

# Annual Report for 2010



österreichische  
**LOTTERIEN**

**Good for Austria**

# Mission Statement

RESPONSIBLE  
INNOVATIVE  
BASED ON PARTNERSHIP

Österreichische Lotterien (hereinafter referred to as Austrian Lotteries) is an internationally recognised gaming enterprise, which operates responsibly, innovatively, and in the spirit of partnership. We provide a broad range of games of the highest quality to adults interested in gaming. 'Responsible Gaming' represents the basis of all of our activities. This attitude towards stakeholders is embodied by Management and the entire staff.

The confidence of our customers and the grantor is central to our efforts. We combine regulatory responsibility with entrepreneurial commitment, embody these basic principles credibly and are economically successful. Adequate financial capacity is the basis of the company.

Our business model is characterised by innovativeness. Above all, the company has its motivated and high performing employees, who are a true pillar of sustained success, to thank for this pioneering role. We develop and use modern technology in order to guarantee maximum security with regard to gaming operations.

We see ourselves as 'good citizens' and support institutions and projects that represent the interests of Austria and her population. Based on the licence awarded to us, we aim to offer our range of products nationwide. We work closely and conscientiously with our distribution partners and strive to provide gaming participants with the best service. While doing so, we place particular value on adhering to our basic principles of responsible gaming.

# WWF Austria

Austrian Lotteries – a trusted partner for 25 years





**T**he diversity and flawlessness of nature are essential for the well being of people, but human assistance is often required to preserve it. To safeguard the flawlessness, Austrian Lotteries supports the WWF Austria. This partnership has existed since 1989 and many successful projects have been instigated in the past 22 years: the reintroduction of the bearded vulture in Austria as well as initiatives to protect endangered species that live in Austria, such as the brown bear, sea eagle and white stork. The WWF's river programme has been supported since 2007. This is a conservation project which encompasses the main river landscapes in Austria, from the Inn in the West across the Traun through to the March-Thaya-Auen in the East. Heading into the pristine wetlands: DI Dr. Hildegard Aichberger, Managing Director of WWF Austria, and Dr. Helmut Pechlaner, Honorary President of WWF Austria. [Good for Austria](#)

# Key Figures

	2008	2009	2010
<b>Sales in EUR million</b>			
Total	2,378.04	2,633.70	2,642.45
Of which:			
Lotto '6 out of 45'	555.34	601.32	582.02
Football Pools and Goal Bet	12.74	12.19	12.19
EuroMillions	170.88	187.22	180.46
Bingo	11.29	11.35	11.51
ToiToiToi	17.04	17.15	18.18
Lotto 1-90	4.51	4.29	4.21
Joker	162.21	178.03	173.68
Scratch-off tickets	127.38	123.00	118.65
Break-open tickets	25.85	27.91	26.51
Austrian Class Lottery	36.17	34.16	33.87
win2day (including Keno)	945.65	1,069.09	1,074.97
win2day Poker	5.05	6.53	6.34
WINWIN (Video Lottery Terminals)	303.93	361.45	399.86
<b>Effected tax payments in EUR million</b>			
Total			
(Gaming-related duties, taxes on income and other taxes and duties)	383.49	421.19	398.43
<b>Gaming-related duties in EUR million</b>			
Total	378.02	409.03	389.21
Of which:			
Betting fee	161.27	172.35	165.02
Licence fee	216.75	236.68	224.19
Share capital in EUR million	110.00	110.00	110.00
Earnings on ordinary activities in EUR million	39.06	56.58	44.09
Net income in EUR million	33.65	44.52	34.99
Retained earnings in EUR million	33.66	38.07	29.06
Sports funding in EUR million	62.02	71.34	79.01
Total winnings in EUR million	1,724.60	1,920.00	1,956.70
Staff*	441	461	479
Distribution network			
Lotto/Football Pools sales outlets	3,889	3,852	3,820
Instant product distribution network (scratch-off tickets and break-open tickets)			6,161
Scratch-off ticket sales outlets	6,783	6,543	-
Break-open ticket sales outlets	6,790	6,521	-

\* Full-time equivalent (annual average)

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In the interest of the flow of text and readability, non-specific gender terminology is used throughout. Respectively, the designations customers, employees, partners, contractual partners, etc. include the feminine form.

# Foreword by the Managing Board

## Dear reader,

If we look back on Austrian Lotteries concluded 2010 fiscal year today, then we can say with pleasure that we were successful. The economic conditions signalled a positive trend, however, consumers were still very cautious with respect to spending. Nevertheless, we have demonstrated that we make good progress even in adverse conditions.

In addition to our grantor – we are one of the best and most loyal taxpayers in the country – there has been another big winner thanks to the commercial success of Austrian Lotteries: the Austrian society. In 2010, too, it was possible to support a raft of humanitarian, social, health, environmental, art and culture, science and research as well as sport projects with sponsorship and donations; therefore, a large segment of the population benefited.

Austrian Lotteries is ‘Good for Austria’. And we show you precisely that in this annual report. You can rely on us and look to building on the future. Just as the Österreichische Kinderhilfe (hereinafter referred to as Austrian Children’s Fund), the Österreichische Sporthilfe (hereinafter referred to as Austrian Sports Fund) and the Österreichische Seniorenhilfe (hereinafter referred to as Austrian Senior Citizen’s Fund) have been able to for the past 25 years. Or Vienna’s Schönbrunn Zoo, which has been able to implement numerous alterations and improvements in the last 18 years and thus establish itself as the best zoo in Europe thanks to the support of Austrian Lotteries. A 22 year partnership connects us with WWF Austria, which began with ‘Free Nature’ in 1989 and now focuses on major river restoration and conservation programmes. It fills us with pride that WWF projects, such as the reintroduction of the bearded vulture to Austria, have been successful.

We do not restrict ourselves to just donating money. We also donate ideas and play an active role. That is something we demonstrated in 2010 by combining two projects into a joint event: Under the title ‘Sollenau meets Grafenegg’, Austrian Lotteries contributed to breaking down barriers by inviting the residents of the Lebenshilfe (counselling and aid organisation) Lower Austria’s Karl Ryker Dorf to the ‘Concert without Borders’, which was part of the Grafenegg Music Festival. In addition to that, we launched the ‘Lottery Days’ in various museums and theatres of Vienna. In this regard, anyone with a receipt or ticket from Austrian Lotteries who visited the Albertina, the Art-History Museum or the Technical Museum on a certain day had free admission.

Beyond that, Austrian Lotteries is probably the most important funding partner of Austrian sport. The support of sport is a socio-political mandate that Austrian Lotteries has been pleased to take on since 1986: over the past 25 years, EUR 909 million has flowed into the Besondere Bundes-Sportförderung (special federal sport fund). Austrian sport received EUR 79 million in 2010. Sport funding pursuant to the Gaming Act is thus the most important source of funds for sport in Austria.

Needless to say, responsibility, integrity and security in all matters vis à vis games of chance were again at the centre of our activities in 2010, and our efforts bore fruit. Recertification of the security standards by the World Lottery Association and the certificate for information security standards according to ISO 27001 endorse information security at Austrian Lotteries at the highest level.

We proved just how seriously we take the protection of minors when we participated in a campaign, which originated in the United States. Under the title ‘Gaming is Not Child’s Play’, we make adults aware of the fact that gaming products are not appropriate gifts for children and adolescents. We demonstrate that we are aware of our responsibility with a policy of voluntary self-restraint and very stringent regulations, which go far beyond legal requirements. We fill the issue of player protection with life.

Last year’s amendments to the Gaming Act initiated and set the basis for the next crucial step: the pan-EU search for parties interested in the gaming licence. This may lead to an opening of the market, which means control and supervision will be even more important. And orderly competition will hopefully continue to take place under the same conditions.

At EU level, the European Court of Justice dealt with a total of seven preliminary rulings associated with gaming and sports betting in 2010. In the ‘Engelmann’ case in September, the ECJ had to decide for the first time on questions concerning the conformity of certain provisions of Austria’s Gaming Act with European law.

Contrary to some media reports, the content of the ECJ judgement opposed neither the existing gaming monopoly in Austria nor the structure of Austria’s gaming market, but only certain provisions of the Gaming Act. The criticisms expressed in the judgement with respect to seat and transparency requirements when granting licences were addressed in the amendments to the Gaming Act of 2008 and 2010, and the European Commission has confirmed that the two amendments conform to community law. The ‘seat requirement in Austria’ criticised by the



Karl Stoss,  
Bettina Glatz-Kremsner,  
Friedrich Stickler

ECJ was also dealt with accordingly in the course of the 2010 Budget Accompanying Act.

Austrian Lotteries generated total sales of EUR 2.64 billion and was able to maintain the high level of 2009. In the case of betting slip games, it was primarily the smaller number of triple and quadruple jackpots in Lotto and the lack of EuroMillions rollover jackpots that led to the betting slip segment standing at 3.1 per cent less than the record of the previous year. Heading the list of activities was the re-launch of Lotto '6 out of 45', the most important change since the introduction of the second weekly draw 13 years ago. Thanks to numerous improvements for the customers, they received it very well.

The instant lotteries felt the general uncertainty among consumers and the associated reluctance to buy particularly. Due to the high share of sales, it impacted the scratch-off tickets, in particular. On the other hand, ToiToiToi saw a 6 per cent increase in sales in 2010 thanks to very successful product improvements in November 2009.

Not least because of the re-launch of Lotto '6 out of 45', there were a total of 47 new millionaires last year thanks to the games of Austrian Lotteries, the highest amount since 2002. Spectacular results such as the six correct number record or a Europot prize at the end of December made an already bright winner performance even shinier and ensured the occurrence of a rousing lottery finale.

These facts, our long-standing experience of the lottery industry and our detailed knowledge of the Austrian market show that Austrian Lotteries has been the right partner for the lottery licence for 25 years, and is thus 'Good for Austria'.

Karl Stoss

Friedrich Stickler

Bettina Glatz-Kremsner

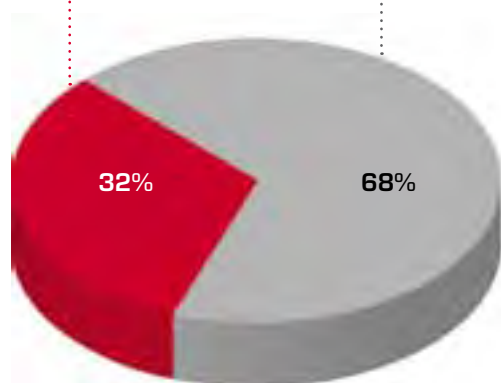
# The Company

## Shareholders Structure

Close cooperation between the companies of the Group strengthens their position in the Austrian gaming market.

Casinos Austria AG

Lotto-Toto Holding Ges.m.b.H.\*



Casinos Austria AG 68%

Lotto-Toto Holding Gesellschaft m.b.H.\* 32%

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

- CLS Beteiligungs Gesellschaft m.b.H. (banking company Schelhammer & Schattera AG, B & C Holding GmbH),
- RSV Beteiligungs Gesellschaft m.b.H. (Erste Bank der oesterreichischen Sparkassen AG, RZB Holding GmbH, Österreichische Volksbanken-AG),
- LTB Beteiligungs Gesellschaft m.b.H. (BAIH Beteiligungsverwaltungs GmbH, BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse AG, Hypo-Banken-Holding Gesellschaft m.b.H., Erste Bank der oesterreichischen Sparkassen AG),
- Österreichischer Rundfunk.

As individual companies, Austrian Lotteries, Casinos Austria, Casinos Austria International, win2day Entwicklungs- und Betriebsgesellschaft m.b.H., Österreichische Sportwetten Gesellschaft m.b.H. and Glücks- und Unterhaltungsspiel Betriebsges. m.b.H. are organised into business units, which are able to access the relevant services of the corporate functions. The business units are supported by the following corporate functions: Corporate Development, Human Resources, Corporate Communications, Responsible Gaming, Advertising & Sponsoring, Legal Affairs, Public & European Affairs/CSR, Information Technology, Services, Group Controlling, Finance, and Internal Audit (information as of 31/12/2010).

### The organisation of Austrian Lotteries within the Group

Austrian Lotteries is positioned in the Group as Business Unit Lotteries; it develops the strategic approach in consultation with the Group's Board of Directors and conducts day-to-day operations independently. The core areas of Marketing and Product Development, Sales, Drawings, Controlling, International Business and Russian Federation as well as Legal Counsel are thus firmly established in the business unit (information as of 31/12/2010).

Within the Group, Business Unit Lotteries makes use of the services of the corporate functions.

# Organisation



# Company's Executive Body

## The Executive Committee:

- Walter Rothensteiner  
President of the Supervisory Board
- Helmut Jonas  
Vice President of the Supervisory Board
- Leo Wallner  
Vice President of the Supervisory Board

## Members:

- Maria Theresia Bablik
- Gerhard Baumgartner  
(from 23/11/2010)
- Jochen Bottermann
- Martin Hagleitner  
(until 23/11/2010)
- Erich Hampel  
(from 19/03/2010)
- Alfred Ludwig
- Kurt Meyer (until 05/11/2010)
- Director Gerald Neuber  
(until 19/03/2010)
- Reinhard Ortner  
(until 19/03/2010)
- Gerhard Starsich
- Manfred Url (from 19/03/2010)
- Alexander Wrabetz

## Members delegated by the Works Council:

- Norbert Eigl
- Franz Baumgartner (from 19/03/2010)
- Ernst Gyöngyösi
- Edmund Maier (until 19/03/2010)
- Emmerich Hager (until 17/06/2010)
- Gertrude Kopp
- Gerlinde Wohlauf (until 17/06/2010)
- Wolfgang Eisler (from 17/06/2010)
- Gerald Schwarz (from 17/06/2010)

## Audit Committee:

- Walter Rothensteiner
- Helmut Jonas
- Leo Wallner
- Gerhard Baumgartner  
(from 23/11/2010)
- Martin Hagleitner  
(until 23/11/2010)
- Alfred Ludwig
- Alexander Wrabetz

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

- Norbert Eigl
- Edmund Maier (until 19/03/2010)
- Franz Baumgartner (from 19/03/2010)
- Gertrude Kopp

## The State Commissioners:

- Martin Atzmüller (from 01/11/2010 appointed State Commissioner from Deputy State Commissioner)
- Franz Philipp Sutter (until 19/03/2010 State Commissioner)

## The Board of Directors

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

# Report of the Supervisory Board

The Supervisory Board obtained regular reports from the Board of Directors on the performance and course of business during the fiscal year. Furthermore, it monitored the legitimacy, the expediency as well as the profitability and assured itself that Management met its social obligations adequately.

In monitoring the management practises of the Board of Directors pursuant to art. 30j section 1 GesmbHG (Austria's act on limited liability companies), the Supervisory Board has found that the Board of Directors has executed all transactions of the company in accordance with the Articles of Incorporation as well as the resolutions of the General Assembly and the Supervisory Board. Furthermore, the Board of Directors has complied with the legal requirements and directed the company in its entirety and in all its parts with the intended success and in line with its purpose.

In the meetings of the Supervisory Board, aspects of business policy were addressed and important decisions, in particular with respect to transactions reliant on the approval of the Supervisory Board, taken with the aim of proactively monitoring the planning and the participation in the case of transactions yet to be executed.

The Supervisory Board had the report of BDO Austria GmbH, auditing and tax consulting company, Vienna, on the audit of the financial statements at 31/12/2010 at its disposal. The audit by BDO Auxilia Treuhand GmbH, auditing and tax consulting company, Vienna, of the financial statements and management report prepared by the Board of Directors did not give rise to objections and an unqualified audit opinion was issued.

Vienna, 24 March 2011



Walter Rothensteiner  
President of the Supervisory Board



Walter Rothensteiner  
President of the Supervisory Board

# General Environment

The regulatory bases are the basis on which Austrian Lotteries offers games of chance in Austria.

The object of Austrian Lotteries is defined in Austria's Gaming Act and the explanatory notes of the legislature. The main objective of the existing rules for the gaming sector in Austria is to protect players from an oversupply and from rogue providers.

The regulatory bases are the basis on which Austrian Lotteries offers games of chance in Austria. They are the rules for which compliance is checked by the grantor. To that end, the range of games offered and the type of management are controlled by the grantor in accordance with its regulatory objective. Firstly, the grantor guarantees that criminal elements do not infiltrate the Austrian gaming market by monitoring the given shareholder structure; secondly, it regulates and approves every new product on the basis of the gaming terms.

The regulatory bases for regulating the gaming sector by the Federal Government is the area of responsibility 'Monopoly' of article 10 section 1 (4) Federal Constitution Law.

Austrian Lotteries conducts lottery games on the basis of the Federal Law of 28 November 1989 to make provision about gaming (Gaming Act), BGBl. No. 620/1989, as amended, within the framework of the licence granted to it. The objectives of the Gaming Act by the Federal Government are both regulatory and fiscal in nature.

On the one hand, the instinct to play should be directed into a controlled system in the interest of the individual as well as society and the gaming participant protected from excess consumption and unscrupulous as well as illegal offers. On the other hand, the Federal Government has an interest in achieving an optimum tax yield from the Monopoly. One speaks of 'optimum' rather than 'maximum' intentionally. This means that the regulatory interests of the Federal Government are maintained through a socially acceptable range of games.

## **Amendment creates legal certainty and enhances player protection**

There were a total of four amendments to the Gaming Act (GSPG) in 2010. In addition to an amendment which effected a tightening of money laundering legislation, the 2008 GSPG Amendment and the 2010 GSPG Amendment were passed by the National Council on 16 June 2010 after negotiations spanning some two years. The 2008 GSPG Amendment, for which notification of the EU Commission had already taken place, entered into force on 19 July 2010. After the notification period for the 2010 GSPG Amendment expired on 15 July 2010 without objection by the EU Commission, this amendment was promulgated on 18 August 2010.

The amendments regulate the awarding of licences as well as the number of licences for casinos, lotteries and slot machines. Thus far, the Federal Government, as owner of the gaming monopoly, has been able to award 12 casino licences and one lottery licence. In future, 15 casino licences may be awarded in addition to a 16th licence, which is limited to the operation of poker ('Poker Casino Licence'). There are no changes with respect to the lottery licence, which also includes the implementation of so-called 'electronic lotteries' – both in the form of online games of chance and via the operation of video lottery terminals (VLTs).

Authorised hitherto in four federal states, the 'Small Slot Machine Games of Chance' outside of casinos will cease to exist when the transitional period set forth in the amendment expires at the end of 2014 (or 2015 in Styria). The federal states may permit so-called 'Regional Draws' in place of that, i.e. slot machines for gaming operated in slot machine parlours and individual locations. The total number of slot machines for gaming per federal state is limited by law. Furthermore, with respect to the slot machines for gaming outside of casinos, the legislator has provided stringent provisions for player protection.

## **In his capacity as the President of European Lotteries, Friedrich Stickler summarises 2010 and the regulatory developments at EU level concerning gaming**

2010 was an eventful year for the state lotteries and providers of sports betting services in Europe. The European Court of Justice dealt with a total of seven preliminary rulings associated with gaming and sports betting and promulgated a number of important judgements. The three judgements in June and July impressively endorsed the gaming model supported by



Friedrich Stickler  
President of the European Lotteries

the European Lotteries – a model which will benefit the whole of society. The arguments of the many private Internet gaming companies, which pursue only commercial interests, were once again rejected. These ECJ judgements provide all national governments and all national lotteries in the EU, including non-state, with more legal certainty.

Contrary to what is said by proponents of liberalisation, in its precedent case law of 8 September 2010, the European Court of Justice again strongly opposed the liberalisation of gaming. In its judgement, it noted that the provision of dangerous forms of gaming should be monitored more closely. In addition, the Court once again stressed the higher risks associated with online gaming compared to that offered terrestrially and thus called for more stringent regulations, which a monopoly is capable of guaranteeing. The European Court of Justice upheld its established case law in this judgement, in particular, that “with a view to channelling the desire to gamble and the operation of games into a controlled circuit, Member States are free to establish public monopolies. In particular, such a monopoly is likely to overcome the risks connected with the gaming industry more effectively than a system under which private operators are authorised to organise bets [...]”

It is very positive that in October the European Commissioner Michel Barnier, who is responsible for gaming, confirmed his determination to instigate discussions on the subject of games of chance on the Internet with Member States, EU institutions and other stakeholders, including the European Lotteries. The Green Paper of the European Commission, which is to initiate these discussions, will illuminate a wide range of topics, including the social cost of games of chance on the Internet, issues of public order and security, the contribution games of chance on the Internet make to the common good and compliance with national laws.

## European Lotteries

European Lotteries is the umbrella organisation of the state lotteries and providers of sports betting services. It represents companies from more than 40 European countries, including all 27 EU Member States. Members of European Lotteries contributed EUR 22.4 billion to good causes and national budgets last year alone. They facilitate the realisation of numerous social, cultural, sports, commercial and other projects of general interest. The members of European Lotteries are committed to a sustainable gaming policy, which is based on the principles of subsidiarity, integrity, solidarity and foresight.



FOR THE BENEFIT OF SOCIETY.

# Austrian Sports Fund

Austrian Lotteries – a trusted partner for 25 years





**T**he partnership between Austrian Lotteries and the Austrian Sports Fund is in its anniversary year: started in 1986, the support of Austrian Lotteries has represented the basis for the activities of the Sports Fund for 25 years. Nearly 100 Olympic medals and numerous World and European championships by sponsored athletes have one thing in common: these athletes have been able to progress on their path to success unwaveringly with the financial support of Austrian Lotteries. At present, 456 athletes from 38 professional organisations and 56 sporting disciplines are supported by individual sponsorship. Representative of these is Johanna Ernst, who currently dominates the international elite in competitive difficulty climbing. She has already won World Championship, European Championship and World Cup victories – and is still on the way up.

**Good for Austria**

# The Games

## Lotto '6 out of 45'

Lotto '6 out of 45' has been Austria's most popular game for 25 years. The dream of being able to win a prize with a small stake and a little luck is also reflected in the marketing strategy: 'Anything is possible'

The '6 out of 45' formula, which is geared towards the gaming behaviour of the Austrians and the size of Austria's population, generates a small number of maximum prizes, attractive mid-category prizes and many low-category prizes.

### More opportunities to win with Lotto '6 out of 45'

With the draw of 8 September 2010, Lotto '6 out of 45' brought appealing product improvements for the gaming participant.

Guaranteed payout of one million euro in the sixth prize category: if the six correct numbers are found and there is less money in the sixth category, it is topped up automatically. This means that gaming participants have the chance of becoming a millionaire with a 'Solo Six' in every draw. Three-fold increase



Lotto '6 out of 45' brought appealing product improvements for the gaming participant

in the chances of winning: a EUR 1.10 prize is awarded for simply picking the bonus number correctly. This has more than tripled the hit frequency. Number of prize categories increased from five to eight: three correct numbers in conjunction with the bonus number and four correct numbers in conjunction with the bonus number as well as the bonus number on its own are now additional prize categories.

This improvement to the game was made possible by increasing the payout rate to 48.8 per cent and adjusting the price per Lotto pick from EUR 1.00 to 1.10.

### The Lotto '6 out of 45' prize categories

1st category (six)	6 correct winning numbers
2nd category (five plus bonus number)	5 correct winning numbers plus bonus number
3rd category (five)	5 correct winning numbers
4th category (four plus bonus number)	4 correct winning numbers plus bonus number
5th category (four)	4 correct winning numbers
6th category (three plus bonus number)	3 correct winning numbers plus bonus number
7th category (three)	3 correct winning numbers
8th category (only the correct bonus number)	0 correct winning numbers plus bonus number

### The chances of winning with Lotto '6 out of 45'

For the six	1 : 8,145,060.0
For the five plus bonus number	1 : 1,357,510.0
For the five	1 : 35,723.9
For the four plus bonus number	1 : 14,289.6
For the four	1 : 772.4
For the three plus bonus number	1 : 579.3
For the three	1 : 48.3
Only the bonus number	1 : 16.2

### Allocation to the prize categories follows the formula shown below:

1st category (six)	40.0% of the Lotto total winnings
2nd category (five plus bonus number)	5.5% of the Lotto total winnings
3rd category (five)	6.0% of the Lotto total winnings
4th category (four plus bonus number)	2.1% of the Lotto total winnings
5th category (four)	9.9% of the Lotto total winnings
6th category (three plus bonus number)	4.8% of the Lotto total winnings
7th category (three)	17.6% of the Lotto total winnings
8th category (only the bonus number)	EUR 1.10 per prize

### Prizes

There were 25.6 million individual prizes with total winnings of EUR 265.22 million last year. 64 gaming participants picked six correct numbers in 2010. The only quadruple jackpot formed the highlight of the 2010 Lotto year: a gaming participant from Vienna used a quick pick to pick six correct numbers and won EUR 8,905,907.20 two days before Christmas, the highest six in the history of Lotto. There were a total of 32 single jackpots, 17 double jackpots, six triple jackpots and one quadruple jackpot.

# Football Pools and Goal Bet

1, 2 or X? In the case of Football Pools and Goal Bet, having an appropriate knowledge of football is an advantage, for expertise and experience increase the chances of winning. Both games are based on the correct prediction of football results.

Football Pools are offered on weekends and the programme for one Football Pools round encompasses 12 matches. The outcome of each match must be picked in the form of 1, 2, X:

- Pick 1 represents a win by the home team.
- Pick 2 represents a win by the away team.
- Pick X represents a match draw.

Those who correctly predict the result of ten or more matches win.

Goal Bet can only be played in conjunction with at least one Football Pools pick, in which the exact results of the first four Football Pools matches must be picked.

## The chances of winning with Football Pools:

For twelve	1 : 531,441
For eleven	1 : 22,143
For ten	1 : 2,013

## Allocation to the prize categories follows the formula shown below:

Football Pools	
1st category (twelve)	50%
2nd category (eleven)	25%
3rd category (ten)	25%

## Goal Bet

1st category (four correct results)	60%
2nd category (three correct results)	30%
3rd category = hat trick	10%

The hat trick represents an additional chance to win. It is won if the twelve in Football Pools and four correct Goal Bet results were picked correctly on a receipt.

## Extra Football Pools

Extra Football Pools rounds take place during the week in addition to the Football Pools game programme. In 2010, UEFA Champions League and Europa League matches, FIFA World Cup matches, national matches and weekday rounds of the English, German and Austrian championship formed the basis for the Extra Football Pools rounds. That provided gaming participants with additional chances of winning. There were 45 Extra Football Pools rounds in 2010.

## Prizes

In 2010, there were more than 64,000 Football Pools, Extra Football Pools, Goal Bet and extra Goal Bet prizes. Total winnings amounted to EUR 5.32 million. Twelve correct rows in the Football Pools and Extra Football Pools were attained 499 times in total. After a Super twelve jackpot a gaming participant from Vienna picked twelve correct rows and won the highest prize of the year (approximately EUR 300,000.00) for twelve correct rows in round 42. Five football enthusiasts scored a hat trick.



Extra Toto provides gaming participations additional chances of winning

# Bingo

The tension rises from number drawn to number drawn during the Bingo TV Show; for with Bingo there is no jackpot and numbers continue to be drawn until a winner is found.

Bingo is a combination of a fixed odds game and pari-mutuel game. Pari-mutuel game means that the value of each prize depends on the number of picks played and the number of winners in the various prize categories. The fixed odds game in Bingo is 'Card' with a fixed odds prize of EUR 1.50 as well as the Bingo Multi Bonus. In the case of Bingo, the numbers drawn are from a series of 1 to 75.

In addition to the existing two or three picks per Bingo ticket, it has also been possible to play four picks since October 2010. Depending on the type of ticket, two, three or four card symbols are printed on the Bingo receipt.

The idea is to attain the first prize: 'Bingo'. In contrast to betting slip games, prizes in a higher category do not preclude those in a lower category. In the case of the Bingo Multi Bonus, the stop number is fixed at 43. Whenever the Bingo Multi Bonus is not won, the Multi Bonus amount rises by EUR 10,000.00. If the Bingo Multi Bonus is won, the start amount is EUR 50,000.00.

## Prizes

There were more than 940,000 individual prizes last year. Total winnings amounted to EUR 4.57 million. In 2010, the Bingo Multi Bonus was won by a total of eight gaming participants. The highest Bingo prize of the year amounted to more than EUR 290,000.00 and was won by a gaming participant from Lower Austria in Calendar Week 19. All in all, Bingo was won 73 times, 78 times it was 'Rings' and 87 times 'Boxes' - in each case at the 1st chance.

## Chances of winning with Bingo

- Bingo Multi Bonus
- Bingo
- Ring
- Box
- Ring 2nd chance
- Box 2nd chance
- Card



Two, three or four picks per Bingo ticket

# EuroMillions

The numbers in the stars are determined for EuroMillions every Friday evening. Picking the five correct numbers in the field of numbers and the two correct numbers in the ring of stars means you have won the EuroPot.

The appeal of EuroMillions is that it is possible to win prizes in the two to three-figure million range. Due to the large player base – a total of nine countries participate – the possibility of high total winnings exists.

EuroMillions is a national game of chance, which is based on common rules and principles of the participating countries as well as stringent security conditions. The lottery company of each participating country (United Kingdom, France, Spain, Belgium, Ireland, Luxembourg, Portugal, Switzerland and Austria) is responsible for operation of the game and subject to licensing and supervision by government agencies from its own country. Accordingly, in Austria you can participate in EuroMillions only with Austrian betting slips. In addition, prizes can only be claimed in the country in which participation in the game has taken place.

EuroMillions is a pari-mutuel game with twelve prize categories; all the prize categories are pooled. This means that the total winnings identified in each country are aggregated into a joint pool. The category amounts for each prize category are formed from that. The odds depend on the number of picks submitted and how many prizes are in the respective categories.

The game formula is '5 out of 50' plus '2 out of 9'. One EuroMillions pick is split in two. It consists of a numbers field with the numbers 1 to 50 and a ring of stars with the numbers 1 to 9. The player marks 5 out of 50 numbers in the field of numbers and 2 out of 9 numbers in the ring of stars.

The first prize category is called 'EuroPot'. The EuroPot is won when in one pick both the five numbers from the field of numbers and the two numbers from the ring of stars are correct. If there is no EuroPot winner, then the total winnings for the 1st category stay in the pot and the 1st category is rolled over to the next round (jackpot principle).

## The EuroMillions Superpot

In one Superpot round, minimum total winnings of EUR 100 million are guaranteed for the 1st category. If there is no 1st category prize in a Superpot round, then the Superpot increases in the following round. In 2010, Superpot draws took place on 5 February and on 1 October.

In addition to the one to ten picks, it has been possible to play 15 picks on one EuroMillions quick pick ticket since September 2010.

The chances of winning the EuroPot are 1 : 76,275,360. The chances of winning in general are 1 : 24.

## Prizes

Last year, there were some 3.9 million EuroMillions prize winners in Austria. Total winnings amounted to EUR 90.19 million. The EuroMillions prize dance was opened by a gaming participant from Burgenland with a fabulous prize of EUR 46.3 million in early March (Calendar Week 9). One month later, in Calendar Week 13, a gaming participant from Styria won exactly EUR 15 million with the '5 plus 2' correct numbers. With '5 plus 1' correct numbers, a Tyrolean won EUR 1.4 million before a Lower Austrian marked the end in every sense of the word: she cracked the EuroPot on New Year's Eve and saw in New Year with EUR 15.3 million.

## The twelve prize categories

PRIZE CATEGORY	CORRECT NUMBERS	PROBABILITY
1st category/ EuroPot	5 plus 2	1 : 76,275,360
2nd category	5 plus 1	1 : 5,448,240
3rd category	5 plus 0	1 : 3,632,160
4th category	4 plus 2	1 : 339,002
5th category	4 plus 1	1 : 24,214
6th category	4 plus 0	1 : 16,143
7th category	3 plus 2	1 : 7,705
8th category	3 plus 1	1 : 550
9th category	2 plus 2	1 : 538
10th category	3 plus 0	1 : 367
11th category	1 plus 2	1 : 102
12th category	2 plus 1	1 : 38



A Lower Austrian cracked the EuroPot in New Year's Eve and saw in New Year with EUR 15.3 million

# ToiToiToi

Every day's a lucky one! ToiToiToi makes that possible because the right lucky symbol with all five numbers picked correctly yields up to EUR 200,000.00.

ToiToiToi is a number lottery; a six-figure ticket number is drawn every day (except Sundays) and you can win up to EUR 200,000.00.

The ticket number consists of two parts: a five-figure number combination and one of seven lucky symbols. The lucky symbols comprise a Ladybird, Chimney Sweep, Lucky Clover, Money Bag, Lucky Mushroom, Horseshoe and Lucky Pig.

ToiToiToi is a fixed odds game. The value of the prize depends firstly on the value of the stake, and secondly on how many digits on the ticket number played correspond with the ticket number drawn.

## Prizes

Last year, there were 2 million individual prizes. Total winnings amounted to EUR 8.72 million. In 2010, one gaming participant was able to enjoy the top prize of EUR 200,000.00 and one gaming participant a prize of EUR 150,000.00. Two players each won EUR 100,000.00.

## The ToiToiToi prize categories:

	STAKE EUR 2.00	STAKE EUR 3.00	STAKE EUR 4.00
	IN EUR	IN EUR	IN EUR
1st category: all five digits plus symbol	100,000.00	150,000.00	200,000.00
2nd category: all five digits	10,000.00	15,000.00	20,000.00
3rd category: the last four digits	1,000.00	1,500.00	2,000.00
4th category: the last three digits	100.00	150.00	200.00
5th category: the last two digits	10.00	15.00	20.00
6th category: the last digit	3.00	4.50	6.00
7th category: the identified symbol	2.00	3.00	4.00



Every day's is a lucky one with ToiToiToi

# Lotto 1-90

Allowed by decree of Empress Maria Theresa more than 250 years ago, Lotto is the oldest licensed game of chance in Austria.



Lotto 1-90 draws are held on Tuesday, Thursday and Saturday

One, two, three, four or five numbers from 1 to 90 can be chosen in Lotto. Five numbers are drawn from the numbers 1 to 90. The seven different types of game, which are Extract, Call, Ambo, Terno, Ambo-Terno 3, Ambo-Terno 4 and Ambo-Terno 5, yield different prize amounts. The stakes are fixed and range from EUR 0.75 to EUR 500.00. The maximum prize is 5,000 times the stake.

Lotto 1-90 draws are held on Tuesdays, Thursdays and Saturdays; the draw results are subsequently announced on 'Österreich Heute' and 'Bundesland Heute' on ORF 2.

## Prizes

More than 27,100 picks won in 2010, which equates to a weekly average of 520 winning picks. Total winnings amounted to EUR 1.22 million.

# Scratch-off Ticket

The scratch-off ticket is an instant lottery. The gaming participant knows whether and how much he has won immediately after scratching off the surface of the prize field.

Corresponding to the game format, the product slogan 'Scratch yourself rich. - Right now!' was developed.

The scratch-off ticket was launched very successfully in Austria in 1995. A multi-game strategy was pursued from the outset. This means that different scratch-off tickets - continuing alongside temporary games and games with a seasonal focus - are offered simultaneously. Prize allocation in the case of scratch-off tickets can be flexible and must be between 55 per cent and 67.5 per cent of the ticket price.

## Scratch-off tickets in 2010

'Lucky 7' was launched at the beginning of January 2010, the end of January saw the post-production of 'Diamonds' and 'Cash Cow' followed at the beginning of March. 'Cleopatra's Gold' was launched in the middle of April 2010 and 'Money Maker' at the beginning of June. The scratch-off ticket 'Lucky Fruits' started at the beginning of August and 'Geisterschatz (spirit's treasure)' in mid-September. The seasonal tickets 'Adventkalender (advent calendar)', 'Weihnachten ein Leben lang (Christmas for a lifetime)' and 'Glücksschwein (lucky pig)' were launched at the end of the year.

## 'Millions Ticket'

At the beginning of October, a combination of scratch-off ticket and number lottery was launched for the first time in the form of the 'Millions Ticket'. The left part of the ticket contained three scratch-off games with instant prizes of up to EUR 50,000.00. Within the three scratch-off games, one prize was guaranteed. On the right part of the ticket, the area with the three ticket numbers represented the winning numbers for the draw on 31 December 2010. A top prize of up to EUR 1 million could be won. The ticket price was EUR 12.00 and the prize allocation 66 per cent. The 'Millions Ticket' jackpot of EUR 1 million was determined on New Year's Eve, and this million was won in Lower Austria.



Different scratch-off tickets are offered simultaneously

# Joker

Saying “Yes” three times is only possible with Joker, together with a pick in Lotto ‘6 out of 45’, Football Pools, EuroMillions, Lotto 1 –90 or a Bingo ticket.

Joker is a pari-mutuel game (1st prize category) and at the same time a fixed odds game (2nd to 6th prize category). If the Joker number on the betting ticket (starting from the right) matches the Joker number drawn, then the first prize, the Joker, has been won.

## Prizes

In 2010, there were more than 13.2 million individual prizes. Total winnings amounted to EUR 76.69 million. 139 gaming participants succeeded in winning the Joker. At about EUR 590,000.00, the highest Joker in 2010 was won by a gaming participant from Vorarlberg in Calendar Week 19. There were a total of 21 jackpots and seven double jackpots.

## The chances of winning with Joker

For 6 correct numbers = Joker	1 : 1,000,000
For 5 correct numbers	1 : 111,111
For 4 correct numbers	1 : 11,111
For 3 correct numbers	1 : 1,111
For 2 correct numbers	1 : 111
For 1 correct number	1 : 11

## Allocation to the prize categories follows the formula shown below:

1st category = Joker	28.48% of the total winnings
2nd category (= the last 5 digits of the Joker number)	EUR 7,700.00
3rd category (= the last 4 digits of the Joker number)	EUR 770.00
4th category (= the last 3 digits of the Joker number)	EUR 77.00
5th category (= the last 2 digits of the Joker number)	EUR 7.00
6th category (= the last digit of the Joker number)	EUR 1.50



Joker draws are held on Wednesday and Sunday

# Break-open Ticket

In the case of the break-open ticket, the thrill is in breaking open, for the length of time it takes to unfold the ticket is up to the individual. Gaming participants know immediately whether and how much they have won or whether there is a chance of participating in the 'Break-open Ticket Show'.

The break-open ticket is an instant lottery in which the gaming participant knows whether and how much has been won immediately after breaking open the ticket. With the break-open ticket, the second prize level is the 'Break-open Ticket Show'. The prize allocation can be flexible with break-open tickets. For the same price of EUR 1.00, between 45 per cent and 57.5 per cent of the ticket price is paid out for the break-open ticket series issued. Austrian Lotteries also has the option to supplement all or some of the prize categories with material and/or cash prizes. The top prize for break-open tickets is EUR 100,000.00.

## Mega break-open Ticket

The mega break-open ticket sets itself apart with a larger format and the mega first prize payouts of three times EUR 250,000.00. It is available in all sales outlets of Austrian Lotteries for EUR 2.00.

## The Break-open Ticket Show

To participate in the Break-open Ticket Show, the words 'The Break-open Ticket Show' must be displayed in the prize field of a break-open ticket. If this section – complete with name and address – is drawn on TV during the 'The Break-open Ticket Show', then participation is guaranteed.

## Break-open tickets and mega break-open tickets in 2010

In 2010, the break-open tickets 'Geldberglos/Mountain of Money (plus 50 x EUR 5,000.00)', 'Autolos/Car (plus 3 Alfa MiTo)', 'Tresorlos/Deposit Vault (plus 2 x EUR 100,000.00)', 'Sternenlos/Star (plus EUR 300,000.00)', and the 3rd mega break-open ticket series, with which an additional 100 Philharmonic gold coins could be won on top, were launched.

## Prizes

In addition to the large number of instant prizes, there was a total of 26 break-open ticket 'high scorers' in 2010, who won more than EUR 100,000.00 resp. EUR 250,000.00. 15 gaming participants won thanks to a break-open ticket, 11 in the course of the ('Break-open Ticket Show'). A total of EUR 1.96 million was won in the 52 'Break-open Ticket Shows' in 2010.



There was a total of 26 break-open ticket 'high scorers' in 2010

# Austrian Class Lottery

The Austrian Class Lottery is a number lottery which runs for six game sections, the so-called 'classes', and lasts for about six months. 250,000 tickets are issued per lottery.

All tickets participate from the 1st through to the 6th class and can win multiple times (with the exception of the lowest five/four/two win categories and the lowest win category on certain defined dates).

With one single stake, gaming participants take part for six whole months in the Super Class, in which EUR 100,000.00 is played for every day, and 7 x EUR 100,000.00 are played for on the day of the final draw.

In 2010, the 3rd to 6th class of the 169th Lottery, the 170th Lottery and the 1st and 2nd class of the 171st Lottery were conducted.

The Austrian Class Lottery is sold via ten branches, which for their part have a distribution network of 484 sales outlets.

## Prizes

29 'million strikes' are played for in a lottery. The chance of becoming a millionaire due to the Class Lottery is thus 1 : 8,621 with one ticket number and with a combination of ten ticket numbers 1 : 862 if all six classes are played.



29 million strikes are played for in a lottery

# Schönbrunn Zoo in Vienna

Austrian Lotteries – a trusted partner for 25 years



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he birth of the little giant panda Fu Hu in August 2010 made the sensation complete. Exactly three years to the day after the birth of Fu Long, the first cub of the panda couple Yang Yang and Long Hui, Vienna's Schönbrunn Zoo has demonstrated just how successful its concept is. Vienna's Schönbrunn Zoo is world famous for its breeding accomplishments. Research and conservation of species are in harmony with the zoo experience. Austrian Lotteries has supported the best zoo in Europe for 18 years – from the monkey house in 1993 across the songbird aviary, the open-air enclosure for orang-utans and the aquarium house through to the rain forest house. Since 2003, the sponsorship of Austrian Lotteries has been used for the zoo's Project Panda. Fu Hu being weighed for the first time: He tipped the scales at 4.54 kg on 2 November 2010, barely three months after his birth.

**Good for Austria**



## win2day

Internet or mobile phone – win2day sets the standard. The gaming platform encompasses the range of electronic games of the classic lottery games of Austrian Lotteries as well as Games Room and casino games, the Poker Room and the Bingo Room.

Austrian Lotteries and Casinos Austria operate the win2day gaming platform via a joint subsidiary. The range of electronic games on win2day includes the classic lottery games of Austrian Lotteries as well as Games Room and casino games, the Poker Room and the Bingo Room.

win2day connects the technological implementation of the range of games on the Internet and via mobile communications. The gaming participant accesses a range of electronic games with a uniform brand identity regardless of the transmission medium and terminal device. win2day is the uniform umbrella brand for the range of games and information.



Rabcat-CEO Thomas Schleisitz and win2day-CEO Friedrich Stickler

win2day Entwicklungs- und Betriebsgesellschaft m.b.H. was founded in 2004. It is a subsidiary of Entertainment Glücks- und Unterhaltungsspiel Gesellschaft m.b.H., in which Austrian Lotteries and Casinos Austria each hold a 50 per cent stake. Its object of business is the development and operation of electronic lotteries offered on win2day.

### **win2day enhances know-how in game development**

Austria's leading online platform, win2day, enhanced its know-how in game development. In June 2010, win2day Entwicklungs- und Betriebsgesellschaft m.b.H. acquired 80 per cent of the shares in the Vienna-based game producer Rabcat Computer Graphics GmbH. Rabcat was founded in 2001 and has long established itself as a leading provider of high-end real-time 3D and 2D content resp. games for the video games and games of chance industry. Customers benefit from Rabcat's long-standing experience as a supplier of AAA video games and developer of online gaming services. Alongside win2day, Rabcat's list of references includes other well-known companies, such as Microsoft Game Studios, Atari, Rockstar Games and Disney Interactive Studios.

### **Electronic lotteries**

The electronic lotteries on win2day are games that are embedded in a multichannel-capable platform with integrated exchange feature for participation in games of chance via the Internet. Section 12a Gaming Act defines electronic lotteries as lotteries for which the gaming contract is entered into via electronic media. The win/lose decision is brought about centrally. Österreichischen Lotterien Ges.m.b.H. holds the licence for the electronic lotteries pursuant to section 12a Gaming Act. The range offered in the Poker Room, the Bingo Room, the casino games and the Games Room are electronic lotteries. The gaming participant is informed of the outcome of this decision immediately after playing. Keno is conducted in accordance with section 12b Gaming Act; however, it is only offered online on win2day.

### **Payment modes**

The gaming deposit can be topped up using the Internet or mobile phone. The EuroBon (a pre-paid voucher), which can be purchased at all Austrian sales outlets, Paybox, a provider-independent payment mode for mobile communications and the Internet as well as cash4web MasterCard, the new, independent and anonymous means of payment that can be used anywhere, including the Internet, that MasterCard is accepted, are available for that purpose. Payment can also be made using MasterCard (with or without the secure code), VISA (with or without Verified by Visa), Diners Club as well as online banking and paysafecard.

### **The Bingo Room on win2day**

3 November 2010 saw the launch of the Bingo Room on win2day. Draws in which players can participate with up to a maximum of 30 tickets per game, are held there by the minute. The user can choose between 75-number and 90-number Bingo. The price of a bingo ticket is 10 cents.

### **Bingo Café and Bingo Lounge**

The user can choose between visiting the Bingo Café and the Bingo Lounge. 75-number Bingo is played in the Bingo Café, where numbers are drawn from between 1 and 75. 90-number Bingo is played in the Bingo Lounge, where numbers are drawn from between 1 and 90.

The Bingo Lobby is the information centre and provides an overview of the Bingo Café and the Bingo Lounge. This is where people can find out when the next game starts, the price per ticket, the value of the prize pot, the number of participants in each room and the value of the jackpot in a jackpot game. The chat feature makes it possible to chat with other participants. It is hosted daily in the evening by moderators who regularly organise chat competitions.

Similar to the external integration of poker, the bingo client was integrated by Swedish software developer Boss Media.

### **Games launched in 2010**

In addition to the Bingo Room, the range of games was extended by the casino games 'Joker Wanted' (video poker), 'Cherry Star' (slot), 'Grand Black Jack', 'Golden Nut' (slot), and 'Joker Five' (video poker), and by the Games Room games 'Hi-Lo Cards', 'Hi-Lo Triple Chance', 'Gold Climb', and 'Spin Balls'. Moreover, the new area 'MiniCasino' was launched with the three games 'American Roulette', 'Lucky Joker' and 'Robbie Rich' in the casino games segment. These small-format games are ideal for netbooks.



win2day is available via Internet and Mobile Devices



3 November 2010 saw the launch of the Bingo Room on win2day

### **The Poker Room on win2day**

In the purely Austrian Poker Room on win2day, players can try their luck on the virtual poker table with the popular games 'Texas Hold'em' and 'Omaha' as well as the classics 'Five Card Draw' and 'Seven Card Stud'. There are only Austrian tables, i.e. poker is played only against other gaming participants from Austria. Games are played with 52 cards (= one deck), which are made available centrally. The cards are shuffled and dealt randomly by a central software program.

### **Customer-friendly rake structure**

The rake (or gross gaming yield) is a commission retained by the game organisers from the stake of every player. The rake is dependent on the type of table and the value of the prize pot. The rake structure in the Poker Room on win2day is a combination of the percentage share of the prize pot and fixed amounts. At 2.5 per cent of the prize pot or a maximum of EUR 2.00, it is very customer-friendly and considerably more favourable than other online poker offers. On average, the commission is 5 per cent – or twice as much – throughout the industry. In tournaments, the rake is usually 10 per cent of the deposit paid at the beginning, the so-called buy-in.

### **Successful cooperation with Casinos Austria**

The integration of the Poker Room with events of Casinos Austria was also implemented very successfully in 2010. For example, satellite tournaments via which players could qualify for the Casinos Austria Poker Tour (CAPT) were held once again in the win2day Poker Room. These began in Seefeld and consisted of seven tournament weeks in various casinos. The prize money amounted to about EUR 5.6 million. The highlight from the perspective of win2day was the CAPT Baden, at which win2day Poker Ace Harry Casagrande succeeded in winning the main event and with it a bonus of EUR 67,000.00. He was also the first player to be able to enjoy the bonus of EUR 10,000.00 offered by win2day.

### **The win2day Poker Aces**

The Poker Aces were introduced in April 2010. These are poker players who represent win2day in live poker tournaments and in the Poker Room for various events. The Poker Ace team is made up of Sigi Stockinger, Johan Brolenius, Ivo Donev, Harry Casagrande, Nicole Schuiki, Bernhard Schnöll, Dominique Papesch, Matthias Schlager, Mario Rühr, Peter Staudacher and Josip Simunic.

### **Prizes**

Average prize allocation in the electronic lotteries amounts to 93.8 per cent from the Games Room and 95.6 per cent from the casino games. A Games Room, casino games and Poker Room prize is displayed on screen immediately after the game has ended and the amount held in the electronic wallet, which remains on screen permanently, increases.

2010 also saw the highest jackpot being won on win2day. A user cracked the video poker jackpot of more than a quarter of a million euro at the beginning of November.

### **win2day goes Social Media**

The win2day Facebook page went online in February 2010. The page is used to answer the questions of users, post news about win2day and implement various events. The win2day Facebook page had around 4,700 friends by the end of the year. win2day has also been on Twitter since April and rounds off its social media activities with gaming and platform news.

### **The 'Lotto i-Mate' for iPhone and Android mobiles**

win2day is present in the App Store and Android Market with its freely available app 'Lotto i-Mate'. The Lotto i-Mate comes with features such as prize checks and a location-based sales outlet search.

# WINWIN – Video Lottery Terminals

Under the motto ‘WINWIN: It’s all in!’ Austrian Lotteries and Casinos Austria have offered games and entertainment at the highest level since 2004 at a number of locations in Austria via a joint subsidiary.

WINWIN outlets are meeting places for entertainment-minded people who enjoy going out and putting their luck to the test.

Guests over 18 years of age have the opportunity to play on the latest video lottery terminals (VLTs), enjoy a stylish ambience, culinary treats at reasonable prices, well trained staff and regular events with live music and entertainment programmes at the locations.

Austrian Lotteries holds the licence for VLTs pursuant to section 12a Gaming Act. Above all, it provides the technical know-how. Casinos Austria is responsible for planning the operational side of things.

## Glücks- und Unterhaltungsspiel Betriebsgesellschaft m.b.H.

Glücks- und Unterhaltungsspiel Betriebsgesellschaft m.b.H. is a subsidiary of Entertainment Glücks- und Unterhaltungsspiel Gesellschaft m.b.H., in which Austrian Lotteries and Casinos Austria each hold a 50 per cent stake. Its object of business is the operation of video lottery terminals offered in Austria under the WINWIN brand. These look similar to classic slot machines, but the gaming mechanics are very different. The games of the video lottery terminals are electronic lotteries. Section 12a Gaming Act defines electronic lotteries as lotteries for which the gaming contract is entered into via electronic media. The win/lose decision is brought about centrally. The gaming participant is informed of the outcome of this decision immediately after playing.

## The strategy

With a combination of fun, entertainment and dining, VLTs are designed to appeal to entertainment-minded, active people who enjoy going out and leisure activities. The outlets are open 364 days a year (closed on 24 December) from the afternoon until after midnight. Admission is free. Neither suit nor tie is required. The WINWIN architecture is optically appealing and trendy. The basic concept is the smooth interlacing of gaming and hospitality. In addition to beverages, the bar area offers snacks that are both readily available and high quality.

WINWIN outlets are an important addition to the local and regional leisure and tourist facilities. They add value to the leisure experience of both locals and tourists. With each location, WINWIN creates skilled employment and a responsible alternative to the so-called small game of chance, nearby casinos and illegal gaming offers.



WINWIN is a combination of fun, entertainment and dining

### The range of games

Video lottery terminals look similar to the classic slot machines of casinos, but their game mechanics are different. While each slot machine determines a win/loss by means of a random generator, in the case of VLTs this decision is effected by the random generator of a central computer based on predetermined prize category structures. The central computer then transmits the results to individual terminals via a telecommunications connection.

Each location has between 46 and 150 terminals with up to 60 different games. It is possible to participate with a stake of 1 cent. The maximum stake is EUR 10.00. Stakes are deposited using tickets or bank notes, but not coins. In the event of a win, the terminal prints out a ticket, which is paid out by the cashier in cash, cheque or by bank transfer. The maximum prize is EUR 25,000.00.

### WINWIN locations

Mayrhofen	Tyrol	21/05/2004
Lienz	Tyrol	14/08/2004
Ebreichsdorf	Lower Austria	04/09/2004
Schärding	Upper Austria	21/04/2005
Zell am See	Salzburg	23/03/2006
Bruck/Leitha	Lower Austria	29/06/2006
Zwettl	Lower Austria	03/08/2006 to 19/12/2010
Styria	Upper Austria	06/06/2007
Wels	Upper Austria	27/09/2007
Landeck	Tyrol	23/04/2008
Vöcklabruck	Upper Austria	29/10/2008
Kufstein	Tyrol	14/05/2009

## Österreichische Sportwetten Gesellschaft m.b.H.

Österreichische Sportwetten Gesellschaft m.b.H. was founded in April 2000 and began gaming operations on 24 August 2001. It is a subsidiary of Entertainment Glücks- und Unterhaltungsspiel Gesellschaft m.b.H. (56 per cent), Mediaprint Zeitungs- und Zeitschriftenverlag Ges.m.b.H. & Co. KG (26 per cent) and Bundesländerverlage Beteiligungsgesellschaft m.b.H. (18 per cent). Casinos Austria AG and Österreichische Lotterien Gesellschaft m.b.H. each own 50 per cent of Entertainment Glücks- und Unterhaltungsspiel Gesellschaft m.b.H.

Gaming participants have easily accessible, up-to-date betting information at their disposal in the print media of the shareholders; newspapers are thus able to strengthen reader loyalty with this service. In Austria, up to ten cumulative sports bets on a quota basis are not covered by the gaming monopoly. Licences for this type of sports betting are awarded on the basis of state law provisions. These were granted to Österreichische Sportwetten Gesellschaft by all nine federal states.

In 2010, tipp3 generated sales of EUR 46.3 million.

The good performance of the company, which operates in the highly competitive betting market, is also due to the many activities surrounding the FIFA World Cup in South Africa. Well coordinated communication activities and a wide range of attractive betting offers made it possible to address new target groups and gain lasting interest for tipp3.

Furthermore, at the end of August 2010, tipp3 expanded its betting programme from 90 to 120 games per round, which means that gaming participants have a greater choice of matches at their disposal.

Since the 2008/2009 season, tipp3 has reinforced its long-standing partnership with the Austrian Bundesliga, which has carried the promotional slogan 'tipp3-Bundesliga powered by T-Mobile' since 1 July 2008. tipp3 has concluded this main sponsorship deal for three years. At the end of 2010, it was possible to conclude positively negotiations on extending the contract. tipp3 will therefore also provide a substantial level of support to the top division of Austrian football for the coming three years.



tipp3 supports the top division of Austrian football

Formation of Better Game Solutions (BGS) means that tipp3 is treading new ground in the sports betting market: with an extensive range of products, the company now has the business-to-business (B2B) sector in its sights.

BGS was formed on 1 July 2010. It is the solution provider responsible for handling bets of all kind in the Casinos Austria and Austrian Lotteries Group. The 'Oscar' software package has now been developed for BGS. This makes it possible to tailor services to the needs of each individual customer.

tipp3 also made a commitment to social issues last year by creating a 'Project Pool'. Discriminatory and racist acts and forms of behaviour have by no means disappeared from the stadiums. Many football enthusiasts want to send out a signal and actively oppose this. tipp3 and 'FairPlay. Many Colours. One Game' support these people and initiatives with funding from the Project Pool. Since 2009, more than 30 anti-discrimination projects have been implemented successfully and supported financially. That has contributed to the integration of people in Austria with other skin colours and origins.

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

Russisch Österreichische Lotterien Holding Ges.m.b.H. was founded in November 2008. Österreichische Lotterien Gesellschaft m.b.H., VPB Beteiligungs Gesellschaft m.b.H. and KEBA AG each hold a stake in the company. The branch of business is the gaming and betting company holdings in the Russian Federation. The company holds a 100 per cent stake in OOO Ural Loto, which has its headquarters in the southern Russian autonomous republic of Bashkortostan and is responsible for gaming operations in Bashkortostan.

The cornerstone for entering the market of the southern Russian republic of Bashkortostan had already been laid in April 2008 when the Government of the Republic of Bashkortostan and the Board of Directors of Austrian Lotteries signed a protocol of intent, which provided for the launch of a local lottery. The reorganisation of the gaming market in the Russian Federation in 2007 – and thus also in Bashkortostan – led to a decision by the Government of Bashkortostan to compensate for the resulting loss in tax revenues and introduce its own lottery. While seeking a competent and reputable partner, the Bashkir Government turned to Austrian Lotteries. In as early as December 2008, the operating company, Ural Loto, launched the scratch-off ticket 'Happy Hearts' and the lottery Lotto '6 out of 40' started on 14 September 2009.

2010 was marked by the launch of Joker and an improvement to the lottery prize category structures. Authorisation for that was granted in the summer. The sale of Joker and the adapted Lotto started on 16 November. The Joker draw takes place in conjunction with the Lotto draw live on the Bashkir BST TV channel. The first Lotto '6 out of 40' and Joker draws took place on 21 November. Ural Loto switched to the new game processing software of Austrian Lotteries in the course of this project.

The distribution network of Ural Loto was continuously expanded and optimised in 2010. Some 1,500 sales outlets in which people can participate in Lotto '6 out of 40' are currently established throughout Bashkortostan.

In line with the legislation of the Russian Federation, the appropriated taxes from the lottery are used to fund socially important facilities and initiatives as well as for charitable purposes. On the basis of its successful business activities, Ural Loto strives to provide funding for social, cultural, sporting, tourism-based and scientific projects as well as financial support for matters of general interest. Amongst other things, in 2010 the Central Hospital in the Bashkir city Ishimbay was assisted in the purchase of ultrasound equipment and emergency vehicles, the Paralympic School in Ufa was assisted in the purchase of training equipment, and support was provided to the Cancer Centre in Ufa. In addition to statutory requirements, a number of small social and cultural projects were made possible.




People can participate in Lotto '6 out of 40', Joker and Scratch-off Ticket

# Austrian Children's Fund

Austrian Lotteries – a trusted partner for 25 years





**A**ustrian Lotteries is committed to helping children and families with children in need. The future lies in the hands of the children of today – we must support them in approaching it positively. This is achieved by a partnership with the Austrian Children’s Fund, which already spans 25 years. Streetwork Vienna – a project of ‘Save the Child’ – works to support adolescents and young adults who have been pushed to the margins of society. Socially disadvantaged, conspicuous, violent or politically extreme adolescents – they all need the support they receive each day from Berni, Alexandra, Christian and Anita. The four are social workers from Streetwork Vienna, their workplace is the environment of the adolescents they support, the so-called ‘Scene’, or even football fields where young people go looking for trouble. In the new clubhouse, which was renovated with funds from Austrian Lotteries, the four street workers now have the opportunity to counsel their clients – but also to provide them with appropriately controlled leisure activities. Austrian Lotteries supports them in their goal: to empower young people through individual responsibility and individual determination and lastingly improve their living conditions. **Good for Austria**

# The 2010 Fiscal Year

## Business Environment

In 2010, the Austrian economy saw a moderate recovery from the severe crisis after a minus of 3.9 per cent in the previous year.

Gross domestic product rose by 2.0 per cent (WIFO December 2011) and was thus well above forecasts. With real growth of over 10 per cent, impetus was brought predominantly by strong growth in the export industry. At 1.8 per cent as compared to the previous year (0.5 per cent), inflation rose significantly.

Given weak growth in real wages, households remained cautious in 2010 with respect to consumer spending in spite of the economic recovery. Contrary to expectations, growth in consumption slowed only slightly from 1.3 per cent in 2009 to 1.1 per cent in 2010. Consumer spending is thus one of the stabilising factors of the domestic economy. The assessment of consumers in terms of future economic development since mid 2009 has improved significantly, leading to a degree of stimulation. In addition, in anticipation of a stronger devaluation of money, the consumer probably brought forward long-planned purchases, meaning a relatively good level of consumption was achieved despite the uncertain economic situation. However, a change in consumer behaviour was also noted: the consumer economised in terms of everyday things like food and dining out in order to be able to afford larger purchases, like holidays.

At 4.5 per cent (EUROSTAT), the drop in the unemployment rate was lower than expected and represents a decrease of 0.3 percentage points as compared to 2009.

# Development of Revenue and Earnings

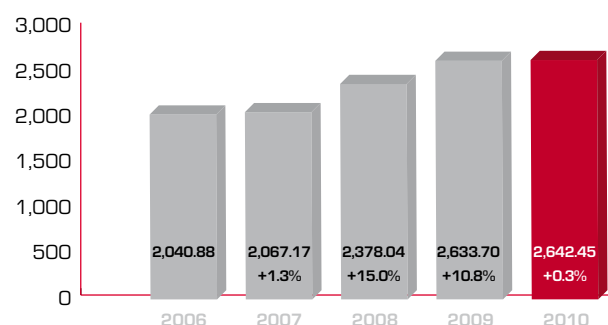
At EUR 2,642.45 million, the total sales of Austrian Lotteries stands at 0.33 per cent higher than the previous year. Maintenance of the already high sales level of 2009 was mainly due to the successful re-launch of Lotto '6 out of 45' as well as the increase in electronic lottery sales on win2day and the WINWIN VLTs.

The Lotto '6 out of 45' product changes were exceptionally successful, and although there were three triple jackpots and one quadruple jackpot less than in 2009, Lotto is only about 3.2 per cent behind 2009. ToiToiToi saw a strong increase in sales of 7.3 per cent due to the new stake classes. Otherwise, the economic conditions impacted the development of all major sales drivers. The instant products break-open ticket and scratch-off ticket felt the weak consumer sentiment especially. Total sales of electronic lotteries (including poker rake) is 3.1 per cent higher than the previous year. This positive development is mainly due to successful product launches. Development of the individual WINWIN (VLT) sites is still going well and is 10.6 per cent higher than the previous year.

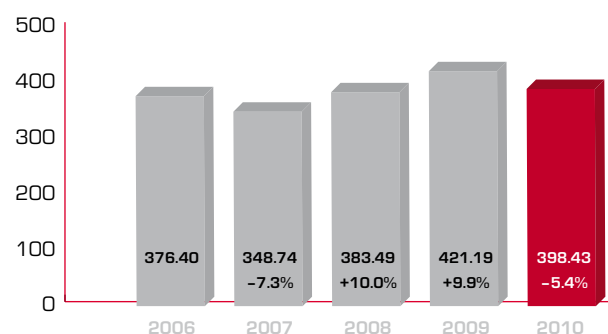
Based on all the games of Austrian Lotteries, total prize money of EUR 1,956.70 million was paid out in 2010.

The Lotto, Football Pools, Goal Bet, Lotto 1-90, Joker, ToiToiToi, and EuroMillions stakes are made up of the respective price minus administrative charges. 50 per cent of the Lotto, Football Pools, Goal Bet and Joker stakes and 50 per cent of the EuroMillions sales is paid out in the form of prizes.

Total sales of the company from 2006 to 2010 in EUR million\*:



Effected tax payments of the company from 2006 to 2010 in EUR million\*:



Since 2006, media support has been posted on the profit and loss statement under item 6b rather than item 6a.

The total sales in EUR after games and their proportion of total sales in 2010:

Lotto '6 out of 45'	582,020,253.45	22.03%
Football Pools and Goal Bet**	12,186,977.20	0.46%
Bingo	11,513,952.90	0.44%
EuroMillions	180,461,720.10	6.83%
ToiToiToi	18,178,284.50	0.69%
Lotto 1-90	4,211,306.25	0.16%
Joker	173,681,575.30	6.57%
Scratch-off ticket	118,645,295.00	4.49%
Break-open ticket	26,506,746.00	1.00%
Class Lottery	33,867,472.00	1.28%
win2day and Keno	1,074,965,281.81	40.68%
win2day Poker	6,341,247.29	0.24%
WINWIN	399,864,957.00	15.13%
<b>Total</b>	<b>2,642,454,068.80</b>	<b>100.00%</b>

\* In each case, change as compared to the previous year

\*\* Including Extra Football Pools and Extra Goal Bet.

### EUR 398.43 million – effected tax payments in 2010

Austrian Lotteries effected total tax payments amounting to EUR 398.43 million last year; the aforementioned figure includes gaming-related duties as well as taxes on income and other taxes and duties. Since its inception in 1986, the company has paid more than EUR 8.03 billion in taxes to the Republic of Austria.

Gaming-related duties amounting to EUR 389.21 million consist of the licence fee of EUR 224.19 million and the betting duty amounting to EUR 165.02 million.

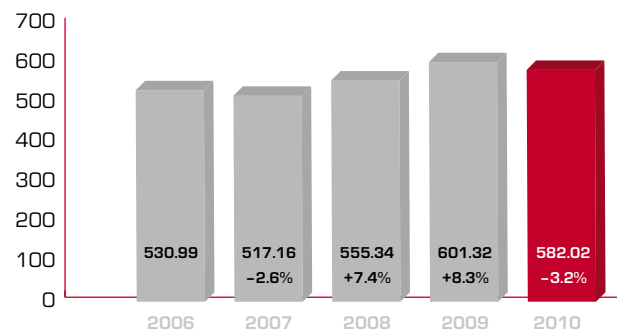
A licence fee of 18.5 per cent for the first EUR 400 million and 27.5 per cent for all additional amounts has been applied to the Lotto ‘6 out of 45’, Football Pools, Goal Bet, Joker and EuroMillions stakes since 2006. The amount of the licence fee is 2 per cent for the Class Lottery, 17.5 per cent for break-open tickets, scratch-off tickets and ToiToiToi, and 27.5 per cent for Lotto 1–90, Bingo and Keno.

The amount of the betting duty for all Austrian Lotteries games is 16 per cent of the stakes and the gross gaming yields. In the case of electronic lotteries on win2day and WINWIN (VLTs), the gross gaming yield, i.e. the difference between stake and prize allocation as well as the rake in poker, is subject to taxation. 40 per cent of the gross gaming yield, which consists of 16 per cent betting duty and 24 per cent licence fee, is paid in tax.

### LOTTO ‘6 OUT OF 45’

Lotto ‘6 out of 45’ sales amounted to EUR 582.02 million last year. The drop in sales of 3.2 per cent as compared to 2009 is mainly due to one absent quadruple jackpot and three absent triple jackpots. However, the expected decline remained limited due to the huge success of the new Lotto game design in September 2010.

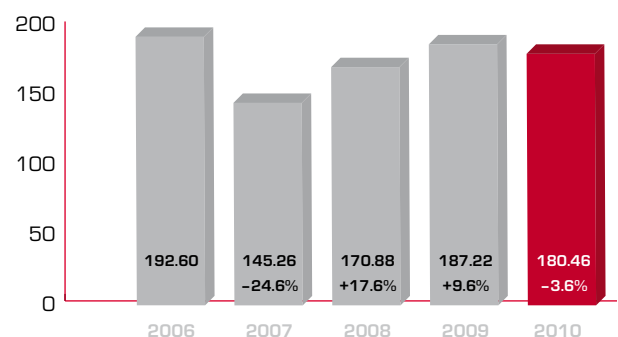
#### The development of Lotto ‘6 out of 45’ sales from 2006 to 2010 in EUR million: \*



### EUROMILLIONS

EuroMillions sales amounted to EUR 180.46 million. The drop of 3.6 per cent as compared to 2009 is due to the small number of jackpots. In 2010, there were seven more opening rounds than in the previous year; therefore, correspondingly less jackpot rounds.

#### The development of EuroMillions 2006–2010 in Mio. Euro \*

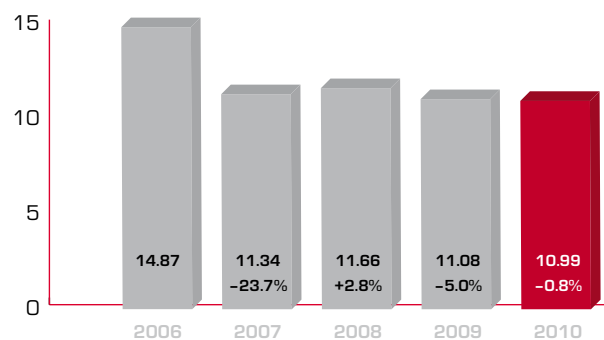


\* In each case, change as compared to the previous year

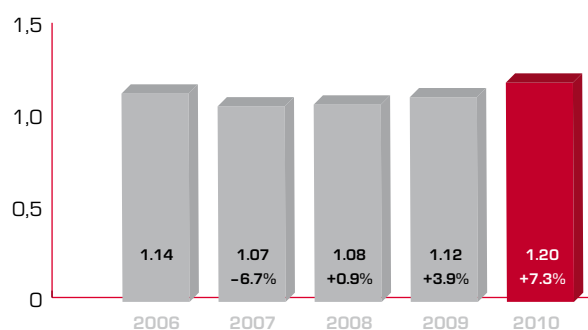
## FOOTBALL POOLS AND GOAL BET

Football Pools sales (including Extra Football Pools) amounted to EUR 10.99 million; Goal Bet sales (including Extra Goal Bet) were EUR 1.20 million last year. Goal Bet saw a rise of 7.3 per cent due to a 20-fold jackpot series.

### Development of Football Pools (including Extra Football Pools) sales from 2006 to 2010 in EUR million:\*



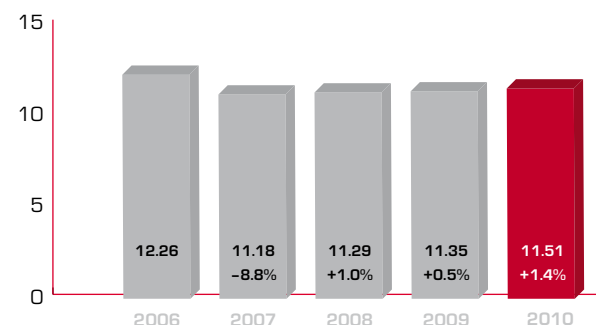
### Development of Goal Bet (including Extra Goal Bet) sales from 2006 to 2010 in EUR million:\*



## BINGO

Bingo sales amounted to EUR 11.51 million last year.

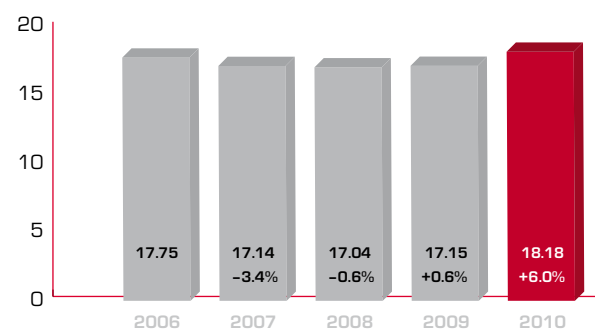
### Development of Bingo sales from 2006 to 2010 in EUR million:\*



## TOITOI

ToiToiToi sales amounted to EUR 18.18 million last year. The sales increase of around 6 per cent as compared to the previous year is due to the good performance of the additional stake classes introduced in October 2009.

### Development of ToiToiToi sales from 2006 to 2010 in EUR million:\*

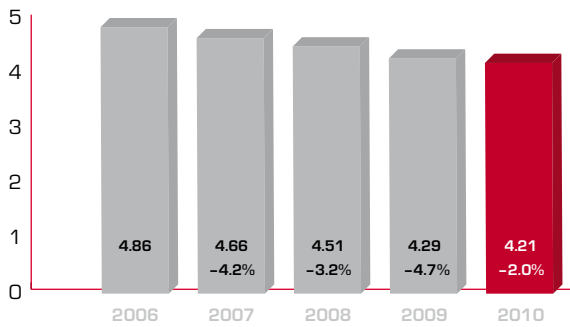


\* In each case, change as compared to the previous year

## LOTTO 1-90

Lotto 1-90 sales amounted to EUR 4.21 million in 2010.

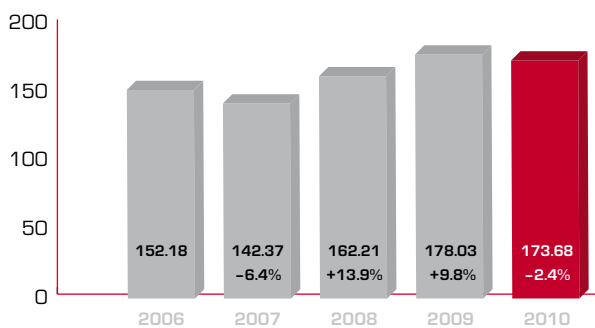
Development of Lotto 1-90 sales from 2006 to 2010 in EUR million:\*



## JOKER

Joker sales amounted to EUR 173.68 million in 2010, a drop of 2.4 per cent as compared to the previous year. This drop in sales reflects the lack of major events with respect to the primary products Lotto and EuroMillions.

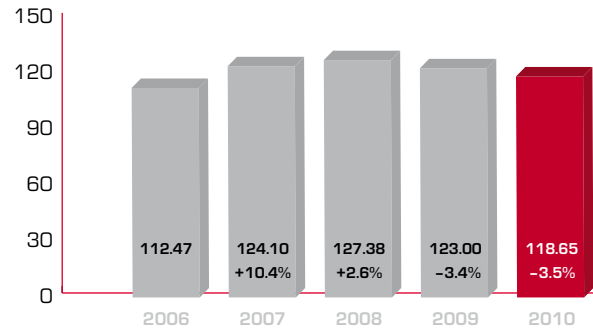
Development of Joker sales from 2006 to 2010 in EUR million:\*



## SCRATCH-OFF TICKET

Scratch-off ticket sales in 2010 amounted to EUR 118.65 million. The 3.5 per cent drop in sales is attributable to the poor economic situation, which is particularly evident in the case of a product reliant on impulse purchases.

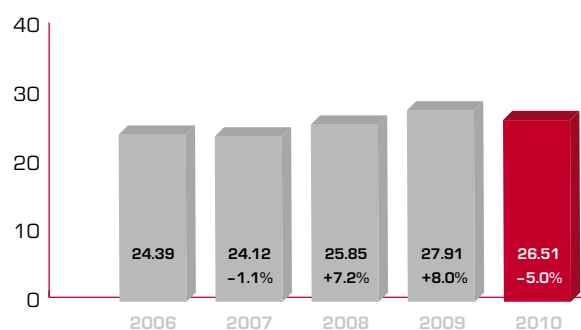
Development of scratch-off ticket sales from 2006 to 2010 in EUR million:\*



## BREAK-OPEN TICKET

Break-open ticket sales amounted to EUR 26.51 million in 2010. The 5 per cent drop in sales as compared to the previous year is due to consumer reluctance because of the economic situation.

Development of break-open ticket sales from 2006 to 2010 in EUR million:\*

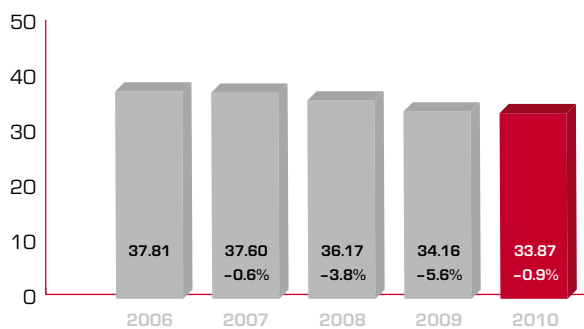


\* In each case, change as compared to the previous year

## AUSTRIAN CLASS LOTTERY

Austrian Class Lottery sales amounted to EUR 33.87 million last year.

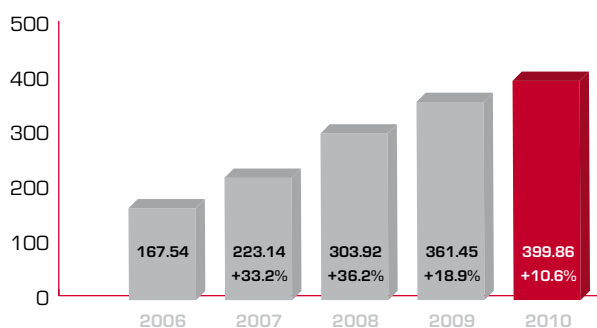
### Development of Austrian Class Lottery sales from 2006 to 2010 in EUR million:\*



## WINWIN (VIDEO LOTTERY TERMINALS)

The VLTs at the twelve WINWIN locations achieved sales of EUR 399.86 million. At a year-on-year increase of 10.6 per cent, WINWIN continues to make very good progress.

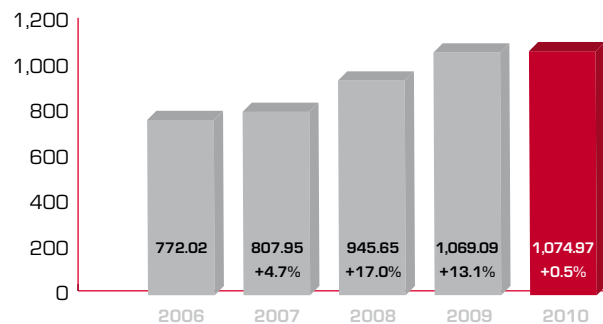
### Development of WINWIN sales from 2006 to 2010 in EUR million:\*



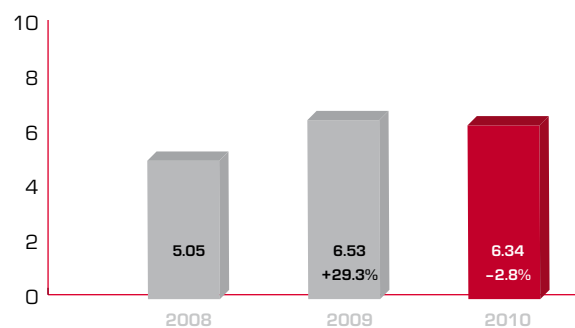
## WIN2DAY

Last year, win2day sales (including Keno) amounted to EUR 1,074.97 million and the rake in the Poker Room was EUR 6.34 million. It was possible to increase the sales level of the electronic lotteries on win2day primarily because of the introduction of new games, such as the 'Joker Wanted' video poker, the 'Cherry Star' and 'Golden Nut' slot machines as well as the 'Bingo Room'.

### Development of win2day sales for the years 2006 to 2010 in EUR million, net of Poker Room rake:\*



### Development of Poker Room rake for the years 2008-2010 in EUR million:\*



\* In each case, change as compared to the previous year

# Responsible Gaming

Austrian Lotteries has been providing games of chance successfully and responsibly since it was formed.

Since its inception, the company has set itself the task of actively counteracting potential problems that may arise from gaming. To ensure games of chance remain an enjoyable experience, Austrian Lotteries has voluntarily committed itself to a wide range of restrictions. Furthermore, it ensures that the conditions of participation are observed, informs gaming participants comprehensively about the chances of winning and takes into account the player protection-related aspects of game design when developing new games. This is entrenched in the mission statement and also marks the operations of the affiliated companies win2day, WINWIN, tipp3 and Ural Loto.

According to international estimates, approximately one per cent of the adult population suffers from gaming addiction, around three to four per cent are at immediate risk of sliding into gaming addiction. These facts demonstrate that the issue of responsible gaming has great significance. Therefore, Austrian Lotteries takes its obligation in this regard very seriously and its stipulations exceed statutory requirements. This ranges from training and learning opportunities for staff and distribution partners in relation to how to deal with the customers with respect to issues concerning player protection through to information and advice for vulnerable gaming participants and compulsive gamblers. Austrian Lotteries also devotes itself extensively to the protection of minors.

Austrian Lotteries has been certified in accordance with the Responsible Gaming Standards of the European Lotteries and the World Lottery Association since 2009. The two umbrella organisations are dedicated to responsible gaming and the unrelenting fight against illegal gaming. They take appropriate preventive measures and encourage the controlled development of information and training sessions. The standards set for responsible gaming enable members to firmly establish responsible gaming as an integral part of their daily business activities in a measurable and structured manner. The goal of reducing to a minimum the risk of excessive consumption that gaming poses to society is pursued. The standards go far beyond national and international legal constraints.

'Responsible Gaming, Advertising and Sponsoring' is incumbent on a special department in the Group. The central responsibilities include the ongoing implementation, evaluation and updating of programmes, policies and strategies for an optimal customer policy in terms of 'Responsible Gaming'. The respect shown nationally and internationally for the responsible gaming experts at Austrian Lotteries is reflected not least in the many invitations to give lectures at conventions of the leading institutions in Europe and North America. Close cooperation and a lively exchange of information with Austrian counselling and treatment institutions has existed for years.

Under the slogan 'It can be difficult to accept help, but finding it is easy', short films were produced in 2010, in which the leading counselling and treatment institutions introduced themselves. These short films were shown on a separate website, [www.Spiele-mit-Verantwortung.at](http://www.Spiele-mit-Verantwortung.at). In addition, short films with experts and afflicted people, information on gaming addiction, a self-test, and the contact details of counselling centres are also available. The website has also been published in English since 2010.

The key to our company's success in terms of offering 'Responsible Gaming' is essentially in the hands of our employees. Each year, executives and employees in direct contact with customers attend further training courses and workshops conceived specifically for that, at which they are instructed by experts from Austria and abroad. In 2010, the online training on responsible gaming, which is mandatory for all employees, was implemented and executed on the Group's Intranet. Every employee receives a certificate after successful completion of the training.

### Responsible Gaming Academy 2010

Player protection and the prevention of addiction were the focus of the 7th Responsible Gaming Academy (RGA). Well-known experts from Austria and other countries discussed the latest findings and new developments in the area of player protection. A public panel discussion on 'Compulsive gaming – The underrated risk for children and adolescents' took place for the first time in the Oesterreichische Kontrollbank

The speakers at the 2010 RGA covered a very wide range of issues connected with player protection: Dr. Harold Wynne (University of Alberta, Canada) spoke about the effectiveness of Responsible Gaming Features on Video Lottery Terminals. Prof. Dr. Mark Griffiths (Nottingham Trent University, UK) explained the latest online gaming developments. Prof. Dr. Ken Winters (University of Minnesota, USA) spoke about the young brain and its development. Prim. Univ.-Prof. Dr. Michael Lehofer (Landesnervenklinik Sigmund Freud Graz) finished off with the critical question: "Why are we afraid of change?"

Not only were specialists from counselling institutions and renowned experts from the industry in the auditorium, but also many employees of the Group, whose central tasks include the active prevention of compulsive gaming.

The 8th Responsible Gaming Academy is scheduled for the beginning of May 2011.

### Compulsive gaming – The underrated risk for children and adolescents

The challenges associated with protecting minors were the focus of the panel discussion, which took place in the course of the 2010 Responsible Gaming Academy. One of the major issues with regard to responsible gaming was brought to the fore in the completely filled Reitersaal in the Oesterreichische Kontrollbank.

The neurological development in adolescents is accompanied by the fact that they are particularly susceptible to thrill and perceived risks, said the Salzburg adolescent psychiatrist Prim. Univ.-Prof. Dr. Leonhard Thun-Hohenstein. If confronted with slot machines at that age, there is a high risk that they will later become pathological gamblers. "The sooner they become involved with gaming, the higher the risk," said Thun-Hohenstein.

Even seemingly innocuous initial contact by children and adolescents can lead to dependence, said Dr. Monika Lierzer of the Fachstelle für Glücksspielsucht (centre for gaming addiction) in Styria while describing a specific case. Prim. Dr. Klaus Vavrik of the Österreichische Liga für Kinder- und Jugendgesundheit (Austrian league for child and adolescent health) noted that it has become extremely easy to play in secret at an early age because of the Internet: "Computer addiction, compulsive Internet gaming and compulsive gaming intermingle."

### Gaming is not child's play

This was the slogan under which Austrian Lotteries attended the 'Annual Holiday Campaign' of the National Council on Problem Gambling and the International Centre for Youth Gambling Problems and High-Risk Behaviours at McGill University in Canada for the first time in 2010. The core message of the annual campaign is that children are not a target group for lottery products and that adults should not buy lottery products as gifts for children and adolescents.



Sales Representative Heinz Schuh (center) and Sales Outlet-Partner Mr. and Mrs. Heindl

# SPIELE MIT VERANTWORTUNG

## Responsible Gaming at the Sales Outlet

Children and adolescents have never been a target group for the games of Austrian Lotteries. According to international studies, initial contact with gaming should not occur too soon. With that in mind, Austrian Lotteries implemented a policy of self-restraint in April 2009, which permits the sale of lottery products (Lotto '6 out of 45', Football Pools and Goal Bet, Extra Football Pools and Extra Goal Bet, Joker, Number Lotto 1-90, EuroMillions, Bingo, Scratch-off Tickets, Break-open Tickets, ToiToiToi and Class Lottery) only to people of 16 and over. A key role with respect to the protection of minors is played by the distribution partners, who support the voluntary self-restraint. Mystery shopping inspections are carried out periodically to support the monitoring of compliance with this responsible gaming measure.

To back this up, the new edition of the 'Responsible Gaming' folder was made available to all distribution partners for customers and gaming participants in 2010. This contains information on counselling institutions and compulsive gaming.

## Responsible gaming on win2day

Austrian Lotteries and Casinos Austria have put particular importance on protecting minors and protecting against excessive gaming on the win2day gaming platform from the outset. Simple and broad Internet access has always given rise to debate among experts. Protecting minors and efficiently controlling access to online games represent a major challenge. In the case of the win2day gaming platform, measures were taken for that from the very beginning.

For example, registration on win2day is possible only from the age of 18 or over. The first and last name as well as the date of birth are required. These particulars are reviewed by an information agency. Only one account may be opened on win2day per data record. Specification of an Austrian bank account during registration is required by the grantor. Gaming participants must define their financial and time limits the first time they register. Limit increases will be effective only after a cooling off period of 72 hours, reductions immediately. Gaming participants may exclude themselves from gaming for a certain period. Self-exclusion is possible for 24 hours, one month, three, six or twelve months as well as for two or three years.

More responsible gaming measures were implemented when the Poker Room was launched on win2day in 2008. A win2day account is required for being able to sit at the poker table. Furthermore, a unique poker nickname and personal time limits must be defined on the first visit to the Poker Room in order to play. The headnote 'Responsible Gaming' is especially significant in online poker games. Beyond the general measures for responsible gaming on the Internet, collusion and fraudulent activities have to be prevented in poker games in particular. The player protection measures developed for win2day also apply to their fullest extent in the Poker Room. Moreover, win2day cooperates – with respect to the Poker Room – with the Swedish lottery operator Svenska Spel and the Swedish gaming software developer Boss Media.

### **Responsible gaming on WINWIN**

The minimum age for participating in WINWIN games is 18. An official picture ID must be presented in cases of doubt. Each guest must actively accept the basic gaming terms before playing on the video lottery terminals. Supplementary gaming terms for specific games are available over the counter. Each VLT is equipped with special responsible gaming features, which are designed to provide the player with additional support with respect to time and money management and limit the maximum playing time. Furthermore, the gaming participant is informed about how long he has been playing after 60, 90 and 120 minutes and asked whether he wishes to continue playing. The game ends automatically after the maximum playing time of 150 minutes has expired. The ticket can be redeemed over the counter.

### **Responsible gaming on tipp3**

It is only possible to make use of tipp3 at sales outlets or on the Internet from the age of 18 or over. In the sales outlet, the customer is assisted by personnel trained in responsible gaming. The gaming participant is assisted in money management on [www.tipp3.at](http://www.tipp3.at) via the personal account balance being displayed permanently. Furthermore, the gaming participant has the opportunity to reduce the deposit limit independently.

### **Responsible gaming at Ural Loto**

Responsible gaming is also an integral part of the corporate philosophy of the operating company Ural Loto, which offers the scratch-off ticket 'Happy Hearts', Lotto '6 out of 40' and Joker in Bashkortostan. The lottery products of Ural Loto are offered only to customers of 18 and over. The sales outlet personnel are trained on the subject of responsible gaming by field staff.

### **Code of conduct for responsible advertising**

Austrian Lotteries has voluntarily focused on high ethical standards with respect to the planning of its promotional activities thus far.

The company has set itself the task of fostering gambling literacy. This involves the development of the ability of each individual to handle different forms of games of chance in a controlled manner and the development of an appropriate form of addressing the target group. We aim to ensure this via informative advertising: the objective is to provide information and not to excessively stimulate the urge to play. Austrian Lotteries focuses on promoting those benefits that can be offered in a responsible manner and not concealing facts.

The code of conduct for responsible advertising was implemented in the Group in 2010. It consists of eleven points and ensures that advertising and selling activities conform to high ethical standards and are, in particular, not directed at people who belong to vulnerable groups in terms of problematic gambling behaviour.

# Austrian Paralympic Committee

Austrian Lotteries – a trusted partner for 25 years





**O**vercoming one's own personal limits is the driver of every top athlete, whether handicapped or able-bodied. Be it training or competition, equally fair conditions must be provided for. With that in mind, Austrian Lotteries supports the Austrian Paralympic Committee, so that the financial requirements for sending visually and physically impaired athletes to the Paralympics are guaranteed. Access to competitive sports must be the same for top athletes, whether handicapped or able-bodied. Similarly, support for top athletes in achieving their goals must be a matter of course. Austria's athletes make the headlines with outstanding performance in international competitions, world championships, Paralympic and Olympic Games and in so doing contribute to the positive image of Austria. This is especially true for athletes at the Paralympic Games. 19 Austrian athletes competed in the 2010 Winter Paralympics in Vancouver. They won three gold, four silver and four bronze medals. In the photo is successful medallist Claudia Lösch. **Good for Austria**

# 79 Million for Sport

Austrian Lotteries is probably the most important funding partner of Austrian sport.

The support of sport is a socio-political mandate that Austrian Lotteries has been pleased to take on since 1986: over the past 25 years, EUR 909 million has flowed into the Besondere Bundes-Sportförderung (special federal sport fund). Austrian sport received EUR 79 million in 2010. The sport funding is thus the most important source of financing for sport in Austria.

Austrian Lotteries makes a major contribution to the funding of sport, as enshrined in the Gaming Act. Popular sport, in particular, which is of great importance in socio-political terms, benefits from this solidarity model. By limiting or eliminating the funding, numerous sports clubs would be deprived of the basis for their activities. That would lead to the threat of a loss of breadth and diversity in sport and many charitable activities would be put at risk.

Achievements in sport are important because of the role model effect. Sport is capable of producing personalities, whose performance is motivating. Role models are important for all age groups and support healthy and competitive thinking. Successful athletes encourage young people, in particular, to participate in sport and positively influence them in terms of how they use their free time.

The sports funding is managed by the Austrian Federal Sports Organisation and distributed according to a special formula. The financial basis for many associations and clubs in Austria is thus created.

The close connection between Football Pools and football combined with the special commitment to youth sport brought about the creation of the youth projects 'International Youth Football Pools Cup' (an annual four nation tournament for under-17 national teams) and the 'Football Pools Youth League' (Austria-wide junior championship), which have become benchmarks in football, more than two decades ago. These projects were also continued successfully in 2010. The International Youth Football Pools Cup took place for the 22nd time and the Football Pools Youth League entered its 21st season.

Moreover, Austrian Lotteries sponsors other types of sport and projects, which focus on the health of the masses, such as the 'Day of Sports' and the Vienna City Marathon.

## Information

The legal base for the introduction of Football Pools in Austria was the Sporttoto-Gesetz (football pools act), which was adopted by the National Council in 1948. Football Pools were launched in the following year with the aim of generating the necessary funding for the reconstruction of Austrian sport after the war.

To secure the financial base for the funding of sport after the introduction of Lotto and acquisition of Football Pools by Austrian Lotteries in 1986, a provision, which guarantees annual sport funding based on the tax yield from Lotto and Football Pools, was incorporated in the Gaming Act.

The amendment to the Gaming Act on 10/12/2004 provided for 3 per cent of the sales revenue of Austrian Lotteries being allocated to the funding of sport with effect from 01/01/2005.

This provision was changed again in the amendment to the Gaming Act on 19/07/2010 (2008 GSPG Amendment). Starting from the beginning of the 2011 calendar year, the Federal Government shall make EUR 80 million available for the funding of sport from the taxes of the licensee pursuant to section 14. This amount increases annually, commencing in 2013, to the extent to which gaming related federal revenue of the licensee under section 14 increased in the previous year as compared to the year before that.

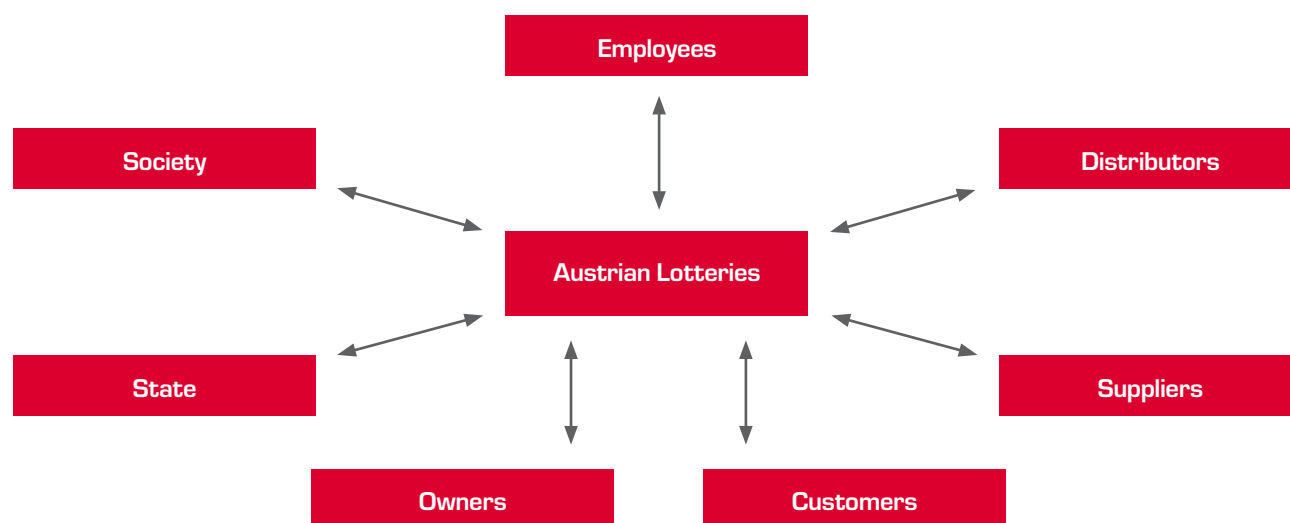
# Sustainability

Corporate social responsibility is the principle under which Austrian Lotteries voluntarily integrates social, economic and environmental matters into its business operations.

Austrian Lotteries is socially and environmentally responsible and invests more in interacting with its stakeholders than it is required to by law. The thoughts and deeds of the company's Management and employees as well as all business processes are influenced by the awareness of economic, environmental and social responsibility.

Austrian Lotteries has always shouldered its responsibility. The sustainability reports that have been produced since 2007 are structured in accordance with the guidelines of the Global Reporting Initiative (GRI). Preparation of sustainability reports in accordance with the internationally accepted and standardised GRI guidelines facilitates a comparison of the performance of companies in relation to social, environmental and economic matters. For the year 2010, achievement of the objectives defined in the individual areas will be assessed and documented in the intermediate CSR Report.

Figure: Austrian Lotteries's stakeholders



# Sponsorship

The sponsorship activities of Austrian Lotteries are at least as diversified as its range of products.

Since its founding, i.e. for the past 25 years, Austrian Lotteries has been committed to Austria, to the country and her people, and supports the most varied of organisations and institutions in the realisation of their projects.

As an Austrian company, it is perfectly logical to us to act on behalf of this country and her people. Austrian Lotteries supports numerous environmental and nature-related, health, humanitarian and social, sport, art and culture as well as economic, science and research projects, which are, to a large degree, in the public interest. It is important to us to promote projects, which pursue long-term socio-political goals, are relevant to the target group and are, to a large degree, in the public interest.

A major communications campaign was implemented to make stakeholders aware of the sponsorship projects of Austrian Lotteries in the past fiscal year. The 'A prize for ...' image advertisements in the Austrian print media impressively illustrated that Austrian Lotteries does good and is good for Austria.

In 2010, a total of EUR 2 million was made available in sponsorship funds. Together with the funding of sport enshrined in the Gaming Act (EUR 79.0 million in 2010) as well as media support (EUR 24.7 million in 2010), this resulted in a total amount of EUR 105.7 million.

## Media support

Media support represents a particular form of sponsorship. Prior to 1986, a number of organisations, such as the Austrian Children's Fund, the Austrian Sports Fund, and the Austrian Senior Citizen's Fund generated their resources both through donations and from the implementation of number lotteries with non-cash prizes. Overwhelming competition then prevailed due to the launch of Lotto '6 out of 45' in September 1986. Therefore, Austrian Lotteries entered into agreements with the Austrian Children's Fund, the Austrian Sports Fund and the Austrian Senior Citizen's Fund with respect to making a contribution to covering the financial needs of these organisations.



Austrian Sports Fund CEO Anton Schutti and Karl Stoss, Chairman of the Managing Board of Austrian Lotteries



Austrian Lotteries CFO Bettina Glatz-Kremsner and Dagmar Schratzer, Director of Zoo Vienna

# Lebenshilfe (counselling and aid organisation) Lower Austria

Austrian Lotteries – a trusted partner for 25 years





**T**he Karl Ryker Dorf in Sollenau, Lower Austria, is home, workplace and therapy centre for 224 mentally and multiply disabled people. Run by Lebenshilfe Lower Austria, the people who live there and those who work in one of the various workshops are given the opportunity to enjoy an independent life. In 2009, Austrian Lotteries funded the renovation and new development of House 9A, the latest barrier-free house in the village. 2010 saw the village's entire exterior lighting being renewed with sponsorship funding from Austrian Lotteries. From a barrier-free house to a barrier-free society – that was also the guiding principle which led to the 'Concert without Borders'. In the Karl Ryker Dorf, Austrian Lotteries helps to break down physical barriers while supporting diverse cultural projects which aim to eliminate cultural boundaries. By inviting the residents of House 9A of the Karl Ryker Dorf to a concert by the European Union Youth Orchestra at the Grafenegg Music Festival – an important cultural sponsorship measure of Austrian Lotteries – another important step towards a barrier-free future was taken. **Good for Austria**

# Safety and Security

Austrian Lotteries adopted a comprehensive and integrated safety and security policy to ensure the availability, integrity and confidentiality of its business processes and systems.

Safety and security in the gaming process is central to the corporate philosophy; the range of games is continuously improved in accordance with the principles of the safety and security policy and the latest technology employed.

An inter-segment safety and security committee ensures compliance with the safety and security guidelines and operating procedures and provides for the continuous improvement of safety and security standards in the Group.

The safety and security policy of the Group aims to ensure that:

- the games offered and the business processes associated therewith are carried out properly and continuously;
- each gaming participant or guest has the same opportunity to win prizes and any kind of manipulation to games is prevented;
- appropriate precautions are taken to protect the lives and health of the gaming participants, guests and other customers who are situated in the premises of the company;
- legal and intra-company requirements are observed;
- the availability, confidentiality and integrity of the tangible and intangible assets are provided for and that these can be used by authorised parties when required;
- the loss and distortion of information, information systems and data media are avoided or identified and rectified;
- information and information systems are not made accessible to unauthorised parties or used for unauthorised purposes;
- training on safety and security is available to and completed by each employee.

## Information security at the highest level

The security structure and security measures implemented at Austrian Lotteries have been certified by an international certification body in accordance with the Security and Control Standard of the World Lottery Association (WLA). These internationally accepted standards apply to opera-

tional security during the provision of games of chance. ISO Standard 27001:2005 on information security has been integrated into the WLA Security and Control Standard. Furthermore, all business processes associated with handling the games of Austrian Lotteries are covered by the Information Security Management System (ISMS), which ensures the continuous enhancement of security.

### **Data protection**

Individual observance of the wishes of customers and interested parties, also with respect to their expectations in terms of privacy and data protection, represents an important principle of Austrian Lotteries when handling data. Special data protection requirements, such as the basic admissibility of all data processing, the appropriation of data collections and requirements pertaining to transparency for the affected parties, are accounted for to their fullest extent. Although there is no legal obligation for Austrian companies to appoint a data protection officer, this role has long been filled by an employee. He assists in reconciling the justified desire of our customers that their individual rights be protected with the operational requirements for customer-focused marketing. Of course, the principles of data protection are also highly relevant to the handling of employee data, where the same principles as for the handling of customer data apply.

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

The legal requirements for health and safety at work, fire safety and waste management form the basis of all the corresponding measures in place at Austrian Lotteries. Additional action beyond the legal requirements is taken if doing so appears purposeful in terms of the health and safety of employees. For example, a total of 107 employees (including holiday cover and temporary staff) were taught the fire safety regulations in 2010.

Health and safety at work is operated in the company under the headnote 'safe & healthy – healthy & safe'. Austrian Lotteries is also committed to high quality standards in this area. A high standard is guaranteed with the support of the occupational safety specialist and occupational health practitioner in cooperation with the Works Council by a multitude of measures. These measures include briefings and training sessions as well as continuous engagement with the subject.

Employees are able to refer to the occupational safety specialist, the occupational health practitioner, the safety officer and the disability counsellor with their labour-related concerns in addition to the line manager and the Works Council.

# Staff

Responding quickly to new technical, economic and social challenges and contributing to competitiveness, the development of new products and tapping into new markets with a workforce of high performers is the objective on which the HR policy of Austrian Lotteries is based.

The company recruits future employees with great care and invests in their training and integration. This was also confirmed by Austrian Lotteries winning first place in the 'Service Provider' category of the 2010 'Career's Best Recruiters' study. This involved, for the first time ever, the recruitment activities of 642 of Austria's leading companies and institutions from 18 industries being tested. With respect to recruitment, Austrian Lotteries and Casinos Austria lead the way. In the areas of Social Web, trade shows and advertising response, in particular, the Group succeeded in leaving the 33 other companies tested from the service sector far behind.

Challenging tasks and areas of activity are complemented by above average initial and further training opportunities. Occupational and personal development is supported by targeted training programmes. Where possible, managerial positions are assigned internally.

The adoption of a variety of working time models, such as flexible working hours without core time, part-time work, telework, partial retirement, parental leave and sabbaticals promotes the flexibility and dedication of our employees.

The average number of employees in 2010 was 479 (full-time equivalent).

## C & L Academy

The Casino & Lotteries Academy is an internal know-how platform for the latest developments in the Group and also facilitates the cross-segment qualification of employees. Furthermore, exchanges of experience and knowledge, which are customised according to topic and target group, take place with internal instructors and experts. The transfer of know-how between colleagues is implemented primarily in the areas of project work and process management. Separate meetings are arranged for office managers, in which they are familiarised with new working methods in the course of various keynote presentations. New staff are informed about the company and specialist areas by fellow employees at the 'Welcome Day'. The Academy proves its worth especially in the exchange of experience with respect to overseas projects and the development of inter-cultural know-how.

## Health and prevention

In 2010, the emphasis in the monitoring of the change management process by Casinos Austria and Austrian Lotteries was in the approach to conserving and improving health. A special burn-out prevention programme was implemented to make employees and executive personnel more aware of this issue. All executive personnel attended mandatory briefings designed to enable them to recognise signs of burn-out, both in themselves and in employees, and act appropriately. Beyond that, comprehensive reporting on the company's Intranet provides all employees with easy access to special seminars, coaching and health services as well as training on how to relax and deal with stress properly. In addition to the existing internal points of contact, an external point of contact has been installed for counselling, which is staffed by specialists.

One of the major elements of health and general well-being is a healthy and balanced diet. Therefore, the staff canteen's switch to healthier food formed an integral part of the accompanying measures in the context of health. The menu in the 'Lottorant' staff canteen at Rennweg 44 – which is used each day by about 550 employees – has been carefully scrutinised and the range on offer adjusted and changed.

## Performance management

The performance management system – the structured agreement of goals between employees and supervisors – was also implemented as part of the employee appraisals in 2010. The degree of attainment of the various goals was accounted for in the variable remuneration scheme as early as in March 2010. Full participation in the process demonstrates the high level of acceptance by all parties.

# Sales and Distribution

All activities of Austrian Lotteries are coordinated with the field sales force and appropriate distribution measures subsequently devised.

Strategies and projects are presented at the national field sales force meetings. These were supplemented by numerous regional conferences organised by the regional field sales managers.

In 2010, the field sales force conducted extensive training on the product re-launch of Lotto in the course of their betting slip game visits. Furthermore, in the case of Football Pools and tipp3, special master classes, which were also used for product training, were organised during the 2010 FIFA World Cup. With

regard to the instant products, the revision and roll-out of the mini-terminal software, which is available at the sales outlets for break-open tickets and scratch-off tickets, was the focus of sales training. Furthermore, the launch of the 'Millions Ticket' was accompanied by the delivery and installation of new dispensers.

The field sales force of Austrian Lotteries plays an important role in the implementation of and compliance with responsible gaming standards as well as the policy of voluntary self-restraint. They train distribution partners at their premises and are also responsible for follow-up training in the event of non-compliance by distribution partners. In 2010, 411 participants were presented a certificate after successfully completing the responsible gaming training.

The policy of voluntary self-restraint as regards not selling products of Austrian Lotteries to people under the age of 16 or selling EuroBons only to people of 18 or older was reviewed in 2010 by mystery shopping inspections.

A total of 1,145 sales outlet employees attended 498 training events in 2010 (product and online training, sales outlet training as well as sales training).

## The distribution network

At the end of 2010, the distribution network of Austrian Lotteries consisted of 3,820 sales outlets. These offer the games Lotto '6 out of 45', Football Pools, Goal Bet, Extra Football Pools, Extra Goal Bet, Bingo, EuroMillions, Joker, ToiToiToi, Number Lotto 1-90, Break-open Tickets, Scratch-off Tickets and the EuroBon for win2day. This means that on average one sales outlet is available for every 2,178 inhabitants.

In the case of betting slip games, average sales per sales outlet in 2010 amounted to EUR 257,135.00. The commissions for the games Lotto '6 out of 45', Football Pools, Goal Bet, Extra Football Pools, Extra Goal Bet, Bingo, EuroMillions, Joker, Number Lotto 1-90, ToiToiToi and the EuroBon for win2day in the past fiscal year totalled more than EUR 74.7 million, an average of EUR 19,549 per sales outlet.

At the end of 2010, the distribution network for instant products (scratch-off tickets and break-open tickets) consisted of 6,161 sales outlets and the average sales per instant product sales outlet amounted to EUR 23,561.00. Commissions of some EUR 11.3 million were paid out for scratch-off tickets and break-open tickets, an average of EUR 1,827.00 per instant product sales outlet.

With their commitment in the past year, sales outlets have made a significant contribution to the success of Austrian Lotteries. The distribution partners play a central role in putting the principle of responsible gaming into practise. Via training and daily practise, they are aware of the principles of responsible gaming and interacting with customers responsibly is perfectly logical to them.

The Board of Directors of Austrian Lotteries would like to thank all the sales outlets as well as their staff and professional organisations for the outstanding partnership and cooperation.



Sales Outlet

# Technical Developments

Austrian Lotteries enhances its range of games and Internet activities in line with the latest innovations. Trends are taken up by the departments and incorporated in the development of new products.

As a competence centre for all matters relating to project management, the Project and Process Management department supports the management, planning, control, administration and coordination of programmes, projects and initiatives. The portfolio of all ongoing and planned projects is a valuable basis for decision-making by Management.

## Gaming systems and platforms

To be prepared for current and future demands, the central gaming application, which has been in service for more than 15 years, was placed on a new technological footing and thus facilitates the best possible connection to the new online transaction system. The new development comprises the central gaming system and related applications/databases for all the games operated by Austrian Lotteries. 2010 saw further integration of the gaming platforms being worked on continuously.

In view of the increased security for the processing of break-open tickets and scratch-off tickets, in particular, connection of the mini-terminals to the new gaming system of Austrian Lotteries was implemented.

## New products on win2day

Similar to the external integration of poker, a bingo client was integrated into the win2day gaming platform in November 2010 by Swedish software developer Boss Media in the form of the Bingo Room on win2day. Furthermore, the range of games was extended by the casino games 'Joker Wanted' (video poker), 'Cherry Star' (slot), 'Grand Black Jack', 'Golden Nut' (slot), and 'Joker Five' (video poker), and by the Games Room games 'Hi-Lo Cards', 'Hi-Lo Triple Chance', 'Gold Climb', and 'Spin Balls'. Moreover, the new area 'MiniCasino' was launched with the three games 'American Roulette', 'Lucky Joker' and 'Robbie Rich' in the casino games segment. These small-format games are ideal for netbooks. With the 'Lotto i-Mate', an iPhone app was developed, with which draw results can be displayed quickly and simply on a mobile phone or a prize check can be carried out easily.

## Lottery game developments

Implementation of the product enhancements to Lotto '6 out of 45', which took effect in September 2010, was the focus of the IT department in 2010. In addition, the changes to Lotto '6 out of 40' and the launch of Joker in Bashkortostan were technically implemented and launched in November 2010.

## Process management in the Group

The new corporate structure of Casinos Austria and Austrian Lotteries has been supported by process management since February 2010 in order to make process flows more efficient and effective. By increasing the transparency of processes and associated responsibilities, friction losses are minimised.

Two measures planned for 2010 in the area of SAP ERP – SAP event management in Personnel Development and SAP organisation management in Personnel Administration – have been successfully implemented. Furthermore, preparations were made for the change to Windows 7 and Office 2010 planned for 2011 throughout the Group in a pilot phase.

# Outlook

The current debate on regulating the gaming sector in the European Union is being followed by Austrian Lotteries with the greatest attention.

Regarding the licence award, in the course of the amendment to the Gaming Act the legislator stipulated that the tendering procedure for licences must be conducted in the form of a transparent, pan-European search for interested parties.

Austrian Lotteries will continue to consolidate its market position in the future by introducing new games and innovative technologies. As a dynamic, forward-looking enterprise, Austrian Lotteries is one of Europe's leading lottery companies in terms of technology. To be prepared for current and future requirements, Austrian Lotteries switched all the games it operates to the newly developed central gaming system and applications/databases related to that in January 2011. With that, an optimum connection to the new online transaction system was implemented.

Moreover, 2011 will see Austrian Lotteries continuing on its path to internationalisation. In order to become more economically sustainable, it offers its expertise and services in other markets.

# Austrian Senior Citizen's Fund

Austrian Lotteries – a trusted partner for 25 years





**F**or many people, the anticipation of a well-earned retirement can go hand in hand with fear. The fear of suddenly being deprived of social contact and no longer knowing how to fill the day. These worries and fears have gained in significance in recent years especially, because society and the function of the family unit have changed in substance. Supporting the Austrian Senior Citizen's Fund has been a major concern of Austrian Lotteries for 25 years. For the living conditions of senior citizens are improved fundamentally via the diverse community life in the thousands of local groups, district organisations, clubs, sports and travel groups. The weekly water aerobics at the Fortuna retirement home, for instance. [Good for Austria](#)

# Annual Financial Statements for 2010

## Income Statement

for Fiscal Year 2010

1. Sales revenues
2. Other operating income
a) Income from the disposal of fixed assets except financial assets
b) Income from the release of provisions
c) Other
3. Expenses for material
4. Personnel expenses
a) Wages
b) Salaries
c) Expenses relating to severance payments and contributions to employee retirement funds
d) Expenses relating to pension plans and employee benefits
e) Expenses relating to statutory social security contributions as well as payroll-related taxes and compulsory contributions
f) Other social welfare contributions
5. Amortisation and write-downs of intangible fixed assets, depreciation and write-downs of tangible fixed assets
6. Other operating expenses
a) Taxes other than taxes on income
b) Other
<b>7. Operating profit = subtotal of items 1 to 6</b>
8. Income from investments, of which EUR 6,000,000.00 from affiliated companies (2009: EUR 6,000,000)
9. Income from other securities
10. Other interest and similar income, of which EUR 718,706.56 relating to affiliated companies (2009: EUR 685,000)
11. Income from the disposal of financial assets
12. Expenses relating to financial assets, of which
a) Depreciation EUR 5,638,770.52 (2009: EUR 608,000)
b) Expenses relating to affiliated companies EUR 3,550,000.00 (2009: EUR 0)
13. Interest and similar expenses
<b>14. Financial income = subtotal of items 8 to 13</b>
<b>15. Income from ordinary activities</b>
16. Taxes on income (from distribution of the tax burden)
<b>17. Annual surplus</b>
18. Allocation to revenue reserves, other reserves (non-appropriated reserves)
<b>19. Annual profit</b>
20. Profit brought forward from the previous year
<b>21. Retained earnings</b>

2010 EUR	2010 EUR	COMPARATIVE FIGURES 2009 EUR'000
	2,642,454,068.80	2,633,702
28,661.66		251
93,752.01		54
20,074,477.14		18,058
	20,196,890.81	18,363
	-4,707,218.89	-4,224
-58,988.22		-79
-31,651,375.77		-32,581
-875,136.11		-2,562
-1,890,494.00		-1,417
-7,395,175.25		-7,060
-1,068,379.19		-864
	-42,939,548.54	-44,563
	-10,935,598.15	-11,242
-389,324,248.08		-409,130
-2,178,026,813.04		-2,139,774
	-2,567,351,061.12	-2,548,904
	<b>36,717,532.91</b>	<b>43,132</b>
	6,681,980.00	6,607
	5,049,110.90	6,350
	1,451,274.75	1,660
	546,220.82	2
	-5,368,770.52	-608
	-982,247.77	-561
	<b>7,377,568.18</b>	<b>13,450</b>
	<b>44,095,101.09</b>	<b>56,582</b>
	-9,108,535.66	-12,063
	<b>34,986,565.43</b>	<b>44,519</b>
	-6,000,000.00	-6,607
	<b>28,986,565.43</b>	<b>37,912</b>
	69,271.20	157
	<b>29,055,836.63</b>	<b>38,069</b>

# Balance Sheet

at 31 December 2010

<b>ASSETS</b>	<b>2010</b> EUR	<b>2010</b> EUR	<b>COMPARATIVE</b> <b>FIGURES 2009</b> EUR'000
<b>A. Fixed assets</b>			
<b>I. Intangible assets</b>			
industrial property rights and similar rights		2,347,089.06	3,427
<b>II. Property, plant and equipment</b>			
1. Land and buildings, Of which land value EUR 3,752,183.09 (31/12/2009: EUR 3,752,000)	52,706,724.15		54,339
2. Other tangible assets, equipment and installations	16,714,298.83		22,551
		69,421,022.98	76,890
<b>III. Financial assets</b>			
1. Shares in affiliated companies	14,330,650.00		14,331
2. Loans to affiliated companies	10,650,000.00		12,800
3. Investments	1,371,111.72		1,371
4. Non-current marketable securities	156,123,180.66		157,939
		182,474,942.38	186,441
		<b>254,243,054.42</b>	<b>266,758</b>
<b>B. Current assets</b>			
<b>I. Inventories</b>			
Goods		2,381,191.63	2,489
<b>II. Receivables and other assets</b>			
1. Trade receivables	61,739.42		71
2. Receivables due from affiliated companies	10,339,029.80		8,792
3. Receivables due from retail outlets	34,974,001.71		32,280
4. Other receivables and assets	3,523,138.71		3,480
		48,897,909.64	44,623
<b>III. Securities and shares</b>			
Other securities and shares		11,646,282.29	13,904
<b>IV. Cash on hand, balances with banks</b>		113,538,981.76	97,307
		<b>176,464,365.32</b>	<b>158,323</b>
<b>C. Prepayments and accrued income</b>		2,513,866.07	2,750
		<b>433,221,285.81</b>	<b>427,831</b>

<b>LIABILITIES</b>	<b>2010 EUR</b>	<b>2010 EUR</b>	<b>COMPARATIVE FIGURES 2009 EUR'000</b>
<b>A. Shareholders' equity</b>			
I. Share capital		110,000,000.00	110,000
II. Revenue reserves			
1. Statutory reserve	11,000,000.00		11,000
2. Other reserves (non-appropriated reserves)	65,400,000.00		59,400
III. Retained earnings, of which profit brought forward EUR 69,271.20 (31/12/2009: EUR 157,000)		76,400,000.00 29,055,836.63	70,400 38,069
		<b>215,455,836.63</b>	<b>218,469</b>
<b>B. Provisions</b>			
1. Provisions for severance payments	11,611,500.00		11,201
2. Provisions for pensions	2,871,600.00		2,819
3. Provisions for taxation	10,038,600.00		8,876
4. Other provisions	26,823,300.00		28,030
		<b>51,345,000.00</b>	<b>50,926</b>
<b>C. Liabilities</b>			
1. Trade liabilities	1,052,705.13		1,741
2. Liabilities due to affiliated companies	2,622,992.88		3,750
3. Liabilities due to companies in which an investment share exists	1,318,795.87		1,910
4. Liabilities due to gaming participants	103,707,131.46		96,236
5. Other liabilities Of which relating to taxes EUR 42,950,618.50 (31/12/2009: EUR 41,015,000), of which relating to social security EUR 685,980.73 (31/12/2009: EUR 706,000)	44,047,075.44		42,372
		<b>152,748,700.78</b>	<b>146,009</b>
<b>D. Accruals and deferred income</b>		13,671,748.40	12,427
		<b>433,221,285.81</b>	<b>427,831</b>

# Statement of Changes in Noncurrent Assets

for Fiscal Year 2010

ASSET POSITION	ORIGINAL COST OF PURCHASE MANUFAC- TURING COSTS 01/01/2010 EUR	RECEIPTS EUR	DISPOSALS EUR
<b>I. Intangible assets</b>			
Industrial property rights and similar rights	17,997,493.45	491,868.24	21,565.61
	17,997,493.45	491,868.24	21,565.61
<b>II. Tangible fixed assets</b>			
1. Land and buildings Of which, land value: EUR 3,752,183.09 31/12/2009: EUR 3,752,000)	77,343,324.19	0.00	0.00
2. Other facilities, operating and office equipment	84,620,814.42	1,916,273.34	1,712,948.80
	161,964,138.61	1,916,273.34	1,712,948.80
<b>III. Financial assets</b>			
1. Shares in affiliated companies	14,330,650.00	0.00	0.00
2. Loans to affiliated companies	12,800,000.00	1,400,000.00	0.00
3. Investments	1,371,111.72	0.00	0.00
4. Non-current marketable securities	178,489,476.69	89,112.87	1,586,776.77
	206,991,238.41	1,489,112.87	1,586,776.77
	<b>386,952,870.47</b>	<b>3,897,254.45</b>	<b>3,321,291.18</b>

<b>ORIGINAL COST OF PURCHASE MANUFACTURING COSTS 31/12/2010</b>	<b>ACCUMULATED WRITE-DOWNS</b>	<b>CARRYING AMOUNT 31/12/2010</b>	<b>CARRYING AMOUNT 01/01/2010</b>	<b>WRITE-DOWNS IN THE FISCAL YEAR</b>
<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
18,467,796.08	16,120,707.02	2,347,089.06	3,426,993.03	1,571,772.21
18,467,796.08	16,120,707.02	2,347,089.06	3,426,993.03	1,571,772.21
77,343,324.19	24,636,600.04	52,706,724.15	54,338,741.62	1,632,017.47
84,824,138.96	68,109,840.13	16,714,298.83	22,551,124.46	7,731,808.47
162,167,463.15	92,746,440.17	69,421,022.98	76,889,866.08	9,363,825.94
14,330,650.00	0.00	14,330,650.00	14,330,650.00	0.00
14,200,000.00	3,550,000.00	10,650,000.00	12,800,000.00	3,550,000.00
1,371,111.72	0.00	1,371,111.72	1,371,111.72	0.00
176,991,812.79	20,868,632.13	156,123,180.66	157,939,399.46	1,818,770.52
206,893,574.51	24,418,632.13	182,474,942.38	186,441,161.18	5,368,770.52
<b>387,528,833.74</b>	<b>133,285,779.32</b>	<b>254,243,054.42</b>	<b>266,758,020.29</b>	<b>16,304,368.67</b>

# Notes to the Annual Financial Statements

## I. NOTES TO THE ACCOUNTING AND MEASUREMENT PRINCIPLES

### 1. General principles

These annual financial statements are consistent with the generally accepted accounting principles and the general requirement to present a true and fair view of the company's assets, financial position and result of operations.

In preparing the financial statements, the principle of completeness has been observed.

The principle of individual valuation was observed during measurement of the various assets and liabilities on the assumption of a going concern.

To account for the principle of prudence, only profits and gains realised at the balance sheet date are recognised and all foreseeable risks and pending losses have been considered.

The measurement principles applied in these annual financial statements are consistent with those used in previous years.

### 2. Fixed assets

Intangible assets are measured at original cost less depreciation. Depreciation is effected on a straight-line basis.

Property, plant and equipment are valued at original cost less depreciation. Depreciation is effected on a straight-line basis in accordance with section 7 of the Austrian Act on Income Tax (EStG). Low-cost assets to a single value of EUR 400.00 are fully amortised and posted as a disposal in the year of acquisition.

Financial assets are carried at cost. Impairment losses are recorded if the fair value is lower at the reporting date.

### 3. Current assets

Goods are measured at average acquisition prices.

In the case of receivables and other assets, identifiable risks are accounted for via valuation adjustments.

### 4. Provisions

Provisions for pensions, severance payments and long service bonuses are calculated in accordance with IAS 19 (projected unit credit method), based on an interest rate of 4.75 per cent (previous year 5.5 per cent).

Other provisions are made with due regard to the principle of prudence for all identifiable risks and contingent liabilities at the balance sheet date, after prudent management judgement.

## 5. Liabilities

Liabilities are stated at amounts to be paid. Foreign currency liabilities are measured at the ask price on the balance sheet date if this is higher than the book price.

## II. NOTES TO THE BALANCE SHEET

### 1. Fixed assets

The progress of individual items under fixed assets and the subdivision of annual depreciation for each item are shown in the appended statement of changes in non-current assets. The land value of the real property is also shown in the statement of changes in non-current assets.

### 2. Receivables and other assets

Receivables at 31 December 2010 are categorised according to time to maturity as follows:

	REMAINING TERM UP TO 1 YEAR	REMAINING TERM IN EX- CESS 1 YEAR	BALANCE SHEET VALUE
	EUR	EUR	EUR
1. Trade receivables	61,739.42	0.00	61,739.42
2. Receivables due from affiliated companies	10,339,029.80	0.00	10,339,029.80
3. Receivables due from distribution agencies	34,974,001.71	0.00	34,974,001.71
4. Other receivables and assets	2,723,307.30	799,831.41	3,523,138.71
	<b>48,098,078.23</b>	<b>799,831.41</b>	<b>48,897,909.64</b>

The receivables due from affiliated companies – in keeping with the previous year – are disclosed under “Other receivables“.

The receivables to 31 December 2009 can be classified by remaining term as follows:

	REMAINING TERM UP TO 1 YEAR	REMAINING TERM IN EX- CESS 1 YEAR	BALANCE SHEET VALUE
	EUR	EUR	EUR
1. Trade receivables	71	-	71
2. Receivables due from affiliated companies	8,792	-	8,792
3. Receivables due from distribution agencies	32,280	-	32,280
4. Other receivables and assets	2,598	882	3,480
	<b>43,741</b>	<b>882</b>	<b>44,623</b>

### 3. Other securities and shares

This item only concerns the game EuroMillions and arises from the international contract on the handling of this game. The securities and shares are subject to fiduciary management.

### 4. Shareholders' equity

Under revenue reserves, an amount of EUR 6,000,000.00 was added to the non-appropriated reserves (previous year: EUR 6,607,000), the corresponding amount was deducted from the net result for 2010.

### 5. Other provisions

Combined:	2010 EUR	2009 EUR'000
Profit and risk provisions for various games	5,226,700.00	6,355
Personnel costs/payroll	11,308,500.00	11,595
Other	10,288.100.00	10,080
	<b>26,823,300.00</b>	<b>28,030</b>

### 6. Liabilities

Liabilities amounting to EUR 152,748,700.78 (previous year: EUR 146,009,000) are due within one year.

As in the previous year, liabilities to affiliated companies and companies in which an investment share exists only include trade payables.

Other liabilities are essentially attributable to the betting fee and the licence fee amounting to EUR 42,172,252.00 (previous year: EUR 38,519,000). These do not become due until after the reporting date.

### III. NOTES TO THE INCOME STATEMENT

The income statement has been drawn up in accordance with the nature of expense method.

#### 1. Sales revenues

Sales revenues are generated exclusively in Austria and categorised according to operating area as follows:

	<b>2010</b>	<b>2009</b>
	<b>EUR</b>	<b>EUR'000</b>
Lotto	582,020,253.45	601,319
Football Pools	10,985,823.10	11,078
Joker	173,681,575.30	178,031
Goal Bet	1,201,154.10	1,119
Class Lottery	33,867,472.00	34,159
Break-open Ticket	26,506,746.00	27,914
Lotto 1-90	4,211,306.25	4,297
Scratch-off Ticket	118,654,295.00	123,004
Electronic Lotteries W2D	1,074,907,968.31	1,069,007
Electronic Lotteries Poker	6,341,247.29	6,527
Electronic Lotteries VLT	399,864,957.00	361,446
Bingo	11,513,952.90	11,352
Keno	57,313.50	80
Number Lotteries	18,178,284.50	17,150
EuroMillionen	180,461,720.10	187,219
	<b>2,642,454,068.80</b>	<b>2,633,702</b>

#### 2. Taxes on income

The corporation tax burden amounts to EUR 9,108,535.66 (previous year: EUR 12,063,000).

## IV. OTHER DISCLOSURES

### 1. Related-party disclosures

A relationship exists with Casinos Austria AG, Vienna, and the company is a fully consolidated member of its Group.

Regular business transactions occur with the following affiliated companies:

- Casinos Austria AG
- Österreichische Sportwetten Gesellschaft m.b.H.
- Glücks- und Unterhaltungsspiel Betriebsgesellschaft m.b.H.
- win2day Entwicklungs- und Betriebsgesellschaft m.b.H.
- OOO Ural Loto

### 2. Investments

A shareholding of at least 20 per cent of all shares exists in the companies listed below:

Omnimedia Werbegesellschaft m.b.H.

	31/12/2010	31/12/2009
Company registered	Vienna	Vienna
Amount of shareholding	26%	26%

#### Entertainment Glücks- und Unterhaltungsspiel Gesellschaft m.b.H.

	31/12/2010	31/12/2009
Company registered	Vienna	Vienna
Amount of shareholding	50%	50%

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

	31/12/2010	31/12/2009
Company registered	Vienna	Vienna
Amount of shareholding	59%	59%

### 3. Income from investments

This includes a share of the profit from the investment in Omnimedia Werbegesellschaft m.b.H. and from the investment in Entertainment Glücks- und Unterhaltungsspiel Gesellschaft m.b.H.

### 4. Average number of employees

	2010	2009
Salaried staff*	479	461

\* Full-time equivalent (annual average)

The auditors of BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, issued an unqualified opinion for the annual financial statements for 2010.

# Masthead

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