, NO_x, dust and CO were calculated in kilograms for the vehicle fleet and the energy supply: The Vienna location accounts for the lion's share of total emissions – concerning all air pollutants under review. A large portion of the air pollutant groups NO_x and CO is further due to the vehicle fleet. Roughly 24% of total NO_x emissions were caused by the operation of the vehicle fleet, and 17% of total CO emissions were caused by passenger vehicles and good vehicles.

Biomass incineration to provide district heating for the Wiener Neustadt property generated roughly 930 kg of dust emissions (total dust). This corresponds to a share of 23% in total dust emissions.

Rule 45: Optimise the vehicle fleet

As can be seen from the Eco-balance 2006, ten per cent of the emissions are due to the vehicle fleet. In 2006 the company's 71 passenger vehicles travelled 2,118,215 km, and roughly 147,500 litres of diesel oil and 13,000 litres of petrol were taken in.

To minimise these emissions continuously, we set a goal related to the vehicle fleet: the vehicles (in 2006 there were a total of 47 sales force vehicles, one truck and 21 passenger vehicles) will be replaced by more environmentally friendly, lower-emission vehicles on an ongoing basis until the end of 2010.

We replaced, for example, three cars by acquiring two VW Polo Blue Motion vehicles in September 2007. These vehicles which are equipped with a climate friendly drive technology show a very low CO₂ emission rate of 105 g per 100 km.

The most eco-friendly means of locomotion is, of course, no car at all. Therefore, the Austrian Lotteries suggest that their employees use public transport to ride to their outside appointments. Since December 2006 they can get free tramway tickets at reception.

Taking these steps, we want to contribute to the attaining of Austria's Kyoto goal to reduce CO₂ emissions by 13% (compared to 1990) by 2012.

Staff

Statement by Dr. Miro Urlicic, Company Doctor of the Austrian Lotteries

"In our highly dynamic age, it is exceptional for employers to take a serious and lasting interest in promoting and maintaining the health of their employees. Under the motto "Responsible Gaming" the Austrian Lotteries take their responsibility towards both customers and employees very seriously. All employees are offered optimal tools, materials and working conditions as well as a number of social benefits that have been well received.

The Austrian Lotteries seek to create excellent framework conditions and prospects for both the present and the future. Thus, as the company doctor of the Austrian Lotteries, I am particularly pleased to work continuously with the management board, leadership team and works council to further develop the company's health and prevention programmes and to find new concepts for the future."

Rule 46: Ensure an atmosphere of working together in respect.

"Responsible Gaming": the Austrian Lotteries' corporate philosophy applies not only to its relationships with players. This premise is, of course, also part of life within our company and firmly anchored in our personnel policy. We fulfil our responsibility to our 474 employees and ensure a respectful atmosphere for working together. We support an attractive work environment that promotes open communication, continual development and versatility. This includes a balanced relationship between work and life, the health of our employees and the promotion of their individual abilities. Here we try to create ideal prerequisites. We want our employees to be happy and content: that is the foundation of our success, both today and in the future.

Number of Employees 2005-2007 (excl. those on leave)	2005	2006	2007
Employees as of 31.12 (incl. part-time)	440	451	474
Male	252	255	268
Female	188	196	206

Rule 47: Create good working conditions.

Successfully combining private life and career: this is a goal for every working individual. The Austrian Lotteries take the view that a balanced relationship between these two areas is not solely the responsibility of employees. It is also the job of the company to create framework conditions for a healthy work-life balance and thus to make economic efficiency and social responsibility mutually compatible.

For many years, the Austrian Lotteries have fostered each individual employee's work-life balance by employee- and family-friendly corporate policies. For example, flexible working hours help employees to meet their individual needs as well as profession demands. In addition to flexitime without core times, the Austrian Lotteries offer other alternatives, such as teleworking, part-time work, special arrangements for older workers and parents as well as the possibility of taking a family or study leave. Another important matter is the return to work following a leave or switching from part-time to full-time employment. The Austrian Lotteries seek to make this as easy as possible and support employees in doing so.

The initial employment phase is of particular importance to the Austrian Lotteries. The start of a new job in a specialised position and social integration are supported and facilitated by a company training programme.

Proof that employees of the Austrian Lotteries are comfortable working there can be seen in the average period of employment, which in 2007 was 9.7 years. This is an outstanding figure, given the fact that the company is only 21 years old and that personnel figures are constantly rising.

Period of Employment	2005	2006	2007
Ø Period of Employment	9	9.5	9.7
Ø Period of Employment Male	8.9	9.6	9.9
Ø Period of Employment Female	9.1	9.4	9.5

Our employee fluctuation of 3.78 per cent is relatively low compared with other companies. This applies in particular to such as areas as the call centre, IT and outside sales work (areas in which fluctuation is usually relatively high). This suggests that working conditions at the Austrian Lotteries must be excellent.

Fluctuation	2005	2006	2007
Fluctuation Male	1.57	1.94	0.84
Fluctuation Female	3.06	1.72	2.94

Rule 48: Foster special abilities.

Implementation of our corporate goals can be successful only with the help of our employees. Thus it is only logical for us to support them in using their special abilities as part of their personal commitment. Only qualified and motivated employees can guarantee our success in the long term. That means entrusting individuals with responsibility and letting employees participate actively in company development. Our orientation and leadership is directed at ensuring goal-directed action and making a coordinated contribution of our employees' knowledge and creativity.

An important instrument in this context is the employee appraisal interview, which has been conducted annually since 1999. It is seen as a tool for promoting and advising, and so far around 75 per cent of our employees have taken advantage of it on a voluntary basis. It gives both management personnel and employees the possibility of agreeing tasks and goals while assessing the need for individual development.

The employee appraisal interview is intended to provide clarity, transparency and orientation for both sides. In order to ensure that this goal was being realised, we conducted an employee survey in 2003, in which a total of 169 employees took part. Based on the results, several changes were made, including the publication of our corporate goals on the intranet. Six months after the employee appraisal interview a reminder is sent to participants to evaluate the goals that were agreed. Starting in 2008, a target has been set to raise the share of employees participating in the annual employee appraisal interview to 85 per cent.

Rule 49: Challenge and promote your employees.

The Austrian Lotteries attach great importance to the training and further education of employees. With their know-how they contribute substantially to our corporate success. In all, around 670,000 euros were invested in 2007 in the continuing education of our employees.

From the beginning the goal has been to find a blend of internal and external measures. This promotes solidarity, cooperation, networking and integration of new employees and as well as a sharing of experience throughout the company. Continuous evaluation monitors the quality of the measures employed. The goal is to raise the share of tailor-made development measures over the longer term from the current 12.83 per cent by at least an additional 10 per cent in order to better address the individual needs of employees and the company. This was launched in a 2008 employee initiative in which staff are being invited to present their ideas for optimising processes in their respective areas. In addition to promoting the acquisition of additional specific skills, the Austrian Lotteries will in future concentrate on such main points as corporate and networked thinking as well as an increased readiness to accept responsibility.

All employees have the possibility of requesting additional financial support for continuing education not included within the framework of normal training courses. These opportunities include, for example, pursuing studies at a specialist college, attending a management course or taking the vocational matriculation examination. This benefits not only the employees personally but also the Austrian Lotteries as well. If possible, we would like to keep acquired knowledge and innovative power within the company. That is why we create possibilities for development for our committed employees and try to fill jobs with those already with the company. With regard to internationalisation, competition and introduction of new technologies, we see the specific corporate knowledge within our company as a decisive advantage.

On a smaller scale we also offer apprenticeships for young people. In 2006 three apprentices were trained by Austrian Lotteries as clerical workers.

Rule 50: Pay attention to personnel development.

The Austrian Lotteries have 474 employees (as of 31.12.2007), comprised of 401 full-time and 73 part-time staff. That is the equivalent of 444 full-time employees. Compared with a year earlier, the number of employees rose by 23.

Many who were with the Austrian Lotteries when the company was founded more than 20 years are still with us today. This has a major impact on our demographic structure: a large number of our employees are between 36 and 40 years old, with an average age of 39.5. We support the transfer of knowledge from experienced, older employees to younger ones and offer specific continuing education and health-promotion measures for older employees.

Fundamentally, the principle of equal treatment applies to all employees and job candidates. Advertising for job vacancies, hiring, compensation, treatment of colleagues and the further promotion of our employees are conducted according to all the relevant laws and regulations.

A special collective agreement has been concluded for the Austrian Lotteries. Every Austrian Lotteries job is accompanied by a job description and evaluation. External salary comparisons are conducted annually in order to ensure that our compensation is competitive.

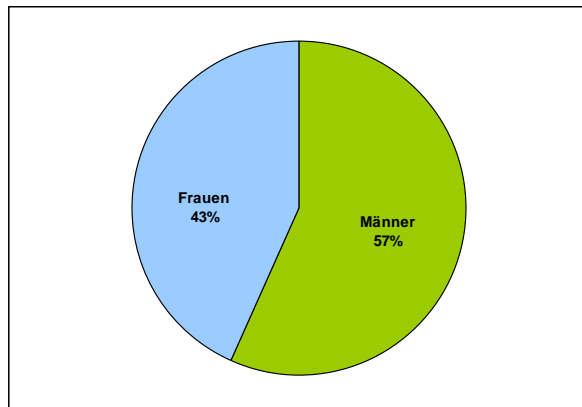
Rule 51: Ensure a balanced gender quota.

In all, 206 women and 268 men are employed by the Austrian Lotteries, which results in a ratio of 43 to 57. In this regard, it should be pointed out that because of the technological orientation in several of the company's departments most employees there are men. In order to counteract this situation, the Austrian Lotteries take part in Vienna's annual Daughter's Day. In the course of this event, employees' daughters between the ages of 11 and 16 can gain insight into new, primarily technological professions. They are

given specialised support from a number of employees who try to better acquaint the young women with these exciting jobs with the Austrian Lotteries.

Gender Quota 2007

(2007: 268 men, 206 women)



Gender Quota in Management 2007

	Women	Men
Management Board	33.33%	66.67%
Business Managers and Assistant Business Managers	23.08%	76.92%
Department Managers and Special Managers	39.29%	60.71%
Group Managers	31.82%	68.18%

The fact that women who work for the Austrian Lotteries earn less than their male colleagues is due primarily to the fact that more women work part-time and that fewer of them are in management positions. To the extent that their qualifications make it reasonable and possible, efforts will be made in the coming years to hire more women and, in particular, to place them in management.

Rule 52: Appoint a representative for disabled employees.

The Austrian Lotteries have a person assigned to represent the interests of disabled colleagues. It is this person's job to ensure that the provisions of Austria's Disabled Persons Employment Act are observed. In addition, the representative sees to the special needs of disabled employees, e.g., with regard to providing jobs tailored to the needs of the employee, and informs the works council and the employer about any deficiencies.

The employer on the other hand is obliged to consult with the representative and provide any necessary information. By the way, representatives must themselves be disabled; as "affected persons" they are better able to put themselves in the place of and understand the needs of disabled employees and also to better represent them in the works council.

Rule 53: Inform your employees about the internal "rules of the game".

In August 2007 the new intranet portal of the Austrian Lotteries went online; employees can now download current information about their daily work. A newsletter published weekly provides all employees with the latest news. In addition, an online employee newspaper complements the printed version, providing information in a modern media style.

Rule 54: Take good care of your employees.

The Austrian Lotteries are health-conscious. Much assistance is already offered in the health field and this is to be expanded in the future: it includes precautionary health and fitness checkups as well as sport activities and nutritional advice, seminars on the subjects of stress management and smoking cessation, ergonomic jobs with the most modern equipment and the possibility of helping to design a personal work environment. In addition, a company doctor is available to the employees once a week. At 2.41 per cent, the current level of sick days makes us feel as though our efforts have borne fruit and we hope to maintain this low level in the future as well.

Healthy food for our employees in the workplace and a well-balanced diet in general are important to us. That is why the Austrian Lotteries provide a healthy selection of food in the canteen; in addition, employees are encouraged to be more aware of good nutrition.

Since 1991 we have had a group health insurance programme, for which the company pays half the premiums. In addition, a company pension scheme was instituted in 1995, consisting of a basic pension provided by an extra-company pension fund as well as pension insurance with employee co-payments.

Social Commitment and Society

Rule 55: Be attentive to the needs of all the players.

Fundamentally, the social commitment of the Austrian Lotteries is anchored in Austria's Games of Chance Act. However, as part of our socio-political identity we are committed to societal and social issues over and beyond this legal requirement.

As the employer of around 470 employees we bear a great responsibility; as the partner of around 7203 agencies and sales offices we contribute to safeguarding jobs; we consider fair and reliable cooperation with our partners to be indispensable; our responsibility to our customers is also a matter of great concern; and we demonstrate our commitment to society by supporting numerous sponsoring projects and promoting sport.⁷

Corporate guidelines and stipulations regulate our attitude towards these stakeholder groups, and they apply without exception to all our employees. In addition, we adhere to the principle of equal opportunity and antidiscrimination; the Austrian Lotteries will not tolerate discrimination or harassment in the workplace, whether it is based on age, disability, origin, gender or political outlook.

Rule 56: Establish guidelines for purchasing.

More than price alone counts when we purchase materials and products: social, human-rights and ecological aspects are also important. Such criteria as quality, Austrian origin, ISO and environmental certification play a decisive role in awarding contracts.

In choosing suppliers, the company has a standardised system of assessment in which the technical level and standard, quality and reliability, committed customer service and flexibility as well as the dependability of supply and price all play a role. The Austrian Lotteries' purchasing guidelines are constantly being adapted to social and ecological demands, and their observance is periodically reviewed.

While this purchasing policy works well in Austria and other European countries, products from the Far East – primarily advertising media – remain a problem. There it is not possible to monitor adherence, and we are forced to rely on the respective supplier. In this case, prevailing norms, such as SA8000⁸ on child labour, are not adequate. In addition, these products are not subject to monitoring by testing institutes with regard to allergenic properties and/or harmful ingredients.

We try to trace the entire production process from the manufacturer to the delivered product. In addition to monitoring these processes, we also seek to ensure good working conditions and fair wages. In order to implement these goals, we are considering cooperation with such institutions as Fair Trade.

Rule 57: Regulate the acceptance of gifts.

The acceptance of gifts is clearly regulated in the collective agreement of the Austrian Lotteries. Without consent of the employer, employees may not accept any gift that might result in bias with regard to company business.

Any preferential treatment that applies in equal measure to all employees, on the other hand, (e.g., discounts) are considered unobjectionable. Countertrade transactions are

⁷ The social commitment of the Austrian Lotteries is also treated in the chapters "Responsible Gaming", "Good Causes" and Employees.

⁸ International norm that audits and certifies compliance with minimum social standards at manufacturing firms.

also permitted if these are of advantage to the company on the whole. In practice this applies in particular to cooperative agreements made by the marketing department for promotions.

Rule 58: Be a loyal partner.

We want to be a reliable partner for our sales offices. We make every effort to support our sales partners to the greatest extent possible, whether by actively supporting our field sales representatives or by innovating or expanding the range of games. Field sales representatives visit the sales offices to which they are assigned every six to eight weeks on average in order to provide advice and assistance.

In addition, we support our sales partners by regularly providing training courses on our products and also help them with sales strategy and technological innovations. In 2007 a total of 3255 agents and sales office employees took part in 561 days of training courses. In general, it is very important to us that all sales personnel be well informed about our products and activities. Our corporate philosophy, "Responsible Gaming", is one of our fundamental values.

Rule 59: Choose your sales offices carefully.

The locations of agencies and sales offices and of our partners are carefully chosen by the Austrian Lotteries. Among the criteria are the existing density of the sales network, the availability of appropriate business premises as well as the location. In addition, we prefer that agencies be operated by disabled persons. This is laid out in the Games of Chance Act Sec. 16 Par. 14.

In creating jobs, we accept responsibility in the respective region and make an important contribution to the local economy. At the same time we maintain a sales network throughout Austria in order to facilitate our customers' ease of access to our products. In 2007 our games were offered by a total of 3894 agencies. That represents an average of one agency per 2127 inhabitants. The number of agencies varies by about five to ten per cent a year.

The Agency Network 2007

Outlet	Number	Per Cent
Tobacconists	2436	62.56%
Lotto Agencies	64	1.64%
Post Offices	200	5.14%
Retail Food Shops	498	12.79%
Chain Stores	10	0.26%
Banks	259	6.65%
Filling Stations	57	1.46%
Other	370	9.50%
Total	3894	100.00%

The Sales Network for Scratch-Off tickets 2007:

Outlet	Number	Per Cent
Tobacconists	2795	40.68%
Lotto Agencies	64	0.93%
Post Offices	1308	19.04%
Retail Food Shops	824	11.99%
Chain Stores	76	1.11%
Banks	207	3.01%
Filling Stations	1000	14.55%
Other	597	8.69%
Total	6871	100.00%

The Sales Network for Break-Open Tickets 2007:

Outlet	Total	per cent
Tobacconists	2.792	40,17%
Lotto Agencies	61	0,88%
Post Offices	1.308	18,82%
Retail Food Shops	823	11,84%
Chain Stores	174	2,50%
Banks	199	2,86%
Filling Stations	997	14,35%
Other	596	8,58%
Total	6.950	100,00%

Rule 60: Ask your customers.

It is important to us to satisfy our customers and adjust our products to meet the demands and needs of the players. For that reason we regularly conduct customer surveys.

Once a year we commission the Gallup Organization to conduct the "Gaming "Monitor". On the one hand, the survey assesses to what extent customers find specific aspects to be important: for example, security, the amount wagered, the comprehensibility of the rules of the game or societal aspects. On the other hand, it also assesses the acceptance of the Austrian Lotteries' individual products and the specific needs and demands of the respective target groups.

In addition, the Austrian Lotteries commission qualitative studies on certain games, their attractiveness and advertising impact. These seek to assess, for example, how agreeable or familiar they are as well as their image and brand impact. The results of all these surveys and studies help us to further develop our products so that they better need our customers' needs.

Our homepage is an important platform for providing information to our customers. In 2008 we are making it barrier-free so that it will be accessible to all population groups, including those with limited sight or hearing.

Rule 61: Cultivate intensive contacts with your stakeholders.

As was already mentioned in the chapter "Responsible Gaming", close contact with our stakeholders is very important to us. Accordingly we cultivate dialogue with the various stakeholder groups: customers, business and sales partners, representative bodies, NGOs, research facilities, health institutions, charitable organisations and employees. For our sales partners, for example, we organised two national and numerous regional

conferences last year where strategies and projects were presented. Information is also disseminated at numerous other events and press conferences.

The planned implementation of the European Standard for Responsible Gaming⁹ further underscores our commitment. It also entails the obligation to cooperate with our stakeholders, a commitment we gladly accept.

Rule 62: Pay attention to security.

The topic of security is generally very important to the Austrian Lotteries and is anchored in our mission statement. In accordance with these principles, the range of games is constantly being improved and implemented with the use of the most modern technology.

In addition, the Austrian Lotteries have been certified according to the new Security and Control standards of the World Lottery Association (WLA)¹⁰. These internationally accepted norms apply to company security regarding game management and include the ISO standard 27001 with respect to information security. Thus availability, integrity and confidentiality are guaranteed in our business processes and systems.

Certification was renewed in 2007 and is valid for three years. The next recertification is required in 2010.

Rule 63: Take a professional approach to data protection.

The Austrian Lotteries have long depended on a high degree of professionalism in data protection, which is maintained in accordance with provisions of the Austrian Data Protection Law. In addition, the Austrian Games of Chance Act requires that we maintain secrecy regarding our customers and their participation in our games. It goes without saying that personal data must be handled responsibly, yet this is sometimes overlooked in practice. For that reason each new employee receives special training in information security. In 2007 we installed an e-learning platform that can be called up on the intranet. Here employees, on a voluntary basis, can find all kinds of information concerning data protection, including password security, malware, e-mail security, Internet security, social engineering and mobile security. In 2007 82.6 per cent of our employees attended e-learning training courses on information security.

Rule 64: Secure your data.

In order to guarantee a high degree of availability for its gaming system, the Austrian Lotteries have installed two separate computer centres at locations in Vienna and Wiener Neustadt. These run in parallel with independent energy supplies, and thus all data are stored twice. This permits the Austrian Lotteries to attain 99.99 per cent availability, a figure that can hardly be exceeded. It is our goal to maintain this high degree of availability in the future as well.

The computer centre in Wiener Neustadt has sufficient reserve capacity to deal with a constantly rising transaction volume. In addition, it has 30 extra workstations that can be expanded to 100 if the need should arise. This guarantees that gaming operations could be maintained if the workstations at the main office in Vienna ever became unusable.

Security is a highly important aspect not only in conducting our games but also in their development. Here special consideration is given to preventing manipulation by the use of colour copying or chemicals. In addition, strict quality controls are built into the production process.

⁹ Additional information on the European Standard for Responsible Gaming is found on page xx.

¹⁰ International organisation to which 144 lotteries from 77 countries around the world belong.

Rule 65: Pay attention to workplace safety.

The basis for implementing employee protection measures at Austrian Lotteries is the guiding principle "Safe & Healthy– Healthy & Safe". In order to ensure the safety of all employees and their familiarity with the company from the beginning, one or two training courses for new employees are held each year. Here the principles of safety awareness are taught by a specialist for workplace safety and the company doctor.

Six additional employees received training in 2007 as part of the annual first-aid training course; five employees attended a refresher course.

Because our company is not a manufacturer, the number of workplace accidents is small. According to the figures from 2006 and 2007, there was one accident each year on the way to or from work, which are also considered workplace accidents. In 2005 there was once accident on the way to or from work and there were five accidents in the workplace.

<p>Number of Workplace Accidents</p> <p>2005: 6</p> <p>2006: 1</p> <p>2007: 1</p>
--

It is difficult to imagine office life today with computer workstations. But this also makes it very important to adopt preventive measures to ensure that today's jobs are ergonomically correct and to prevent damaging stress and gradual postural impairment. Thus the company attaches great importance to a suitable work environment and quality of equipment our employees use. In 2007 an inspection was conducted of the location at Rennweg 46 in Vienna to ensure that the law concerning the protection of workers was observed in the new workplace. In addition, remodelled workplaces were re-evaluated. Adaptations and adjustments, in particular with respect to work at computer workstations, were immediately undertaken as needed and possible.

Rule 66: Do not allow danger to arise.

Reacting correctly to an emergency situation is enormously important. For that reason, all employees of the Austrian Lotteries are specifically prepared for emergencies. Each new employee receives personal training by the fire prevention officer at the two buildings in Vienna and Wiener Neustadt with regard to fire regulations and is taught how to react correctly in case of fire. The goal is to familiarise employees with the building during their initial weeks at work so that they know where the escape routes and emergency exits are in case the building has to be evacuated.

A number of events – in particular that of 11 September 2001 – have led to greater acceptance of these emergency preparations. Our buildings can be evacuated in only seven minutes.

Goals

Strategic Objectives

1	Sustainability will be an integral part of the Austrian Lotteries' mission statement.
2	The subject of sustainability will be a fixed item on the agenda of board meetings.
3	A report on sustainable development will be written once a year; information will be constantly published in the employee newspaper and on the intranet and Internet.
4	The catalogue of indices will be supplemented with ecological and ethical-social aspects.
5	Following publication of the first sustainability report, a stakeholder survey will be conducted.
6	A stakeholder forum will be held once a year.

Responsible Gaming

7	An expanded concept for providing training in Responsible Gaming will be drawn up in 2008 and will apply to all employees at every company level (content and intensity depending on their job).
8	In 2008 and in the following years additional, comprehensive courses for employees at the customer service centre are planned to teach more about Responsible Gaming.
9	By the end of 2008, all sales partners and their employees will have a new training course to include certification on the subject of Responsible Gaming.
10	Informative events are already being held annually; the next will be on 28 and 29 April 2008.

Economics

11	Taking into account all legal framework conditions, the Austrian Lotteries will optimise their contribution to national revenues and maximise profit.
12	The Austrian Lotteries will strengthen their market position with the help of various measures, such as the introduction of new games.
13	In 2008, cooperation between the Austrian Lotteries and Casinos Austria will be further intensified in an effort to improve efficiency and work processes.
14	A focus of the year 2008 will be foreign analysis: we will explore possibilities of offering our know-how and services abroad in order to strengthen the company in the long term.
15	The Austrian Lotteries support the Austrian economy; the installation of online terminals made in Austria will be completed in the second quarter of 2008.

Good Causes

16	Good causes in the public perception: projects will increasingly be publicised in the media to underscore our commitment.
17	Sponsoring projects will increasingly focus on humanitarian, health and environmental projects.
18	The projects supported in 2008 include the WWF River Programme, Rudolfstiftung Physical Medicine Therapy Garden, Lebenshilfe Karl Ryker Village in Sollenau, and Barrier-free House.

Ecology

19	We will sensitise employees in matters of energy conservation and responsible use of resources and raise awareness with the help of information campaigns and education measures (e.g., stickers, to-do lists, etc.).
----	---

20	By the end of 2008, stairway illumination will be renovated: 400 conventional light bulbs will be replaced by 120 low-energy bulbs.
21	By the end of 2008, our betting slips will bear the Forest Stewardship Council Seal and/or the Austrian Environmental Seal. By 2010 many of our forms will be similarly marked.
22	A basic text on waste as well as recycling guidelines will be written for the two locations Vienna and Wiener Neustadt.
23	By the end of 2009, our sales fleet will have been completely replaced by environmentally friendly, low-emission vehicles.

Employees

24	The share of tailor-made development measures will be increased from an average of 12.83 per cent in 2007 by at least an additional 10 per cent.
25	The health programme for our employees will be a continued focus of our attention; the variety of healthy food available in the workplace will be further expanded.
26	The current level of sick days (2.41%) is to be maintained in the future as well.
27	The share of employees taking part in appraisal interviews will be raised from the current 75% to 85% in 2008.

Social Commitment and Society

28	Our sales partners should become more actively involved in our good causes.
29	The homepage will be barrier-free by the end of 2008.
30	Purchasing guidelines will be adapted to social and ecological demands and their observance periodically reviewed.

Comments by External Experts

This first Sustainability Report of the Austrian Lotteries is an impressive illustration of the process initiated within the company. The report documents in very clear terms what the games of chance enterprise has done in matters of sustainability so far and what its future goals are in this respect. Issues of sustainable development have thus become established as a fixture in the company's operations. My comments relate on the economic side of the Sustainability Report: as a sole licensee, the Austrian Lotteries have acted responsibly by keeping gaming addiction – which may jeopardise the livelihood of people – in check with the help of a wide variety of control mechanisms, thus safeguarding the sustainability of this segment in the leisure industry. Moreover, the state as well as the worlds of sports and culture benefit quite considerably from the activities of the Austrian Lotteries. The Austrian Lotteries show that adherence to policy requirements and to self-imposed restrictions is by no means anathema to continuous progress, including economic development. Novelty in gaming and technical innovation ensure the growth potential of the enterprise. However, opportunities can only be seized if clear-cut decisions are taken at political level and if illegal competition can effectively be reined in.

If the Austrian Lotteries continue to stick to their "rules of the game", they are on the right track when it comes to combining social sustainability with future success.

Prof. Dr. Bernhard Felderer, Director, Institute of Advanced Studies, Vienna

As managing director of the Federal Environment Agency, I am pleased that the Austrian Lotteries base their business activity on the principles of sustainability. The management of this great Austrian company is thus sending a clear signal of responsibility for man and the environment.

The comprehensive assessments and calculations used to analyse ecological aspects of the company's activities demonstrate a clear potential for further improvement. They suggest future measures leading, in particular, to a marked reduction in indirect CO₂ emissions. Concrete considerations regarding the vehicle fleet as well as environmentally friendly procurement will contribute to a development towards a more sustainable company. An environmental management system could provide a suitable and – tried and tested as well – structural framework for continuing the process of sustainability within the company.

With this first Sustainability Report the Austrian Lotteries have taken a successful step down this long-term pathway.

Georg Rebernig, MS, Managing Director, Federal Environment Agency

Austrian Children's Aid depends entirely on donations. In our emergency relief work we use our sponsors' funding to provide lasting help to families in need in Austria. As managing director of a non-profit organisation, I have read the sections on social issues in the Austrian Lotteries' Sustainability Report with particular interest. In this report the company shows that its social commitment extends well beyond its legal responsibilities. From the section on "Good Causes" it is clear that the Austrian Lotteries make a great contribution to projects that without such financial support could not take place. It should also be pointed out that this year's restructuring of the company's distribution of sponsorship reflects its sensitivity to the needs of the target group. When a company pays such great attention to the subject of "sustainability", it is clear that it will also have sustainable success.

Christine Tschürtz-Kny, Managing Director, Austrian Children's Aid

GRI Index

Key:

- Comprehensive Report
- Partially Covered
- Not Relevant
- No Report



EC1 Core Indicators

EC5 Additional Indicators

G3 Code	Content According to GRI	Covered in Report	Page
Strategy and Analysis			
1.1	Statement from the management board	■	4 f
1.2	Description of key impacts, risks, and opportunities regarding sustainability	■	4 f., 11 f.
Profile			
2.1-2.10	Organisation profile	■	8ff.
3.1-3.4	Report profile	■	12
3.5-3.11	Report scope and boundary	■	12
3.12	GRI Content Index	■	62 ff.
3.13	Assurance	●	66 f
Governance, Commitment and Engagement			
4.1-4.10	Governance structure of the organisation	■	11
4.11-4.13	Commitments to external initiatives	■	19 f.
4.14-4.17	Stakeholder engagement	■	12, 17, 54, 56 f.

Economic Indicators

G3 Code	Content According to GRI	Covered in Report	Page
Economic Performance			
EC1	Direct economic value generated and distributed	■	24 ff.
EC2	Financial implications and other risks and opportunities due to climate change	●	41 f
EC3	Coverage of the organisation's defined benefit plan obligations	■	51
EC4	Significant financial assistance received from government	●	
Market Presence			
EC5	Standard entry level wage compared to local minimum wage	■	
EC6	Spending on locally based suppliers	●	27, 55f
EC7	Procedures for local hiring	●	
Indirect Economic Impacts			
EC8	Infrastructure investments and services for public benefit	■	30 ff., 55 ff.
EC9	Indirect economic impacts	■	25 f.

Environmental Indicators

G3 Code	Content According to GRI	Covered in Report	Page
Materials			
EN1	Materials used by weight or volume	■	38 ff.
EN2	Percentage of materials used that are recycled input materials	■	38 ff
Energy			
EN3	Direct energy consumption	■	41 f.
EN4	Indirect energy consumption	■	36 f.
EN5	Energy saved due to efficiency improvements	■	36 ff.
EN6	Initiatives to provide energy-efficient or renewable energy based products	■	39 ff.
EN7	Initiatives to reduce indirect energy consumption	■	36 f.
Water			
EN8	Total water withdrawal by source	■	37
EN9	Water sources significantly affected by withdrawal of water	■	
EN10	Percentage and total volume of water recycled and reused	■	
Biodiversity			
EN11	Location and size of land in or adjacent to areas of high biodiversity	●	
EN12	Impacts on biodiversity in areas of high biodiversity	●	
EN13	Habitats protected or restored	●	
EN14	Managing impacts on biodiversity	●	
EN15	Endangered species with habitats in areas affected by operations	●	
Emissions, Effluents, and Waste			
EN16	Direct and indirect greenhouse gas emissions	■	41 ff.
EN17	Other relevant greenhouse gas emissions	■	41 ff.
EN18	Initiatives to reduce greenhouse gas emissions	■	37, 43
EN19	Emissions of ozone-depleting substances	●	
EN20	NO _x , SO _x and other significant air emissions	■	41 ff.
EN21	Total water discharge	■	
EN22	Total weight of waste	■	38
EN23	Significant spills	●	
EN24	Transported, imported, exported or treated waste deemed hazardous	●	38
EN25	Water bodies and related habitats affected by discharges of water and runoff	●	
Products and Services			
EN26	Initiatives to mitigate environmental impacts of products and services	■	39 ff.
EN27	Reused or recycled packaging material	■	41
Compliance			
EN28	Fines and sanctions for non-compliance with environmental laws and regulations	●	
Transport			
EN29	Environmental impacts of transporting products	■	41 ff.
Environmental Protection Expenditures and Investments			
EN30	Environmental protection expenditures	■	

Social / Societal Indicators

G3 Code	Content According to GRI	Covered in Report	Page
Labour Practices and Decent Work			
Employment			
LA1	Total workforce	■	46 f.
LA2	Employee turnover	■	47
LA3	Benefits provided to full-time employees	■	51
Labour/Management Relations			
LA4	Collective bargaining agreements	■	49
LA5	Minimum notice period regarding operational changes	■	
Health and Safety			
LA6	Percentage of workforce represented in health and safety committees	●	57 ff.
LA7	Injuries, occupational diseases, lost days, absenteeism and fatalities	■	58
LA8	Programmes to support employees affected by serious diseases	●	
LA9	Health and safety topics covered in formal agreements with trade unions	●	
Training and Education			
LA10	Average hours of training per year	■	48 f.
LA11	Programmes for lifelong learning and managing career endings	■	47 f.
LA12	Feedback to employees regarding their performance and career development	■	48 f.
Diversity and Equal Opportunity			
LA13	Composition of governance bodies and breakdown of employees	■	49 f.
LA14	Ratio of basic salaries of men and women	■	49
Human Rights			
Investment and Procurement Practices			
HR1	Screening of human rights in significant investment agreements	■	54 f.
HR2	Screening of suppliers and contractors with regard to human rights and actions taken	■	54 f.
HR3	Employee training in human rights	■	
Non-Discrimination			
HR4	Incidents of discrimination and actions taken	■	54
Freedom of Association and Collective Bargaining			
HR5	Support for the right to freedom of association and collective bargaining	●	
Child Labour			
HR6	Operations with risk of incidents of child labour	■	54 f.
Forced and Compulsory Labour			
HR7	Operations with risk of incidents of forced or compulsory labour	●	
Security Practices			
HR8	Human-rights training for security personnel	●	
Indigenous Rights			
HR9	Violations of the rights of indigenous people and actions taken	●	
Society			
Community			
SO1	Assessing and managing the impacts of	■	27, 55

G3 Code	Content According to GRI	Covered in Report	Page
	operations on communities		f.
Corruption			
S02	Analysing the risks to business units of corruption	■	55
S03	Training employees in anti-corruption	■	
S04	Actions in response to corruption	■	54
Public Policy			
S05	Public policy and lobbying	●	
S06	Payments to political parties, persons and institutions	●	
Anti-Competitive Behaviour			
S07	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	■	8ff.
Compliance			
S08	Fines and sanctions for non-compliance with laws and regulations	●	
Product Responsibility			
Customer Health and Safety			
PR1	Assessment of health and safety impacts of products and services	■	16ff., 57
PR2	Non-compliance with regulations concerning health and safety impacts of products	●	
Product and Service Labelling			
PR3	Product information required by procedures	●	
PR4	Non-compliance with regulations concerning product and service information	●	
PR5	Customer satisfaction	■	56
Marketing Communications			
PR6	Adherence to laws, standards and voluntary codes related to marketing communications	■	20 f.
PR7	Violations of regulations and voluntary rules of conduct on marketing communication	●	
Customer Privacy			
PR8	Substantiated complaints regarding breaches of customer privacy	●	
Compliance			
PR9	Fines for non-compliance with laws and regulations concerning the provision and use of products and services	●	