

CASAG: Austrian Solution prevented due to lack of Consensus with the Federal Competition Authority

Subtitle: Requirements for NOVOMATIC not economically viable – Federal Competition Authority rejects merger

Gumpoldskirchen, August 30, 2016 (OTS) – Despite months of negotiations with the Federal Competition Authority (BWB), NOVOMATIC, Europe's leading gaming technology Group, could not come to a consensus over the requirements to acquire part of Casinos Austria AG (CASAG). The BWB denied the merger because it would allegedly restrict competition.

NOVOMATIC CEO Harald Neumann, speaking about the rejection by the BWB, noted: "Unfortunately, it has become evident that the BWB, and the experts appointed by the BWB, have adopted a viewpoint that has precluded any solution that would be economically feasible for NOVOMATIC. Most of the requirements called for would not be commercially viable for the NOVOMATIC Group and would thwart the positive development of CASAG."

Although NOVOMATIC offered compromises in the areas deemed relevant by the BWB, structural changes regarding the casinos operated by the NOVOMATIC Group in the Czech Republic were also demanded – measures that even included selling some locations. By the same token, the Video Lottery Terminals (VLTs) operated by the CASAG Group would have been subject to restrictions, bringing significant economic disadvantages to both companies.

In the opinion of NOVOMATIC, the BWB gave inadequate consideration to the fact that this is not a normal competition situation but a legal monopoly. In any case, the essential competition parameters in this area are strictly regulated by the state. Therefore, it was incomprehensible for NOVOMATIC that this merger would restrict competition in any relevant way.

"Until the last moment, we fought for a solution that would have been viable for everyone concerned. In order to avert substantial economic disadvantages for the company, we could not accept the requirements demanded of us. What is especially unfortunate here is that an Austrian solution has failed. Moreover, player protection across channels and companies would have been made possible along with positive fiscal effects," added Neumann. NOVOMATIC will strategically reevaluate this situation regarding future investments in Austria, and in any case, reserves the right to appeal the decision of the BWB.

About NOVOMATIC:

The NOVOMATIC Group is one of the biggest international producers and operators of gaming technologies and employs more than 24,000 staff worldwide. Founded by entrepreneur Professor Johann F. Graf in 1980, the Group has locations in more than 50 countries and exports high-tech electronic gaming equipment and solutions to 80 countries. The Group operates more than 235,000 gaming terminals in its some 1,600 plus gaming operations as well as via rental concepts.

Through its numerous international subsidiaries the NOVOMATIC Group is fully active in all segments of the gaming industry and thus offers a diversified omni-channel product portfolio to its partners and clients around the world. This product range includes land based gaming products and services, management systems and cash management, online/mobile and social gaming solutions as well as lottery and sports betting solutions together with a range of sophisticated ancillary products and services.

Further information::

Dr Hannes Reichmann
Head of Group Communications
+43 664 301 48 20
hreichmann@novomatic.com
www.novomatic.com
www.novomaticforum.com

