

# NOVOMATIC AG

**Interim Financial Report** as of June 30,2010

## Key figures of NOVOMATIC AG (Group)

All figures in million EUR (except *)	01 - 06 2010	01 - 06 2009	Change	
Sales revenue	660.2	617.2	43.0	7.0%
EBITDA	215.6	236.7	-21.1	-8.9%
Operating profit (EBIT)	108.9	145.8	-36.9	-25.3%
Consolidated profit after taxes	56.9	84.2	-27.3	-32.4%
EBITDA margin (EBITDA/sales)*	32.7%	38.4%		

All figures in million EUR (except *)	30 June 2010	31 Dec. 2009	Change	
Total assets	1,648.2	1,515.5	132.7	8.8%
Equity	671.3	639.6	31.7	5.0%
Average number of employees during the year*	10,159	10,331	-172	-1.7%

This report relates to Novomatic AG only and does not include the results of the affiliated groups of companies ACE Casino Holding AG and C.S.C. Casino Systems Holding AG.

## **Contents**

- 4 Interim Management Report**
- 7 Consolidated Balance Sheet**
- 8 Consolidated Income Statement**
- 8 Consolidated Statement of Comprehensive Income**
- 9 Consolidated Statement of Cash Flow**
- 10 Consolidated Statement of Changes in Equity**
- 11 Appendix to the Interim Financial Report**
- 18 Statement by the Board of Directors**

# Interim Management Report

as of June 30, 2010

NOVOMATIC AG, Gumpoldskirchen

## Business activities

Novomatic AG and its subsidiaries (hereinafter referred to as "Novomatic Group") is a global gaming company. Novomatic Group operates numerous gaming establishments (casinos and electronic gaming casinos) and betting outlets worldwide. In addition, Novomatic Group is internationally recognized as a leading developer and manufacturer of innovative gaming equipment and systems. As a content provider for licensed online and offline suppliers in regulated markets, Novomatic has built up a third pillar in addition to its dual strategy of being active as a manufacturer and operator. In combination this makes Novomatic Group the largest integrated gaming group in Europe.

## General economic situation

In the first six months of 2010, the overall economic situation in the markets where Novomatic Group conducts business continued to be impacted by the still tangible effects of the world economic crisis - with certain Eastern European countries being particularly affected. The continued reluctance of gaming operators to make investments, the consequences of the shuttering of the Ukrainian gaming market and the reshaping of the Russian gaming market as well as the complicated economic framework conditions all continued to have an effect on Novomatic Group's market environment in the first half of 2010. Thanks to Novomatic Group synergies stemming from its dual strategy as well as Novomatic Group's regional diversification, the impact of the economic crisis on revenues and results was able to be softened.

## Sales and leasing activities

The number of gaming devices leased was also able to be increased in the first six months of 2010. Market share in the important core market of Germany continued to expand and consolidate.

In the first six months of 2010, revenues from the sales segment suffered from gaming operators' continued reluctance to invest due to the economic crisis. In addition, the high number of used devices on the market, particularly from Russia and the Ukraine, had a negative influence on the sales of gaming equipment. However, a positive trend is discernible compared with the previous year. Monthly revenue in the sales segment was able to be continually increased in the first six months of 2010.

## Gaming operations

The buildup and expansion of gaming operations in select markets was also continued in the first half of 2010. Novomatic has over 900 locations in operation worldwide as of June 30, 2010. Expansion was especially driven by organic growth, with investments focused on the markets of Germany, Austria and Southeastern Europe.

Due to the significant effects of the economic crisis, economic conditions continued to be a challenge in the first six months of 2010, especially in many Eastern European countries. Because of cost-saving measures introduced in a timely fashion as well as the optimization and/or closing of locations, a considerable improvement in revenue was nevertheless attained in the gaming operations segment.

Because of the amendments BGBl [Federal Law Gazette] 54/2010 and 73/2010 to Austrian gaming law, the legal framework for games of chance in Austria have changed, specifically to limit the maximum number of gaming machines in Austria, to mandate the acquisition of new licenses for the operation of gaming machines, and to grant additional providers the possibility of acquiring licenses for the operation of casinos in Austria. In addition, the operation of gaming machines will become technically more complex, as networking with Bundesrechenzentrum GmbH is now mandatory. Novomatic Group plans to consolidate its market position in Austria on the basis of the new legal situation, and will attempt in particular to obtain new licenses for existing as well as for new locations for machine gaming and casinos. This is however to a large extent dependent on the granting of necessary licenses by the relevant authorities.

On February 27, 2010, Chile was rocked by a massive earthquake. The Resort Casino World, a joint venture operation, is located in the area affected by the earthquake. Due to damage to the building, the Resort Casino was only able to be re-opened on June 30, 2010. Comprehensive insurance coverage was available to cover damage to the building as well as losses from the interruption of operations; economic losses for Novomatic Group were therefore mainly reduced to a portion of the insurance deductible. Due to the Chilean population's prior experience with earthquakes, Novomatic Group does not expect that the earthquake will endanger the intrinsic value of the casino project in the long-term. This has also been confirmed by positive revenue development subsequent to re-opening.

## **Betting operations**

In the betting operation segment, Novomatic is focused on terrestrial branch operations in Austria. Novomatic has a total of 194 domestic locations in operation as of the end of the first six months of 2010, and thereby continues to be the sportsbetting supplier with the most branch locations in Austria. The soccer world championship 2010 in South Africa had a positive influence on sales revenues.

## **Financial performance indicators**

### **Financial situation**

From the current business activities during the first six months of 2010, a cash inflow of EUR 128.7 million was generated throughout the Group, including changes in net working capital.

Cash outflows due to the Group's investment activities amounted to EUR 164.5 million during the first half of 2010, with the most significant item being investment in tangible fixed assets.

The cash inflow from financing activities accounted for EUR 63.8 million in the first half of 2010.

In accordance with the growth strategy adopted by Novomatic, investments in Novomatic operated gaming establishments were made while also continuing to greatly increase the number of machines operating under leasing agreements.

### **Profit situation**

Sales revenues amounted to EUR 660.2 million in the first half of 2010 (first half of 2009: EUR 617.2 million), with EUR 283.6 million coming from sales and leasing, EUR 243.0 million from gaming operations and EUR 124.8 million from betting operations.

The cost of sales amounted to EUR 223.0 million (first half of 2009: EUR 169.8 million). Personnel expenses were EUR 126.6 million in the first half of 2010 (first half of 2009: EUR 114.9 million). Other operating expenses accounted for EUR 208.1 million (first half of 2009: EUR 185.2 million).

Earnings before interest, taxes, depreciation and amortization (EBITDA) thus amounted to EUR 215.6 million (first half of 2009: EUR 236.7 million).

Results from ordinary business activities amounted to EUR 92.7 million (first half of 2009: EUR 142.6 million). After the deduction of taxes on income and earnings in the amount of EUR 34.9 million (first half of 2009: EUR 45.7 million) the Group achieved a consolidated operating income of EUR 57.3 million in the first half of 2010 (first half of 2009: EUR 83.3 million).

## **Significant events after the balance sheet date**

Subsequent to the balance sheet date, Novomatic Group completed its market entrance into Malta through the re-opening of the Dragonara Casino. Novomatic Group's share of the licensee Dragonara Gaming Ltd. amounts to 40%. In addition, the company BeatYa Online Entertainment Ltd., also headquartered in Malta and active in browser-based games of skill, was acquired through the group company Greentube I.E.S. GmbH.

In August 2010, Novomatic Group's leading market position in Albania was further consolidated through the takeover of the gaming arcade chain Astra Albania Sh.A.

## **Risk report**

The extreme fluctuations of the international capital markets have not yet significantly improved the general market conditions of several of the countries where Novomatic Group is active, and are negatively influencing demand for the services and products of the gaming industry which the Group develops and supplies. If unemployment continues to rise in the current and coming business years due to the financial and economic crisis, causing a reduction of the amounts wagered by visitors and/or a continued decrease in the investment volume of clients for new purchases of Novomatic Group products, then this could have a negative effect on the asset, financial, and earnings situation of Novomatic Group.

Novomatic Group operates on the basis of currently valid political, economic, legal and tax framework conditions. Novomatic Group is vulnerable to the risk of changes in regulatory and tax framework conditions, administrative practice or too a possible prohibition of games of chance in jurisdictions where Novomatic Group is active.

Sales of gaming machines or other gaming products in the countries where Novomatic Group is active require authorization by a government gaming regulatory agency. Both manufacturing as well as distribution licenses are generally granted for a limited period of time, subject to review and certification by relevant inspection agencies. Licenses granted are usually automatically extended as long as no violations of license requirements occur. Novomatic Group counters this risk by strictly observing legal requirements and the principles of reliability and integrity in business transactions.

# Consolidated Balance Sheet

as of June 30, 2010

	Notes	30 June 2010 TEUR	31 Dec. 2009 TEUR
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets		151,815	135,257
Tangible assets and investment property	(1)	716,934	706,256
Investments in associated companies		95,085	86,865
Non-current financial assets		31,620	11,733
Deferred tax assets		25,720	26,940
Other non-current assets		41,467	42,128
		<b>1,062,641</b>	<b>1,009,179</b>
<b>Current assets</b>			
Inventories	(2)	156,269	136,661
Trade and other receivables	(3)	165,453	133,025
Current tax receivables		16,860	15,622
Current financial assets		2,218	5,129
Cash and cash equivalents		244,806	215,838
		<b>585,606</b>	<b>506,275</b>
<b>Total ASSETS</b>		<b>1,648,247</b>	<b>1,515,454</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Equity</b>			
Share capital		26,000	26,000
Capital reserves		976	976
Retained earnings		631,547	605,385
Revaluation reserves in accordance with IAS 39		-1,362	-1,362
Currency translation adjustment		-23,074	-22,900
		<b>634,087</b>	<b>608,099</b>
Minority interests		37,200	31,523
		<b>671,287</b>	<b>639,622</b>
<b>Non-current liabilities</b>			
Long-term financial liabilities	(4)	545,225	353,265
Long-term provisions		22,870	21,923
Deferred tax liabilities		29,309	24,459
Other non-current liabilities		12,246	13,212
		<b>609,650</b>	<b>412,859</b>
<b>Current liabilities</b>			
Short-term financial liabilities	(5)	133,474	215,939
Short-term provisions		58,638	50,809
Current tax liabilities		22,788	51,162
Trade payables and other liabilities	(6)	152,410	145,063
		<b>367,310</b>	<b>462,973</b>
<b>Total LIABILITIES AND EQUITY</b>		<b>1,648,247</b>	<b>1,515,454</b>

## Consolidated Income Statement

for the business year from 1 January 2010 to 30 June 2010

	Notes	01 - 06 / 2010 TEUR	01 - 06 / 2009 TEUR
<b>Sales revenues</b>		<b>660,168</b>	<b>617,211</b>
Changes in inventories of finished goods and work in progress		20,816	26,896
Own work capitalized		55,573	32,629
Other operating income		36,800	29,785
Cost of materials and production-related services purchased		-223,037	-169,769
Personnel expenses		-126,605	-114,868
Amortization of intangible and depreciation of tangible assets		-106,723	-90,909
Other operating expenses		-208,097	-185,204
<b>Operating profit</b>		<b>108,895</b>	<b>145,771</b>
Share of the profit/loss of associated companies		-2,582	0
Financial income		3,119	6,125
Financial expenses		-16,734	-9,294
<b>Financial result</b>		<b>-16,197</b>	<b>-3,169</b>
<b>Profit before taxes</b>		<b>92,698</b>	<b>142,602</b>
Income taxes		-34,947	-45,718
<b>Profit after taxes from continued business segments</b>		<b>57,751</b>	<b>96,884</b>
Profit/Loss from discontinued operations	(7)	-447	-13,547
<b>Profit after taxes</b>		<b>57,304</b>	<b>83,337</b>
<b>Thereof attributable to minority interests</b>		<b>418</b>	<b>-835</b>
<b>Thereof attributable to equity holders of the parent (net profit for the year)</b>		<b>56,886</b>	<b>84,172</b>

## Consolidated Statement of Comprehensive Income

for the business year from 1 January 2010 to 30 June 2010

		01 - 06 / 2010 TEUR	01 - 06 / 2009 TEUR
<b>Profit after taxes</b>		<b>57,304</b>	<b>83,337</b>
Currency translation – effect of foreign operations		985	-5,873
Unrealized profits (+)/losses (-) from the valuation of available assets for sale		0	-1
<b>Other earnings of the reporting period after taxes</b>		<b>985</b>	<b>-5,874</b>
<b>Total comprehensive income</b>		<b>58,289</b>	<b>77,463</b>
<b>Thereof attributable to minority interests</b>		<b>-1,577</b>	<b>817</b>
<b>Thereof attributable to equity holders of the parent</b>		<b>56,712</b>	<b>76,646</b>



## Consolidated Statement of Cash Flow

	Notes	01 - 06 / 2010 TEUR	01 - 06 / 2009 TEUR
Cash flow from operating activities	(8)	128,703	204,692
Cash flow from investment activities	(8)	-164,543	-192,794
Cash flow from financing activities		63,823	8,710
Adjustments from currency translations		985	-5,849
<b>Change in net funds</b>		<b>28,968</b>	<b>14,759</b>
Net funds at the beginning of the period		215,838	192,415
Net funds at the end of the period		244,806	207,174
<b>Change in net funds</b>		<b>28,968</b>	<b>14,759</b>

## Consolidated Statement of Changes in Equity

	Interests of Novomatic AG owners					Minority interests	Equity
	Share capital	Capital reserves	Retained earnings	Revaluation reserves in accordance with IAS 39	Currency translation adjustment		
all figures in TEUR							
<b>As of January 01, 2010</b>	26,000	976	605,385	-1,362	-22,900	31,523	639,622
1) Total comprehensive income			56,886		-174	1,577	58,289
2) Dividends			-30,000			-120	-30,120
3) Minority interest increases / decreases			295			4,220	4,515
4) Change of scope of consolidation			-1,019			0	-1,019
<b>As of June 30, 2010</b>	26,000	976	631,547	-1,362	-23,074	37,200	671,287

	Interests of Novomatic AG owners					Minority interests	Equity
	Share capital	Capital reserves	Retained earnings	Revaluation reserves in accordance with IAS 39	Currency translation adjustment		
all figures in TEUR							
<b>As of January 01, 2009</b>	26,000	976	580,877	-2,425	-18,314	37,864	624,978
1) Total comprehensive income			65,132	1,063	-4,586	-5,925	55,684
2) Dividends			-40,000			-15,970	-55,970
3) Minority interest increases / decreases			-1,793			15,554	13,761
4) Change of scope of consolidation			1,169			0	1,169
<b>As of December 31, 2009</b>	26,000	976	605,385	-1,362	-22,900	31,523	639,622

## **Appendix**

to the Interim Financial Report as of June 30, 2010  
NOVOMATIC AG, Gumpoldskirchen

### **General**

Novomatic AG headquartered at Gumpoldskirchen, Austria is one of the largest integrated gaming groups in the world. With its various divisions, Novomatic Group production activities cover nearly the entire product range of the gaming market - developing, producing and distributing high-tech gaming equipment and innovative system solutions. In addition, Novomatic Group operates more than 900 gaming and betting outlets worldwide.

### **Mandatory reviewer information**

The interim financial report was neither audited nor submitted to an audit review.

### **Underlying policies and methodology**

This interim financial report of Novomatic AG and its subsidiaries as of June 30, 2010 was prepared in conformity with the IAS 34 rules for interim financial reporting. The accounting policies and valuation methods employed are in accordance with the rules of the International Financial Reporting Standards (IFRS) as well as of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), the application of which has become mandatory throughout the European Union.

The accounting policies used in this interim financial report are the same as those used in the consolidated financial report as of December 31, 2009. There were no changes in the valuation methods used in the report as of December 31, 2009.

For more detailed information regarding the accounting policies and valuation methods employed, please refer to the consolidated financial statement of Novomatic AG as of December 31, 2009.

In the course of the preparation of this financial report, certain estimates and assumptions were made which may have an effect on the amount of assets and liabilities as well as on the amount of revenues and costs within the reporting period. These estimates and assumptions were made using the utmost care and diligence but may differ from the actual situation.

The interim financial report has been prepared in Euros. Except where indicated, the figures shown in the tables and the corresponding notes are quoted in thousand EUR (TEUR).

### **Scope of consolidation**

The following companies were first included in the scope of consolidation during the reporting period:

- Greentube I.E.S. GmbH - Group, Austria (100%)
- Gimau s.r.l., Italy (65%)
- Fiduciary group of companies, Austria (80%)

As a consequence, the scope of consolidation reflects the following developments:

Scope of consolidation	Full consolidation	At equity valuation
As of December 31, 2009	104	7
Included in the first half for the first time	8	0
Excluded in the first half	-1	0
Changed valuation in the first half	-1	0
As of June 30, 2010	110	7
Of which foreign companies	92	5

Affiliated companies which are immaterial to the Group's assets, finances, and income situation were not included in the full consolidation scope. However, they were included under the acquisition cost heading in the financial assets section.

## Acquisitions

### Greentube Group

In order to expand the product range offered by Novomatic Group, 70% of Greentube I.E.S. GmbH and its subsidiaries was acquired on January 15, 2010. An additional option exists for the remaining 30%. Greentube I.E.S. GmbH is specialized in the development of online gaming solutions and has an outstanding reputation in the field of browser based games of skill.

The preliminary fair value of the identifiable assets and liabilities of Greentube I.E.S. GmbH and its subsidiaries at the acquisition date January 15, 2010 and the respective book values directly before the acquisition date present themselves as follows:

In TEUR	Book value	Adjustments to the fair value	Fair value
Intangible assets	149	11,332	11,481
Tangible assets	332	53	385
Non-current financial assets	0	0	0
Other non-current assets	0	0	0
Deferred tax assets	49	123	172
Inventories	0	0	0
Cash and cash equivalents	5,505	0	5,505
Other current assets	631	0	631
Minority interest	0	0	0
Long-term liabilities and provisions	-2,429	-38	-2,467
Deferred tax liabilities	0	-793	-793
Short-term liabilities and provisions	-3,666	0	-3,666
<b>Net assets</b>	<b>571</b>	<b>10,677</b>	<b>11,248</b>
<b>Acquired net assets</b>			<b>11,248</b>

Based on the established fair value, the breakdown of the purchase price presents itself as follows:

In TEUR	30 June 2010
Purchase price	7,589
30% option recorded as purchase price liability	3,714
Minus acquired net assets	-11,248
<b>Goodwill</b>	<b>55</b>

The purchase price was paid in cash, resulting in a net cash drain from earnings as shown below:

In TEUR	30 June 2010
Purchase price in cash	7,589
Liquid funds of the purchased company	-5,505
<b>Investment in subsidiaries</b>	<b>2,084</b>

The comprehensive income for the period since the acquisition date amounts to TEUR 734.

### Other companies

With the goal of further expansion of Novomatic Group, 65% of Gimau Srl. was taken over by the Novomatic subsidiary Adria Gaming International S.P.A. on March 31, 2010. Furthermore, 80% of a group of companies administered in a fiduciary capacity was acquired by Austrian Gaming Industries GmbH on April 30, 2010.

The preliminary fair value of the identifiable assets and liabilities of the acquired companies at the respective acquisition date and the respective book values directly before the acquisition date present themselves as follows:

In TEUR	Book value	Adjustments to the fair value	Fair value
Intangible assets	760	4,451	5,211
Tangible assets	382	1,177	1,559
Non-current financial assets	223	-91	132
Other non-current assets	582	-5	577
Deferred tax assets	0	52	52
Inventories	3,261	0	3,261
Cash and cash equivalents	1,635	0	1,635
Other current assets	3,263	0	3,263
Minority interest	0	0	0
Long-term liabilities and provisions	-3,521	-60	-3,581
Deferred tax liabilities	0	-1,668	-1,668
Short-term liabilities and provisions	-5,996	-47	-6,043
<b>Net assets</b>	<b>589</b>	<b>3,809</b>	<b>4,398</b>
<b>Acquired net assets</b>			<b>2,920</b>

Based on the established fair value, the breakdown of the purchase price presents itself as follows:

In TEUR	30 June 2010
Purchase price	5,361
Minus acquired net assets	-2,920
<b>Goodwill</b>	<b>2,441</b>

The purchase price was paid in cash, resulting in a net cash drain from earnings as shown below:

In TEUR	30 June 2010
Purchase price in cash	5,361
Liquid funds of the purchased company	-1,635
<b>Investment in subsidiaries</b>	<b>3,726</b>

The comprehensive income for the period since the acquisition date amounts to TEUR -192.

## Notes to the interim financial report

### (1) Tangible assets

Tangible asset investments primarily consist of land and buildings amounting to TEUR 24,258 (first half of 2009: TEUR 13,906), investment in technical facilities and machines of TEUR 97,009 (first half of 2009: TEUR 70,016) and manufacturing and operation equipment and fixtures of TEUR 17,669 (first half of 2009: TEUR 20,523).

### (2) Inventories

In TEUR	30 June 2010	31 Dec. 2009
Raw materials and supplies	49,409	45,192
Work in progress	30,397	23,532
Finished goods and trade goods	63,864	58,932
Advance payments	12,599	9,005
<b>Total</b>	<b>156,269</b>	<b>136,661</b>

### (3) Trade and other receivables

In TEUR	30 June 2010	31 Dec. 2009
Trade and other receivables	107,794	89,738
Unconsolidated receivables from affiliated companies	8,466	374
Receivables from associated companies	922	1,765
Prepaid expenses	11,506	15,512
Other current receivables	36,765	25,636
<b>Total</b>	<b>165,453</b>	<b>133,025</b>

### (4) Long-term financial liabilities

In TEUR	30 June 2010	31 Dec. 2009
Bonds	347,930	149,564
Bank credits and loans	183,835	186,563
Finance lease liabilities	12,343	16,529
Other long-term financial liabilities	1,117	609
<b>Total</b>	<b>545,225</b>	<b>353,265</b>

### (5) Short-term financial liabilities

In TEUR	30 June 2010	31 Dec. 2009
Short-term financial liabilities	122,530	206,582
Finance lease liabilities	4,721	4,982
Short-term financial liabilities	929	1,102
Fair value - valuation of interest swaps	5,294	3,273
<b>Total</b>	<b>133,474</b>	<b>215,939</b>

#### **(6) Trade payables and other liabilities**

In TEUR	30 June 2010	31 Dec. 2009
Trade payables	45,399	41,735
Unconsolidated payables to affiliated companies	1,101	1,064
Down payments received	3,381	1,459
Deferred income	41,716	48,188
Other short-term liabilities	60,813	52,617
<b>Total</b>	<b>152,410</b>	<b>145,063</b>

#### **(7) Profit/Loss from discontinued operations**

The Novomatic Group withdrew from business in the Russian market in 2009. Additionally, its shares in Octavian Global Technologies Inc. were sold in November 2009. In the annual report as of December 31, 2009, profit/loss from discontinued operations was recorded for the first time in accordance with IFRS 5.

The comparative information regarding the profit/loss and the cash flows of the discontinued operations were adapted accordingly.

#### **(8) Notes on the consolidated cash flow statement**

The consolidated cash flow statement of interim financial report for June 30, 2009 was adapted; the proceeds from the disposal of fixed assets (excluding financial assets) were reduced by TEUR 24,520 as they were in fact a reclassification to current assets.

#### **(9) Seasonality of the business**

The business performance of Novomatic AG is not characterized by any significant seasonal fluctuations.

## Reports by segment

01 - 06 2010:

In TEUR	Sales and leasing	Gaming operations	Betting operations	Other	Group adjustments	Total
External sales	283,610	243,026	124,773	8,759	0	660,168
Inter-segment sales	82,715	4,294	1,667	18,072	-106,748	0
Total sales	366,325	247,320	126,440	26,831	-106,748	660,168
Segment result (EBIT)	94,323	18,246	-945	12,701	-15,430	108,895
Financial result						-16,197
Result before taxes						92,698
Taxes on income						-34,947
Result after taxes from continuing operations						57,751
Discontinued operations						-447
Profit for the year						57,304

01 - 06 2010:

In TEUR	Sales and leasing	Gaming operations	Betting operations	Other	Group adjustments	Total
External sales	300,389	217,766	94,409	4,647	0	617,211
Inter-segment sales	58,790	3,940	1,463	14,974	-79,167	0
Total sales	359,179	221,706	95,872	19,621	-79,167	617,211
Segment result (EBIT)	127,147	1,150	843	6,912	9,719	145,771
Financial result						-3,169
Result before taxes						142,602
Taxes on income						-45,718
Result after taxes from continuing operations						96,884
Discontinued operations						-13,547
Profit for the year						83,337



## **Board of Directors and Supervisory Board of Novomatic AG**

Members of the Board of Directors of Novomatic AG:

- Dr. Franz Wohlfahrt (Chief Executive Officer)
- KR DI Ryszard Presch (Deputy Chief Executive Officer)
- Mag. Peter Stein (Chief Financial Officer)

Members of the Supervisory Board of Novomatic AG:

- KR Herbert Lugmayr (Chairman)
- Dr. Gernot Hain (Vice Chairman)
- Helmut Jell
- Mag. Karl Schlögl
- Mag. Thomas Graf
- Dr. Bernd Oswald

During the first six months of 2010 there were no changes in the composition of the governing bodies of Novomatic AG when compared to December 31, 2009.

## **Significant events after the end of the interim reporting period**

No significant events occurred after June 30, 2010 which would materially affect the asset, financial, and earnings figures in this interim report.

## Statement by the Board of Directors

The Board of Directors of Novomatic AG declares, to the best of their knowledge, that the abridged consolidated interim report prepared in accordance with the International Financial Reporting Standards (IFRS), which must be applied within the European Union (EU), as of June 30, 2010 reflects the company's assets, finances and income situation as truthfully as possible, and that the interim management report as of June 30, 2010 reflects the Group's assets, finances and income situation as truthfully as possible with respect to significant events during the first six months of 2010 and their impact on the abridged consolidated interim report with respect to significant risks and uncertainties in the remaining six months of 2010.

Gumpoldskirchen, August 30, 2010

The Board of Directors of NOVOMATIC AG

**Dr. Franz Wohlfahrt**

Chief Executive Officer responsible for personnel,  
legal operations, affairs and communications/CSR  
(personally signed)

**KR DI Ryszard Presch**

Deputy Chief Executive Officer responsible for  
foreign operations research & development  
(personally signed)

**Mag. Peter Stein**

Chief Financial Officer  
(personally signed)