



CSR REPORT

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FOREWORD BY THE

CHIEF EXECUTIVE OFFICER



Dear Reader,

Our commitment to a responsible corporate culture and our focus on sustainable business practices is an integral part of our business activities. We are well aware of the fact that the manner in which we operate our core business must always be aligned with the principles of sustainability. Consideration for the impact of our activities on economic, social and ecological systems is therefore one of the principles guiding all of our actions. In addition to this, we expect our employees to follow the highest standards of conduct and comply with legal requirements, as well as with industry regulations and our compliance guidelines.

As one of the world's largest integrated gaming groups, our business model is based on us offering entertainment at its highest level, with the intention of promoting responsible and entertaining gaming within the entire industry. It is our declared goal to always balance entertainment and state-of-the-art technology with the special requirements of the sensitive gaming industry. This is why NOVOMATIC sees responsible gaming as a core competency. We want to offer safe, fair and responsible services for all of our customers. In this context, our responsible gaming program, which is considered one of the strictest player protection systems in Europe, is of particular importance. In addition to this, our

business model provides for us creating sustainable value for our investors, maintaining our financial strength and remaining an attractive employer.

We align all of our business activities with this conception of responsible corporate governance and sustainable business. NOVOMATIC strives to integrate social, environmental and governance-related issues into its core business in a traceable and transparent manner. We commit to this in our CSR (corporate social responsibility) mission statement, as well as our Code of Conduct.

During the reporting year of 2013, we took several measures: For example with our stakeholder dialog on the issue of "Responsible gaming with amusement," a broad-based online survey of internal and external stakeholders regarding our sustainability management, a comprehensive review and analysis of our sustainability efforts carried out with the inclusion of sustainability experts, as well as the further development of our compliance system.

Based upon this, we implemented clear steps aimed at expanding our CSR commitment by increasing the exchange of ideas with our stakeholders and improving our sustainability management in those areas which our stakeholders consider to be particularly important.

On the following pages, we would like to show you how entrepreneurial success, responsible corporate management and social responsibility can enter into a relationship of constructive interaction.

We are very interested in hearing what you think about our CSR activities. This report, therefore, is also an invitation to enter into an open and constructive dialog. We would like to invite you to accompany us on our path to increased sustainability and hope you will find the report interesting and inspiring.

A handwritten signature in black ink, appearing to read "Dr. Franz Wohlfahrt".

Dr. Franz WOHLFAHRT
CEO
NOVOMATIC AG



Andrea EIBL
Office Clerk

All activities at NOVOMATIC are based on a concept of sustainability that includes the areas of corporate governance, gaming, society, employer, and environment, as well as the dialog with our stakeholders. We are convinced that assuming social responsibility is essential to the long-term business success of our company. Therefore, apart from adhering to the professional standards and ethical principles formulated in our Code of Conduct, a strong alignment with the principles of sustainable development provides the foundation for our corporate activities. For us, this means acting responsibly and entrepreneurially to ensure long-term economic success in harmony with the environment and society.

CSR Mission Statement and Strategic Fields of Action

Accordingly, we have summarized our concept of responsible corporate governance and sustainable business in our CSR mission statement as a guideline and requirement for all areas of the company. Interested readers are welcome to download this mission statement at www.novomatic.com/csr/en. We focus our activities with regard to sustainability in accordance with our five strategic fields of action, which also provide the structure for this report.

1. Responsible Corporate Governance

Our concept: For us, responsible corporate governance stands for corporate responsibility in the gaming industry and for efficient and responsible business activities, competitiveness, focused growth and a long-term value-oriented investment strategy, as well as fair and secure customer relationships.

Our approach: We see our most important responsibility in managing NOVOMATIC in a way that ensures long-term success. Competency, responsible actions and managing the business in a sustainable manner from the perspective of our customers and stakeholders form the foundation for our successful business activities. This is to the benefit of our customers, investors and employees, as well as society as a whole.

2. Prevention and Player Protection

Our concept: NOVOMATIC stands for entertainment at its highest level of technology and responsibility. Responsible gaming, i.e. comprehensive prevention measures and strict player protection, constitutes the main pillar of our sustainability management, allowing our customers to play in a safe, fair and responsible environment.

Our approach: Customers expect – and, indeed, should expect – a gaming services provider with activities around the globe to provide transparent information on the risks of gaming, as well as support to ensure a measured approach to gaming, protection of minors and effective protective measures for problematic gaming behavior. In 2012, we issued our Responsible Gaming Code as a binding requirement in order to disclose how we handle responsible gaming.

3. Employees

Our concept: Qualified, satisfied and motivated employees, as well as a diverse employee structure are of utmost importance to a company with international operations such as ours. In addition to this, sustainability in terms of human resources to us means acquiring qualified and committed specialists and executives through forward-looking human resource development and as an attractive employer.

Our approach: We position ourselves as an attractive employer thanks to secure and motivating working conditions, interesting training and further education programs, and distinctive career opportunities in a diverse working environment. We support the health and efficiency of our employees via targeted measures.

At the same time, we want to secure jobs and maintain our commitment to our Austrian headquarters.

4. Social Commitment

Our concept: For us, social commitment is an important part of our responsibility as a successful company at the locations where we do business. We view it as our obligation to share our company's success with society and thereby contribute to social solidarity.

Our approach: We do see ourselves not just as a successful company, but also as a corporate citizen. Accordingly, we assume our social responsibility. We actively commit to diversity, integration and education. In addition to this, we are actively involved as a promoter of the arts, culture, science and sports.

5. Environment and Environmental Management

Our concept: We focus on using resources carefully and minimizing the environmental impact of our business activities.

Our approach: We strive to keep the environmental impact and burden caused by our business activities as low as possible, thereby exerting both direct and indirect influence on an efficient use of resources and energy, as well as on emissions relevant to the environment and the climate. We implement this approach through a certified environmental management system, as well as with products designed for the utmost efficiency.

CSR Organization: Organizational Anchoring of CSR within the Company

For us, CSR is not just lip service but rather a strategic challenge that influences all of our business activities. The coordination and higher-level control of CSR issues is carried out by a dedicated department headed by Dr. Monika Poeckh-Racek. She reports directly to CEO Dr. Franz Wohlfahrt. The operative implementation is carried out by representatives of the individual departments such as responsible gaming, compliance, environmental management, etc. These individuals exchange ideas regularly as part of dedicated coordination, information and management meetings (e.g. the CSR jour fixe).

Stakeholder Inclusion and Dialog

For NOVOMATIC, corporate social responsibility is a continuous process of development and improvement. This is why the dialog with our stakeholders is an important building block of our sustainability management. Our main concern is to establish a systematic exchange of ideas and information with our stakeholders. In this way, we obtain a better understanding of their expectations and ideas regarding our corporate governance and thus align our sustainability management accordingly. This integration of stakeholders allows us to determine the essential fields of action, goals and results of our sustainability efforts. In addition to this, we are convinced that NOVOMATIC's success depends largely on the relationships with our most important stakeholders such as customers, investors and employees.

Our Stakeholders

For the preparation of this report, we have reviewed and reassessed our identified stakeholder groups. Within this expansive stakeholder landscape, we focus on those stakeholder groups that are impacted by our business activities or which themselves have an impact on such activities.

For us, stakeholders are all those individuals and organizations who have well-founded concerns and claims related to NOVOMATIC and its direct or indirect business activities. The most important stakeholders are our employees, customers, owners and investors, suppliers and business partners, as well as representatives of the media and organizations in the areas of culture, the arts, science, education and sports. In addition to this, there are several major stakeholder groups with whom we have a mutual and more or less regular relationship. Among these stakeholders, the ones who collaborate with us to develop new ways of improving our sustainability management and reducing our sustainability risks are particularly important. These include, for example, domestic and international associations, non-governmental organizations, the fields of science and politics, and the communities at our locations. You can find our entire stakeholder landscape at www.novomatic.com/csr/en.

Direct communication with our stakeholders and the invitation to an open dialog in order to identify important issues and challenges and to achieve traceable results through concrete measures – that is the approach upon which our stakeholder relationships are based. This procedure is aligned with the principles of inclusion, substantiality and reactivity defined in the Stakeholder

Engagement Standard AccountAbility 1000 (AA1000AS), which provides the foundation for our stakeholder management:

- Inclusion refers to the targeted and systematic involvement of stakeholders.
- Substantiality refers to the joint identification of relevant issues together with the stakeholders.
- Reactivity refers to the systematic reaction to the impulses provided by the stakeholders.

Systematic Involvement

NOVOMATIC maintains regular communication with customers, employees, investors, regulatory authorities and other stakeholder groups in order to know their expectations and interests, to present our position and to collaborate in developing sustainable solutions for relevant challenges. In this context, NOVOMATIC is committed to handling questions, recommendations, criticism and concerns that are brought forward in the most direct, open and transparent way possible.

During the 2013 reporting year, NOVOMATIC employed various dialog formats for the exchange with the individual stakeholder groups. Among other things, we used online and print media as well as our annual report as information channels and we regularly take part in initiatives within the industry. Apart from our annual stakeholder dialog, the main initiatives carried out in 2013 included a comprehensive online survey in order to determine the most important sustainability issues that receive particular attention within our sustainability management and CSR reporting.

The Core Dialog Formats included:

- Stakeholder dialog 2013 with the subject: “Responsible gaming with amusement: Challenges and opportunities for the sensitive as well as popular service of gaming.” This event was hosted out in December 2013 with eight external experts and two NOVOMATIC representatives. The dialog was moderated by an independent third party. The objective was a critical and open dialog regarding the qualitative identification and assessment of challenges and opportunities pertaining to the issue.
- An online survey of 1,500 representatives of external and internal stakeholder groups regarding the relevant issues of sustainable development at NOVOMATIC. All in all, approximately nine percent provided a complete response.

NOVOMATIC used standardized questionnaires in order to translate the results of these dialogs into a materiality matrix. For this, both internal and external sources (industry reports, sustainability ratings, requirements of reporting standards, trend reports etc.) were used to identify a number of sustainability issues that could be relevant to NOVOMATIC. Drawing from these sources, 35 higher-level issues were bundled or selected based on internal discussions and the inclusion of external sustainability experts (consulting firm 'plenum - gesellschaft für ganzheitlich nachhaltige entwicklung gmbh'). These 35 sustainability issues were then evaluated as to their relevance to NOVOMATIC by means of a questionnaire.

Our Main Sustainability and CSR Issues

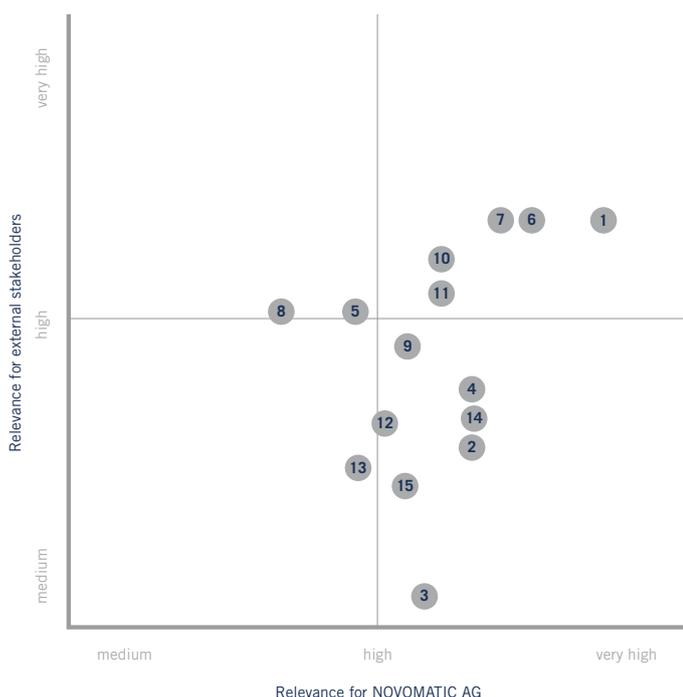
We discussed and weighted the focal points derived on the basis of this systematic stakeholder survey within a small team of internal and external experts and then coordinated the results with corporate management. We summarized the results in a materiality matrix, which provides an assessment of the relevance of major sustainability issues. The matrix includes 15 focal areas resulting from the summary of the stakeholder survey on

materiality, and we have matched these to our five strategic fields of activity. We will continue to evaluate these areas regularly in the future and, if necessary, amend or adapt them on the basis of new insights or changes.

The current materiality matrix shows that the issues of "Governance and compliance", "Responsible gaming" and "Protection of customer data" as well as the employee issues of "Employee satisfaction" and "Diversity" have the highest relevance. And from NOVOMATIC's point of view, the issues of "Fair competition", "Innovation" and "Promotion of the arts, culture, science and sports" are also of high relevance.

Relevance for Reporting

All issues included in the matrix represent the main challenges and the impact of our business activities on our own company as well as the corporate environment. As priority areas, they support us in seizing lasting opportunities and/or avoiding risks to NOVOMATIC. They are accordingly included in the sustainability report at hand. We intend to consistently improve our sustainability management in accordance with the identified main issues by implementing consistent, traceable and quantifiable measures.



Responsible business

1. Corporate governance & compliance
2. Fair competition and business conduct
3. Anchoring in regional economy
4. Innovation
5. Involvement of stakeholders

Prevention and player protection

6. Responsible gaming and consumer health
7. Protection of customer data
8. Responsible marketing

Employees

9. Job security and qualified employees
10. Employee satisfaction and health
11. Diversity

Environment and environmental management

12. Environmental management
13. Product ecology

Social commitment

14. Promotion of the arts, culture, science and sports
15. Promotion of diversity and education



Mag. Christine KNOTZ
Assistant to the Group's legal department



RELEVANT FROM THE STAKEHOLDERS' PERSPECTIVE

According to NOVOMATIC's materiality matrix, the main sustainability issues in the area of "Responsible corporate governance" are:

Sustainability issue	Affected stakeholder groups
1 Compliance and anti-corruption	Owners, employees, customers, business partners, regulators
2 Fair competition and fair business conduct	Employees, customers, business partners
3 Anchoring in regional economy	Employees, their dependents, local communities
4 Innovation	Owners, customers, employees, suppliers
5 Stakeholder involvement	All relevant stakeholder groups

THE MOST IMPORTANT ACTIVITIES FOR 2014 AT A GLANCE

- Increased acquisition of international investors
- Increased capital market focus
- Increased awareness regarding compliance issues
- Group-wide implementation of a compliance platform

Economic Stability

For NOVOMATIC, technological change, economic growth and positive changes to the regulatory framework are drivers of the business, as they open up new markets and business opportunities. However, they also include risks that need to be handled in a responsible manner. Only a company with a clear commitment to sustainability can overcome these challenges by making the most of its opportunities for all of its stakeholders, minimizing risks and filling its values with life on each and every level of hierarchy.

As an integrated gaming group, NOVOMATIC focuses on continued and controlled growth in order to create long-term value for all stakeholders. The company grows both through selective acquisitions and organically while maintaining a moderate level of debt.

A central feature of our Group is its position as a pioneer in the research and development of state-of-the-art, innovative gaming equipment. The competitive advantage arising from the duality as a producer and operator, the strong NOVOMATIC and ADMIRAL brands and our internationally networked technology centers in the area of research and development is continuously expanded. We use the synergies provided by this duality in order to make the most of our role as an integrated gaming group to create a clear added value for our customers. Our worldwide presence is one of our distinguishing characteristics – with subsidiaries in more than 40 countries, we are a strong partner for our local customers and business partners.

Commitment to our Headquarters' Location

The NOVOMATIC AG Group focuses exclusively on markets where gaming is subject to a regulatory framework and pursues the goal of achieving or maintaining a leading market position in all current and potential markets. With production locations in eight countries, ten technology centers worldwide and its own gaming operations in more than 40 countries, NOVOMATIC ensures the existence of 15,826 direct jobs.

NOVOMATIC is a vital contributor to regional and national value creation, not just in Austria, but also on an international level. A considerable degree of vertical integration and the strategic decision to have the headquarters, a major production location and the head office for research and development located in Gumpoldskirchen, Austria, are just a few examples of this. We have made a conscious decision not to follow the prevailing trend of outsourcing and to secure attractive jobs in Austria even in difficult economic times. The companies within the NOVOMATIC

Group produce hardware and software in-house. The developers at NOVOMATIC possess excellent know-how regarding technological equipment, game design, gaming algorithms and customized solutions for market-specific requirements. As an international trendsetter and innovator, we have been consistently investing far more than the industry average in research and development for many years. At more than 90 percent, the degree of vertical integration is well above the average.

Value Creation in Austria and in an International Context

A study conducted by the Federation of Austrian Industries in 2011 highlights the role of leading international companies such as NOVOMATIC as economic multipliers and drivers of innovation. This study shows that in Austria, 1 million euros of value creation generated by a leading company led to additional value creation of 2.1 million euros in small and medium-sized businesses. One job created by a leading company guarantees, on average, an additional 2.3 jobs in Austria.

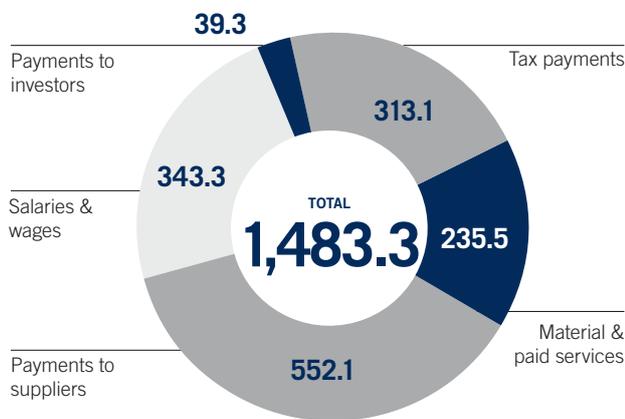
The figures for the financial year of 2013 prove NOVOMATIC's macroeconomic significance as a leading company and economic factor in Austria. Austria-wide, the payments to suppliers and business partners in the context of ongoing business operations totaled 178.1 million euros. If the expenses for materials and related services arising directly from product creation are taken into consideration, then our suppliers and business partners generated a turnover of 316.4 million euros in the 2013 reporting year. The sums of money remitted to public authorities are also considerable. Gaming taxes paid in Austria amounted to 46.6 million euros last year, with overall tax expense totaling 110.8 million euros. The NOVOMATIC AG Group is a guarantor of secure jobs; total wages and salaries paid in Austria amounted to 125.4 million euros. With respect to issued bonds, the NOVOMATIC AG Group paid out 27.1 million euros to investors, with total payments to creditors amounting to 37.6 million euros. NOVOMATIC invests in innovation and thus in the future of the company. With production facilities and technology centers in Austria, Germany, Great Britain, Spain, Iceland, the Netherlands, Hungary, Russia and Argentina as well as sales and distribution activities in more than 60 countries.

NOVOMATIC also makes a significant contribution to creating and securing jobs on an international level. Our 15,826 employees around the world received collected wages and salaries amounting to 343.3 million euros. Payments to suppliers and business partners worldwide amounted to 787.6 million euros in fiscal year 2013, of which 235.5 million euros were spent on material and

product-related services. On an international level, the Group's tax payments during 2013 contributed 313.1 million euros to public budgets.

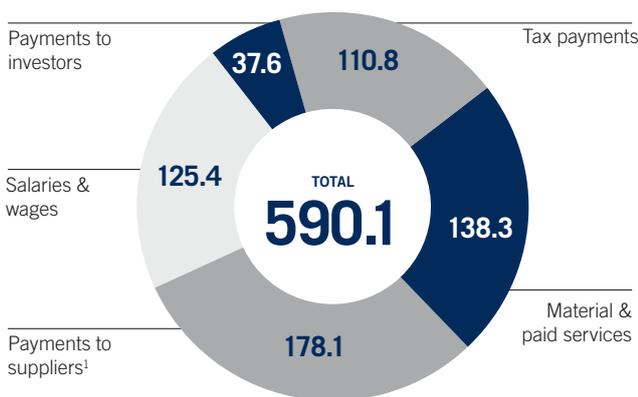
CASH FLOWS WORLDWIDE 2013

IN MILLION EUR



CASH FLOWS AUSTRIA 2013

IN MILLION EUR



Investor Relations

The objective of investor relations (IR) is not just to fulfill the statutory disclosure requirements, but also to maintain regular contact to investors, analysts and financial media, providing all relevant information and thus enabling transparent financial communication. An active and above all open dialog with the investors and the interested public is therefore of crucial importance. A responsible information policy aims at ensuring that all relevant stakeholders always receive the most current and accurate corporate information.

During fiscal year 2013, we joined Cercle Investor Relations Austria (C.I.R.A.), a voluntary interest group of companies pursuing the objective of professionalizing and continuously improving their IR activities. In August 2013, we were furthermore included in the Berenberg Bank's Fixed Income Research Coverage.

Effective 1 October 2013, the Stock Exchange of Vienna introduced a premium segment for corporate bonds under the name of Corporates Prime, which contains only those bonds which fulfill certain criteria regarding denomination, issue volume and securities prospectus requirements and the issuers of which commit to increased transparency. We consciously chose to have our bonds listed in this segment in order to ensure that investors, in particular retail investors, receive more detailed information.

Sustainable Financial Management

Sustainability is an essential element of NOVOMATIC's corporate strategy. In accordance with this principle, our financing is also long-term and conservative in nature. A solid level of debt, a high equity ratio and large liquidity reserves in the form of revolving usable credit lines and short-term investments, as well as a cash pooling agreement that was introduced in Austria during the financial year 2013, make up the central components of this strategy.

We set great store in having an internationally diversified investor base in order to limit liquidity and financing risk. Investments were made in accordance with the Group's similarly conservative investment strategy – that is to say, exclusively with banks with good credit ratings so as to minimize the risk of capital loss. The Austrian capital market is an important source of financing for NOVOMATIC. We currently have three corporate bonds with a total volume of 600 million euros listed on the Stock Exchange of Vienna, and these enjoy considerable demand among Austrian retail investors. With this, we are among the regular issuers on the Austrian capital market.

NOVOMATIC BONDS

IN MILLION EUR

	ISIN	Volume	Maturity	Interest rate
2010-2015	AT0000AOG3Z9	200 Million	5 years	4,50 % p.a
2010-2017	AT0000AOKSM6	150 Million	7 years	5,00 % p.a
2013-2019	AT0000AOXSN7	250 Million	6 years	4,00 % p.a

¹ This position includes non-income-related other taxes, fees and charges (for example, property taxes, vehicle taxes, lease agreement fees).

We accord central priority to ensuring that profitability is secured, since it is only in this way that we can uphold our responsibility to our stakeholders in the long-term. Our Group's key figures indicate that its combination of a consistent growth strategy with a conservative financing strategy has proven to be a successful one. This long-term financing, the commitment to maintaining its headquarters in Austria and the conscious decision in favor of a high degree of vertical integration in its own production facilities form part of a sustainable business strategy that ensures long-term corporate success and makes a significant contribution to society.

Fair Competition and Fair Business Conduct

NOVOMATIC AG commits to fair competition and adherence to the legal provisions on competition applicable in the countries where we do business. Integrity and fair business conduct have utmost priority, enhancing our innovative strength and ensuring prosperity within society. Any conduct that limits competition will inevitably have a negative impact on our company. In addition to this, we only enter into business relationships with licensed gaming operators.

As an innovative and leading company within the global gaming industry, we focus our communication with customers and business partners on our technological leadership and the strengths of our products. Transparent offerings provide the foundation for objective purchasing decisions on behalf of our customers. In our Code of Conduct, we commit to establishing relationships with our customers as a fair partnership. Our standardized, clearly structured sales processes and the extensive training of our employees, as well as careful selection of new sales partners, act as a guidelines for this policy.

Because of this, NOVOMATIC AG also forgoes comparative advertising and avoids misleading advertising messages.

Our customers' concerns are important to us. Personal advisory services provided by our sales and technical support representatives afford our customers the utmost level of product information. This information policy is supported by the password-protected customer area on the NOVOMATIC website, as well as through the publicly accessible NOVOMATIC app.

Compliance

In order to live up to our role as a leading gaming provider, we strive to manage our business in an exemplary manner. This commitment was the decisive factor behind the introduction of a Group-wide compliance management system.

Compliance Management

As a Group function, NOVOMATIC AG's compliance organization reports directly to the Group's Management Board. On the one hand, the compliance manager's responsibilities include the Group-wide implementation and rollout of the compliance management system (introduction and dissemination of the Code of Conduct, compliance training, establishment of a whistleblowing system etc.). On the other, they also include ongoing communication and consulting on the issue of compliance, the processing of reports on possible suspected cases, and reporting to the Management Board and the Supervisory Board. In selected foreign Group companies, local compliance managers have been instated to support Group-wide compliance management.

Feedback from Employees and Business Partners

Employees and third parties have the opportunity to provide suggestions for improvements and information on shortcomings within the company. In order to make it easier for the employees to get in touch, there are, in addition to the compliance manager, further points of contact for any issue regarding areas relevant to compliance (e.g. data protection, prevention of money laundering, CSR etc.). In addition to this, an e-mail contact address established for the entire Group (compliance@novomatic.com) ensures that such suggestions and information reach the correct recipient and do not get lost along the way.

Since 2013, we have been working on introducing a compliance platform for the entire NOVOMATIC Group that aims at facilitating exchange between the Group companies on issues regarding compliance. The platform will offer current information on compliance, make available relevant Group guidelines and training contents and allow for support in situations relevant to compliance.

Code of Conduct

NOVOMATIC AG's compliance system is based on our code of conduct, which provides rules on ethical and legally unobjectionable actions and decisions for all Group employees at all levels of the hierarchy. It is aligned with laws and international standards and constitutes an important contribution to risk management. In light of the high demands made by current legal frameworks, it is very important that all employees develop an awareness of our corporate values.

In particular a clear commitment against corruption in all its manifestations, a strong sense of responsibility towards society, and the concepts of player protection and the protection of minors are emphasized within the Code of Conduct. Apart from the clear positioning against corruption, it also deals with further issues that could entail negative consequences for the Group. These include competition laws, industrial property rights, money-laundering and privacy protection. This Code of Conduct therefore represents a collection of the most important compliance issues for our area of business and is made available to all employees via our intranet.

Compliance Training

Based on the issues mentioned in the Code of Conduct, all employees of relevant corporate areas receive extensive training on compliance topics. NOVOMATIC's e-learning training system ensures that each employee receives practical examples targeted to his or her individual area of activity (management function, sales, purchasing etc.). Since September 2012, new employees for all subsidiaries furthermore receive introductory lectures on compliance as well as on NOVOMATIC AG's behavioral guidelines at the Gumpoldskirchen location. In addition to this, personalized training has been introduced for executives and employees in functions of particularly high relevance to compliance.

Compliance Risks

In order to be able to manage the compliance risks in a conscious and targeted manner, they are recorded and assessed through a Group-wide risk management system based on the principles of the "COSO Enterprise Risk Management". The objective is to identify and analyze compliance-relevant risks at an early stage in order to be able to actively take countermeasures. Such evaluation of the risks provides the basis for the contents of compliance training in order to strengthen the awareness regarding how to deal with these risks and to increase transparency.

Protection of Customer Data

The NOVOMATIC Group is fully aware of the importance of protecting personal data. Our data protection policy is aligned with the principles of European and Austrian data protection legislation and constitutes an important element of our Group policy. It contributes significantly to strengthening the trust that our business partners and customers place in our business activities. We therefore use personal data exclusively within the scope of existing contractual relationships and in accordance with legal provisions, in particular with the individual applicable national data protection regulations.

In our efforts to protect the personal data of our business partners and customers, we have established a data protection management system on the basis of the existing legal framework; this system is subject to continuous evaluation both internally and externally.

The objective of this system is to take all measures that ensure strict adherence to our rigorous data protection policy.

Human Rights

As a producer of high-tech products, we expect the highest standards not only regarding the quality of our products, but also generally with respect to professional business conduct. We reject any type of discrimination. We commit to the prohibition of child labor and forced labor and to respect for the dignity and privacy of each and every human being. We also demand adherence to these principles from our business partners.

Customer Satisfaction

The satisfaction of our customers is particularly important to us and there exist several channels that can be used to communicate to us complaints and other concerns. Professional technical support, our marketing and sales employees, as well as a service hotline that can be reached around the clock allow for flexible and quick reactions to our customers' needs. Our efforts to ensure our customers' satisfaction focus on the direct and continued availability of information and of contact persons.



Ramona PANTILIMON
Betting waitress



RELEVANT FROM THE STAKEHOLDERS' PERSPECTIVE

According to NOVOMATIC's materiality matrix, the main sustainability issues in the area of "Prevention and player protection" are:

	Sustainability issue	Affected stakeholder groups
6	Responsible gaming and consumer health	Customers, player protection organizations, regulators
7	Protection of customer data	Customers
8	Responsible marketing	Customers

THE MOST IMPORTANT ACTIVITIES FOR 2014 AT A GLANCE

- Adjustment of the responsible gaming concepts on an international level
- Further development of the information and counseling sessions
- Adjustment of the training programs based on practical experience
- Integration of the player protection concept across all of Austria's federal states
- Systematic continuation and expansion of the dialog with stakeholders

Our Approach to Prevention and Player Protection

The ability to provide the sensitive service of gaming in a responsible manner is one of the core competencies of our group of companies. Responsible gaming, meaning comprehensive prevention and strict player protection, is at the center of our sustainability management. Customers expect – and should expect – a gaming services provider with activities around the globe to provide transparent information on the risks of gaming, as well as support to ensure a measured approach to gaming, the protection of minors and effective protective measures for at-risk players.

As one of the most successful producers of high-tech gaming equipment worldwide, NOVOMATIC makes very high demands regarding the quality of its products. As an operator of gaming facilities in regulated markets, this high standard of quality is rigorously pursued in terms of responsible business practices and services. In order to remain the market leader, we therefore attach particular value to:

- fair playing conditions,
- safe, entertaining and responsible services,
- well-informed customers,
- preventive work carried out by excellently trained employees and
- a warning system that protects our customers from excessive gaming behavior, adjusted to the individual legal frameworks.

Our many years of experience in the area of prevention of gaming addiction show that – apart from strict regulatory frameworks – these are factors that are critical to success in offering the sensitive service of gaming in a responsible manner.

We see it as our calling to promote the highest industry standards and corresponding framework conditions for responsible gaming in the markets where we do business – because prevention and player protection are corporate, societal and political challenges. We are convinced that prevention and player protection, economic success and a strict regulatory framework are not mutually exclusive, but rather that a modern responsible gaming program in fact creates the prerequisites for positive corporate development and sustainable customer relationships.

NOVOMATIC assumes this responsibility with a clear commitment to responsible gaming and defines its concept for player protection within its responsible gaming code (www.novomatic.com/responsible-gaming/en).

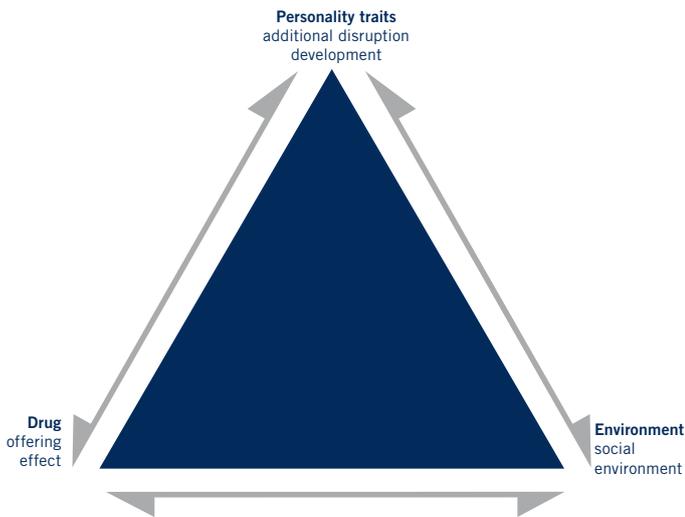
Since July 2012, this corporate policy requirement has been exerting a major influence on our Group-wide strategic orientation and we believe that it is based on the industry's highest standards. Full implementation has currently been achieved in Lower Austria via the subsidiary ADMIRAL Casinos & Entertainment AG (ACE). In the longer term, the code is intended to be implemented in all federal states and countries in which NOVOMATIC is active. To make this possible, a strict regulatory framework is an indispensable prerequisite. Without it, any measures undertaken by an operator aimed at the protection of players would not be effective. Our concept of player protection is strongly influenced by the idea of prevention and focuses heavily on the protection of minors, the training and further education of employees, communication with the customer and fair framework conditions.

Assuming Responsibility Systematically

As a gaming provider committed to player protection, we must ensure that gaming remains entertainment. Effective prevention work sensitizes all gaming participants and reaches them, at the latest, when problematic gaming behavior begins.

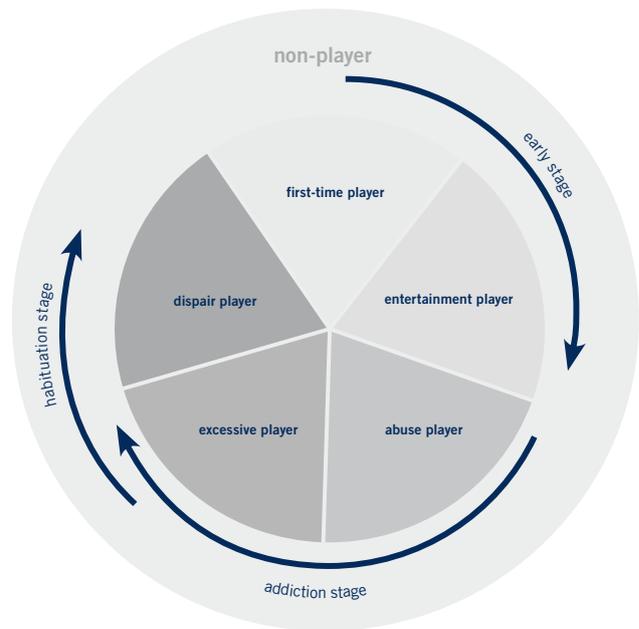
Under certain circumstances, gaming can lead to psychological, social, emotional and physical problems. Accordingly, it is an important issue not just for the affected individual player, but rather for the public as a whole. NOVOMATIC pursues a comprehensive approach based on prevention and the promotion of health. Such an approach strives to maintain and promote personal and public health (public health approach) and considers the effects of gaming on society as a whole and on all players, not just the so-called “problematic players”. The objective is consistent and comprehensive prevention, not simply the reactive treatment of pathological gaming behavior.

It should be noted that when it comes to problematic gaming, it is not just the characteristics of the individual players that are relevant, but also the social and economic framework conditions. The risk of an addiction is not an inherent characteristic of the game, but rather always arises from a combination of various factors. The insights gained from addiction research show that problematic gaming behavior arises if the characteristics of a certain game appeal to vulnerable gaming participants who cannot count on sufficient protection and “safety nets” in their personal environments. The so-called “addiction triangle” illustrates the interactions between personality, environment and addictive substance.



Our declared goal is to contribute to the reduction of problematic and excessive gaming behavior by means of our responsible gaming measures. As a gaming company, we play an important role in preventing and reducing possible negative consequences for individuals playing with our products. We therefore commit to take measures aimed at minimizing gaming addiction and increasing the safety of our consumers.

As disclosed, we view our responsible gaming measures within a larger, societal context and are aware of the fact that, in terms of responsible gaming, there is no “one-size-fits-all” solution. We rather try to bring the needs of the individual to the forefront of our consideration and increasingly focus on individualized measures:



1. Primary prevention measures	General consciousness-raising aims at reaching all customers and allowing them to make an informed decision.
2. Secondary prevention measures	Specific consciousness-raising is an intervention focused on customers with increased usage behavior, aimed at helping them regain control over gaming behavior.
3. Tertiary prevention measures/ safety nets	Individualized safety nets aim at allowing customers with problematic or pathological gaming behavior to put an end to gaming and referring them to suitable specialized organizations, thus providing helpful motivation to highly vulnerable players in tertiary prevention

In order to maintain the cycle of entertaining and “healthy” participation in gaming activities, NOVOMATIC employs the following preventive measures:

- provision of corresponding informational materials on a responsible approach to gaming,
- counseling and information sessions aimed at sensitizing participants regarding possible gaming risks.

Providing appropriate legal and technical requirements are met (as is currently the case in Lower Austria, for example), NOVOMATIC also implements the following additional measures:

- warning talks if a possible risk is suspected,
- limitation of visits and gaming bans – voluntarily by the customer or arranged by the operator,
- introduction to suitable assistance organizations as an exit strategy.

Operative Implementation of Responsible Gaming

In order for responsible gaming measures to have a sustainable effect within the framework of our operative business activities, we focus on a multilevel, systematic approach, as our best-practice example of Lower Austria shows:



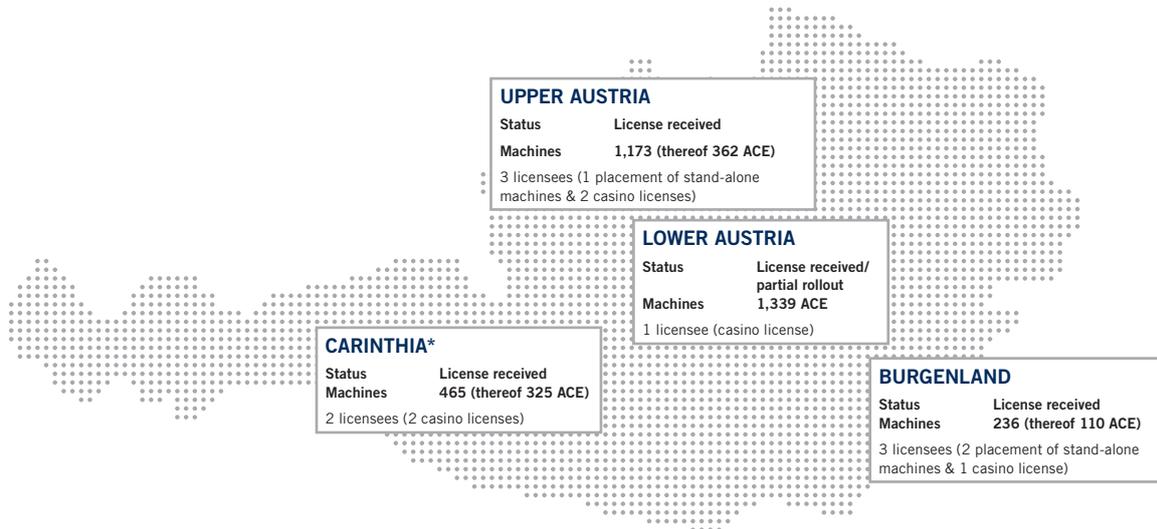
NOVOMATIC is convinced: Prevention offers the best protection for players. This is why we go to great lengths to offer our customers safe, fair, responsible services.

Update on the licensing procedures

Since 2011, ADMIRAL Casinos & Entertainment AG (ACE) has been applying for federal state-licensed machine gaming concessions in the federal states of Lower Austria, Upper Austria, Burgenland and Carinthia, in each case submitting comprehensive concepts. ACE has applied exclusively for the segments of gaming machines at electronic casinos and casinos (and not for the so-called placement of stand-alone machines, e.g. in restaurants). We are convinced that effective player protection can only be implemented by means of corresponding access control systems within an electronic casino setting. ACE is capable of applying its player protection concept across all segments and federal states.

In terms of effective player protection, we consider it crucial that customer bans be exchanged between operators. This is the only way that comprehensive player protection can ultimately be ensured.

REGULATORY FRAMEWORKS IN AUSTRIA



*Grant of license was revoked, decision pending at time of report preparation.

APPLICATIONS SUBMITTED AND LICENSES GRANTED IN AUSTRIA DURING THE REPORTING PERIOD:

27 February

ACE receives license for the operation of 325 gaming machines in Carinthia.

(license period: 15 years – decision pending and not yet final as of the reporting date)

1 August

ACE receives license for the operation of 110 gaming machines in electronic casinos in Burgenland.

(license period: 10 years)

10 June

Application for casino license for the remaining three individual concessions in Vienna Southwest (3rd – 19th and 23rd districts), Vienna Northeast (2nd and 20th – 22nd districts) and Lower Austria (outside the districts of Baden and Mödling) submitted.

13 August

ACE receives license for the operation of 363 gaming machines in electronic casinos in Upper Austria.

(license period: 10 years)

Comprehensive Player Protection

Federal State-Licensed Machine Gaming – Best-Practice Example of a NOVOMATIC Subsidiary

Article 5 of the new Austrian Gaming Act (Glücksspielgesetz, GSpG), which was enacted in 2010, created a legal framework for federal state-licensed machine gaming on a federal level. The individual federal states were called upon to formulate their individual ideas in the form of corresponding state laws, which so far had been implemented in Lower Austria, Upper Austria, Carinthia and Burgenland. During the reporting year, Styria also announced it was working on a corresponding state law. Since November 2012, NOVOMATIC's subsidiary ADMIRAL Casinos & Entertainment AG has been the only licensee and the first operator of electronic casinos under these new requirements in Lower Austria. The license includes the installation of a total of 1,339 gaming machines and is valid for a duration of 15 years. In combination with the access control system and the personalized

ADMIRAL Card, all ADMIRAL locations fulfill crucial requirements of a modern gaming operation. For this, the following (protection and security-relevant) aspects are taken into consideration:



Even before the new legislation regarding federal state-licensed gaming machines, Lower Austria had already been a so-called “permission state”¹. This has resulted in legally mandated transitional periods for legacy licenses that still apply through the end of 2014.

These transitional periods make prevention work difficult and in some cases result in considerable confusion among customers. On the one hand, the license owner ADMIRAL Casinos & Entertainment AG offers gaming according to the new, strict legal requirements; on the other hand, until the transitional period expires, holders of legacy licenses continue to offer gaming services to the market that are not yet subject to the these framework conditions.

During 2013, ACE further developed its submitted player protection concept in close coordination with the state government of Lower Austria and based on practical experience:

- Semi-annual monitoring periods were shortened to monthly observation periods.
- In addition to visiting habits, gaming behavior was also included in observation.
- For young adults in the age group of 18 through 25, particularly sensitive observation parameters regarding conspicuous gaming behavior were introduced.

Consciousness-Raising and Communication

The foundation for increased awareness on the Group level was laid with the Responsible Gaming Code. Here, it becomes clear that the protection of players has high priority and that the issue is one to which the entire management team is devoted.

Another building block is the training and further education of employees. This was conceived in collaboration with experts and is, to a considerable degree, also implemented by these experts. All employees with customer contact participate in a customized, target Group-specific training program. Educational programs matching the individual professional requirements are available, from basic training to the training curricula for the prevention representatives in collaboration with the Anton Proksch Institute. Training for a prevention representative who conducts conversations with the customers amounts to approximately 100 hours.

NOVOMATIC focuses on strengthening its customers' personal responsibility and supports them in making informed decisions. This is made possible through the player protection information brochure which is available for free and is, by default, handed out to every first-time visitor in Lower Austria, as well as through

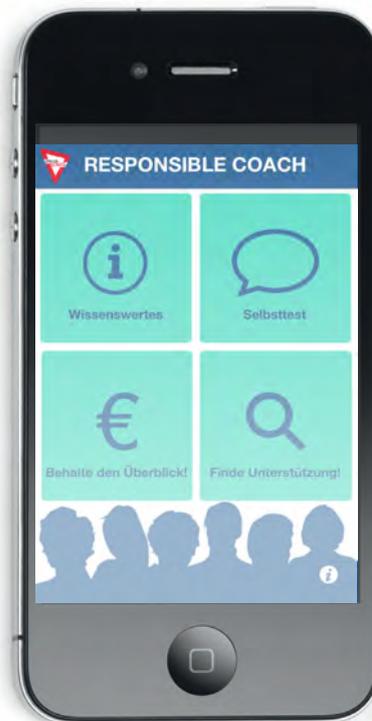
information and counseling talks. In addition to this, we engage in a constant dialog with stakeholders and decision makers (e.g. as part of stakeholder dialogs). For us, the mutual learning process and the increase in awareness are paramount in this context.

Responsible Communication

We commit to the principles of responsible communication. For us, this means voluntary self-limitation in advertising, avoiding any promise of winnings. Each promotional campaign conducted by ACE includes a disclaimer that provides transparent information on the risks of gaming as well as a toll-free helpline. When designing our advertising messages, we take particular care to ensure that we address an adult target group.

i

NOVOMATIC's most recent development aimed at raising consciousness is the responsible gaming app – the RG Coach. The RG Coach provides information on important facts related to the subject of gaming, supports in monitoring the gaming capital, provides feedback on the gaming behavior and shows where to find help, if necessary.



iOS QR-Code



Android QR-Code

¹ In Austria, the regulation of the so-called federal state-licensed gaming machines is the responsibility of the individual federal states.

ADMIRAL CARD

The ADMIRAL Card is part of a technologically advanced and safe access system that NOVOMATIC is using to set new standards throughout Europe. Here, you can see an overview of the characteristics and benefits offered by the ADMIRAL Card:

1

Data Security

The ADMIRAL Card does not store any personal data, only an alphanumeric code. This excludes the possibility of any misuse of data.

2

Personalization

A photo and printed personal data ensure that the card is not passed on to third parties. A PIN code protects against abuse by unauthorized persons.

3

Contactless Key Function

After registration, modern SMART chips allow the ADMIRAL Card to serve as the key for the turnstile to the machine area.



4

Informative

The ADMIRAL Card system allows the classification of visiting and gaming behavior, thereby enabling individualized protective measures.

5

Networked

The ADMIRAL Card can be used across federal states and different segments.

Best-Practice Example: The ADMIRAL Card in Lower Austria

Major requirements for the implementation of responsible gaming are a mandatory access control system and personalized participation in gaming activities. This should, however, under no circumstances be left to the discretion of gaming service providers; it must rather be prescribed by strict legal regulations that apply equally to all market participants. Only in this manner is it possible, in our view, to guarantee consistent protection of minors and individual prevention and protection measures.

The ADMIRAL Card, which is currently in use in Lower Austria and will also be implemented in further federal states, offers a modern and effective access and monitoring system which is subject to continuous quality control. With this innovative system, NOVOMATIC establishes a new standard for gaming safety and player protection. The functionality of this card, combined with the access control system, allows for the optimal and customized implementation of player protection measures.

Screening of Visiting Habits and Gaming Behavior

The protection of the players against possible negative consequences of excessive gaming – in terms of both time and financial means – is achieved through two different screening processes that analyze visiting habits and gaming behavior. The gaming behavior screening shows, at monthly intervals, the guests with increased gaming activities. NOVOMATIC pays particular attention to the group of young adults in the age group of 18 through 25, since in this particular target group protective mechanisms must be activated at an earlier phase. If a customer is identified through this screening process, we seek to have a personal conversation. Specially trained employees, our prevention representatives, seek to determine through personal conversations how aware the customer is of the extent of his or her participation in gaming and whether this corresponds to his or her financial means.

The screening data and available information on the customers, combined with the personal conversation, allow an overall evaluation and decision regarding suitable measures.

Social Control

Nowadays, players are offered a selection of various regulated and unregulated gaming services. This is why it is very important to also pay attention to behavioral patterns, as we probably only see an outtake of our customers' visit and playing habits. During

their training, our employees are sensitized regarding conspicuous behavior and have the ability to report their observations via a standardized observation protocol. This social behavioral control reflects our client-centered approach, which puts customers at the center of attention.

Conversations

Our approach to customer conversations was advanced considerably during the reporting year. The principle of client-centric conversations served as a guideline for the manner in which we arrange and conduct talks with customers. Even if it is a statutory requirement to have conversations if a possible risk to the subsistence level is suspected, it is important to us to approach our guests in an appreciative and discreet manner. This requires a high degree of empathy. The main emphasis here is on a sensitive ear (empathy), genuineness (congruence) and appreciation (acceptance). Based on this principle, we have designed conversational guidelines as well as the process of arranging a conversation in a more customer-friendly manner. During the conversation, we are required to communicate legally stipulated contexts, such as information regarding the risks of participating in gaming, possible risks to the subsistence level and counseling institutions. At the same time, we seek to determine through a dialog whether the customer is aware of his or her gaming behavior and its possible consequences and whether the extent of his or her gaming activities is appropriate in light of available financial means. In addition to this, the customer is made aware of different possibilities of controlling his or her gaming activities. Our employees are not responsible for diagnosing our customers' behavior. In cases where our prevention measures show no effect, we see it as our responsibility to refer affected customers to corresponding experts.

Monitoring the Success Rate with the ADMIRAL Card System

With our responsible gaming concept, we strive not only to fulfill legal requirements, but to also achieve a sustainable effect. As a provider of gaming services with ISO-certified quality management, ACE pursues a process of continuous improvement. We strive to make our activities in the area of prevention and player protection more measurable – a quest for which the system currently implemented in Lower Austria provides the optimal conditions. We focus on indicators which allow us to evaluate whether and to what extent we are able to achieve sustainable change regarding the playing behavior of individual players.

We do our best to keep the percentage of customers who refuse to have a conversation with us as low as possible. Due to disparate requirements for gaming services providers, it unfortunately happens time and again that customers do not want to take us up on our invitation to participate in an informative talk and instead prefer switching to other gaming offerings. For us, this measure is therefore an important indicator of how well we are able to familiarize our customers with the positive aspects of, and honest intention behind, these talks.

As soon as we recognize indications of problematic gaming behavior, we take appropriate measures. In keeping with the concept of prevention, however, we aim above all to enlighten those with whom we converse in order to prevent negative developments at an early stage. In cases where we are able to convince the customer to reduce his or her playing behavior independently, we consider our prevention mandate to have been fulfilled. This provides us with an indication of how effectively our trained employees were able to appeal to our customers' self-responsibility. This is what we consider sustainable prevention work.

Cooperation with Experts in Austria

The constant exchange with experts and the continuous external evaluation of our responsible gaming concept are important drivers of further developments. For this, we engage in a regular exchange with counseling and research institutions with the objective of progressing through a mutual learning process. The

insights gained during this exchange are included in our training programs as well as in our operative processes.

Since 2009, the Responsible Gaming Symposium has been an annual series of events where we invite all Group employees involved in responsible gaming-related activities to exchange ideas, initiate internal developments and create a communication platform with external experts.

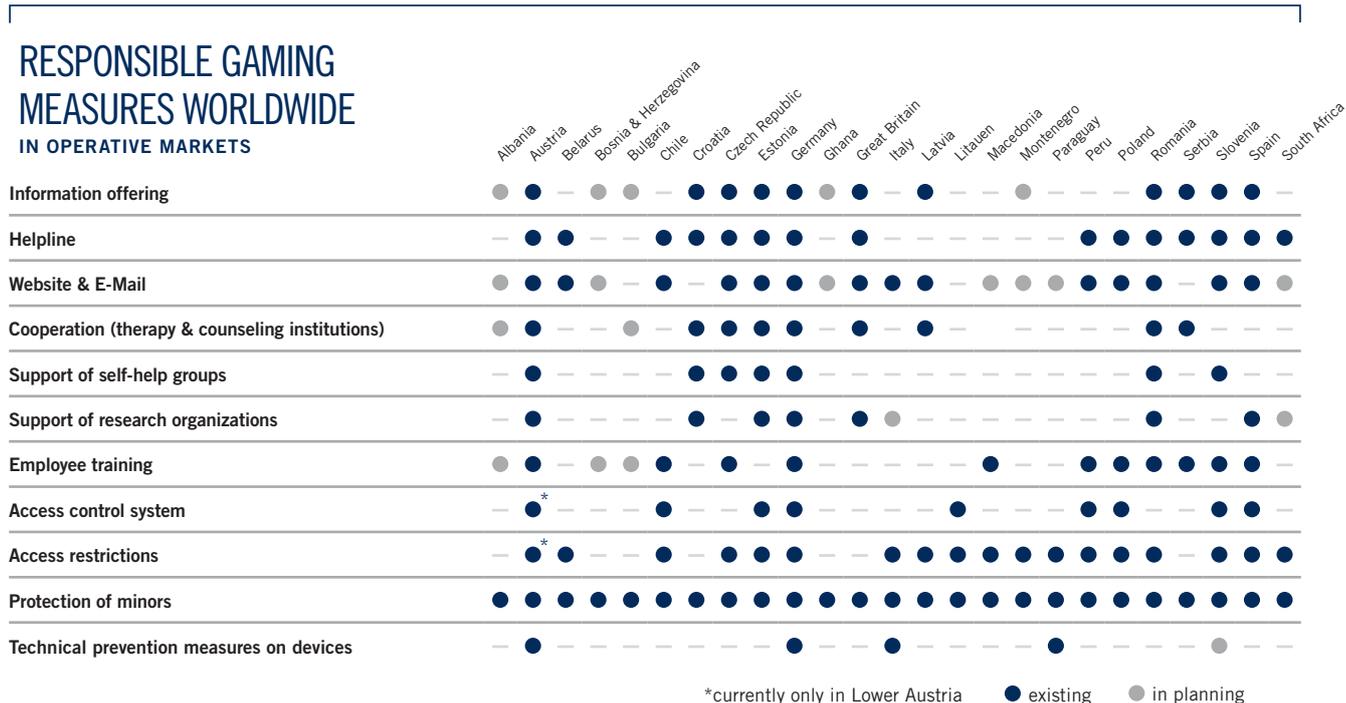
NOVOMATIC International

The Responsible Gaming Code is considered a commitment to responsible gaming within the entire Group. The implementation of the individual principles formulated within the code depends strongly on individual market conditions and national laws. The trend towards more strictly regulated gaming markets still varies significantly on the international level.

The amendment of the Austrian Gaming Act, which was enacted in 2010, also introduced stricter regulation of the gaming machine segment of the Austrian market for the first time ever. In the reporting year of 2013, ACE was able to gain new experience in the practical application of these new regulations and to estimate their impact. With these experiences gained in Austria, NOVOMATIC was finally able to evaluate the effectiveness and practical applicability of its player protection concepts.

With this expertise, we can participate in new markets or in the planning of new market regulations and recommend feasible and effective measures.

Player Protection Without Borders



A Dialog with our Stakeholders

On 6 December 2013, NOVOMATIC hosted its second stakeholder dialog as a round table discussion. As part of this expert panel discussion at the Novomatic Forum, an intense and open debate was held on the subject of “Responsible gaming with amusement: Challenges and opportunities for the both sensitive and popular service of gaming”.

Together with Dr. Monika Poeckh-Racek, Head of CSR at NOVOMATIC, the invited experts on issues such as player protection, gaming addiction, consumer protection, market research, sustainability and CSR, business ethics, and culture and media exchanged ideas over the course of a three-hour long discussion. What they were particularly keen on finding out was how NOVOMATIC AG assumes its responsibility, as well as how it is implemented within the core business. In such a context, euphemisms would be out of place. Our approach, therefore, is: We react to critical voices by opening up, listening and participating.

Central statements from the dialog included the following:

The perception of CSR and sustainability is too one-sided. This means that NOVOMATIC is perceived almost exclusively in the context of sponsoring. And for the experts, the relationship with the core business has priority in terms of sustainability.

A considerable challenge identified by the experts was with reference to communication and an image change: To communicate in an understandable and credible manner what NOVOMATIC does with regard to responsible business, player protection and sustainability, and what it is exactly that NOVOMATIC stands for. It is in NOVOMATIC's own interest to convey the image of clean, safe gaming and a responsible company.

According to the experts, there is a considerable opportunity to increase the social mandate and to expand and make even better use of NOVOMATIC's extensive involvement and experience in the area of promoting the arts, culture, science and sports. The experts see an opportunity to achieve this through targeted support of educational projects that are related to the core business. One thing that became very clear during the dialog: Crucial factor for the achievement of sustainable corporate development will be how NOVOMATIC carefully balances different interests and takes a proactive stance when dealing with the relevant issues. Particularly in a highly sensitive industry environment, simple answers are the exception. So it is all the more important that in the future we continue to exchange ideas systematically and openly with our stakeholders. Our offer: Collaborative search for solutions to problems and potential risks.

The event was conducted and moderated externally by the sustainability consulting firm “plenum – gesellschaft für ganzheitlich nachhaltige entwicklung gmbh”.



Mag. Andreas KREUTZER
Kreutzer, Fischer und Partner, market research company

Why does Vienna have these parlors hidden behind opaque windows? These aren't an invention of the gaming service providers – they're mandated by law.

(Mag. Andreas Kreutzer, Kreutzer, Fischer und Partner, market research company)



Univ.-Prof. Dr. Gabriele FISCHER
 Medical University of Vienna, Center for Public Health,
 University Clinic for Psychiatry & Psychotherapy

More than 99 percent of the population participates in gaming as part of their leisure activities. Among these, a maximum of 30,000 adults in Austria will develop the characteristics of a gaming addiction during the course of their lives. These are the people who need to be helped via evidence-based medical and psychological treatment that includes quality assurance.

(Univ.-Prof. Dr. Gabriele Fischer, Medical University of Vienna, Center for Public Health, University Clinic for Psychiatry & Psychotherapy)



Ing. Franz FLOSS
 Verein für Konsumenteninformation (Consumer Information Association)

In my view, the prevention of gaming addiction is a good thing. However, I do not believe that it will help a lot to publicize this widely. Because who is going to believe that he or she is or can become a gaming addict? If at all, then you need to change your image as a company.

(Ing. Franz Floss, Managing Director of the Consumer Information Association)

External experts:

Univ.-Prof. Dr. Gabriele FISCHER:

Medical University of Vienna, Center for Public Health, University Clinic for Psychiatry & Psychotherapy

Ing. Franz FLOSS:

(Consumer Information Association)

Mag. Andreas KREUTZER:

Kreutzer, Fischer und Partner, market research company

Max BRZOBOHATY, M.A.:

respACT – Corporate Platform for Corporate Social Responsibility (CSR) and Sustainable Development

Markus KALBHENN:

HuMan-Institute for humanistic Management

Mag. Veronika KOTZAB:

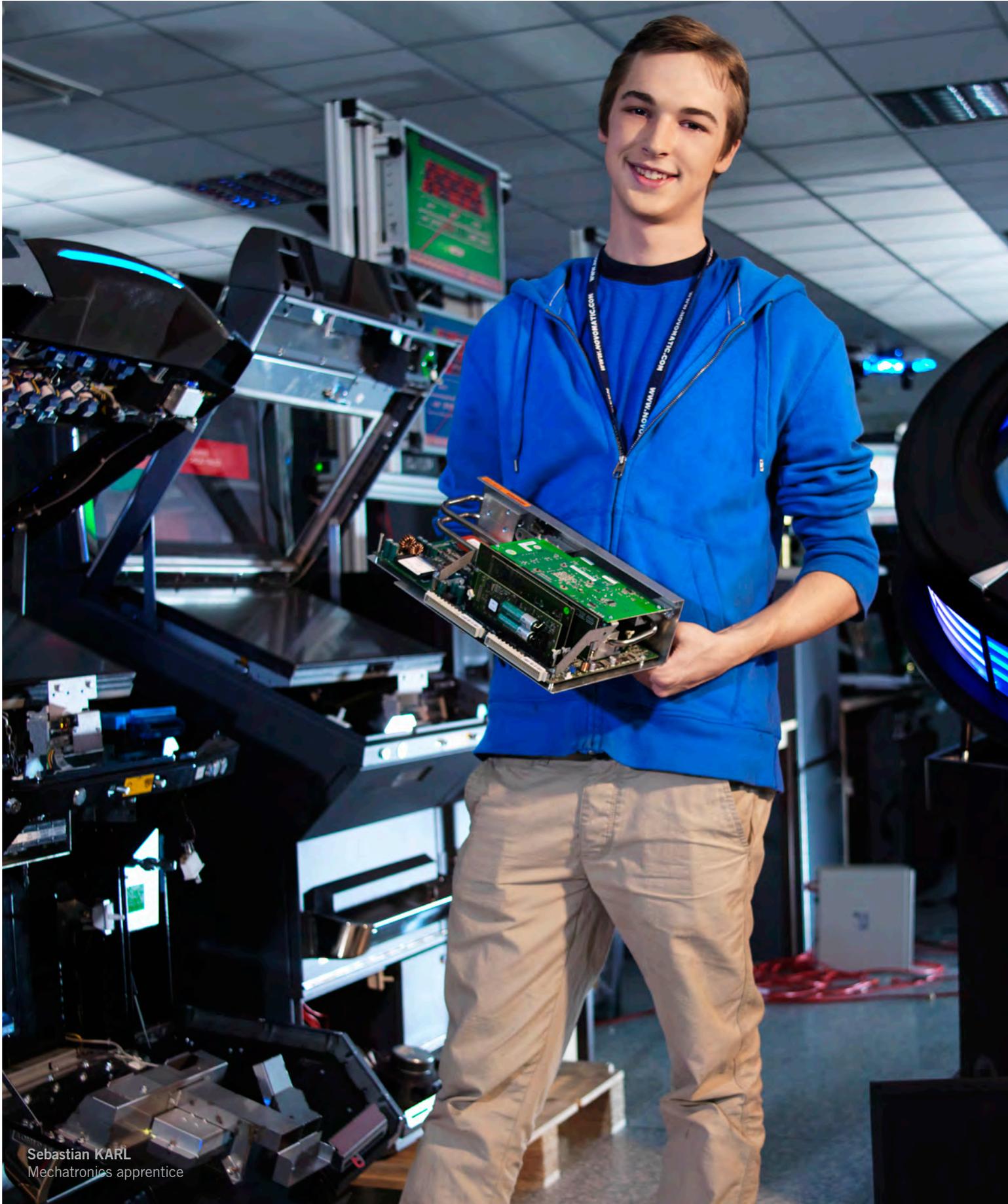
Federation of Austrian Industries, Social Responsibility Department

Billy VAVKEN:

I Dance Company

Christoph DWORAK:

Niederösterreichische Nachrichten (Lower Austrian News)



Sebastian KARL
Mechatronics apprentice



RELEVANT FROM THE STAKEHOLDERS' PERSPECTIVE

According to NOVOMATIC's materiality matrix, the main sustainability issues in the area of "Employees" are:

Sustainability issue	Affected stakeholder groups
9 Job security and qualified employees	Employees, their dependents, local communities at the locations (municipality, state, nation)
10 Employee satisfaction and health	Employees
11 Diversity	Employees

THE MOST IMPORTANT ACTIVITIES FOR 2014 AT A GLANCE

- Acceleration of the international rollout of e-learning.
- Optimization of apprentice training
- Expansion of the recruiting marketing strategy to increase attractiveness as an employer
- Assumption of payroll accounting for further subsidiaries
- Expansion of software solutions in the area of HR

Unless explicitly noted otherwise, the following statements and figures relate to Austria.

Focusing on the Well-Being and Satisfaction of our Employees

Our more than 20,000 worldwide employees within the NOVOMATIC Group played a major part in establishing NOVOMATIC as one of the largest integrated gaming groups. These are determined, motivated, technically highly qualified people with unique personalities who achieve astonishing results for the company day after day. We want to be perceived as a responsible employer. We strive to ensure that our employees enjoy their work and have the opportunity to enhance their professional and personal development. Mutual respect and appreciation are just as important to us as is the consistent continued development of our employees' competencies and potential. In order to attract the best professionals in their field and to establish a long-term collaborative relationship with them, we strive to offer safe and attractive jobs, a goal-oriented human resource policy, appropriate compensation structures, and a number of ways in which to reconcile professional and private life. For us, it is important to create a positive, dialog-oriented working environment where our employees are able to continue their professional and personal development and to maintain their health and efficiency.

Our Mission Statement as an Employer

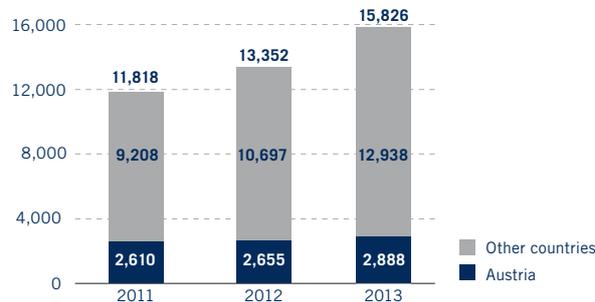
In order to realize our ambitions and satisfy our customers, the company needs motivated and competent employees who value each other. Within our corporate strategy, we pursue clear focal points that create the necessary conditions for employees to feel appreciated and for the company to achieve its goals. We have summarized these issues in a mission statement:

- The NOVOMATIC Group sees itself as a large family, where both the strength of our team and trust have utmost priority.
- Open dialog between all employees facilitates a positive corporate culture where problems are addressed and solved quickly.
- We offer innovative jobs in a future-oriented environment.
- Our employees' knowledge and competency are the key to our worldwide success.
- Only with a top-notch team are we able to achieve top performance. Together, we are strong and successful.
- We are proud of our employees and of everything we have achieved through them so far.

For us, appreciation and fairness are the most important foundations for a good working culture.

We seek open dialog and emphasize respectful and team-oriented collaboration.

AVERAGE NUMBER OF EMPLOYEES



Human Resource Development

In 2013, as in the years before, the number of employees was further increased, so that on average over the year we were able to secure a job within the NOVOMATIC AG Group for a total of 15,826 employees. Compared to the previous year, this represents an increase of 18.5 percent which, among other things, is due to the acquisition of new companies. In Austria, the NOVOMATIC AG Group had an average of 2,888 employees.

TURNOVER RATES (according to GRI-LA 2)

	2011	2012	2013
Turnover	17.8 %	18.1 %	15.3 %
EEl + IT*	9.6 %	9.6 %	7.4 %
Hospitality	23.1 %	23.8 %	20.7 %
Early turnover**	26.2 %	26.6 %	19.8 %
EEl+ IT	9.5 %	9.6 %	8.4 %
Hospitality	32.3 %	29.8 %	24.9 %

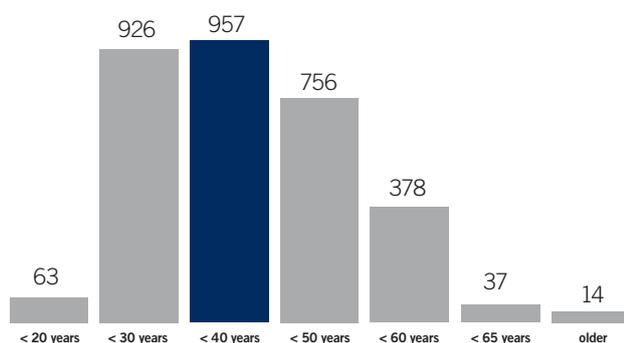
* EEl + IT: Employees falling under the collective agreement for the electric and electronics industry, as well as the collective agreement for IT

** leaving the company within the 1st year

Fortunately, we were able to reduce our turnover to 15.3 percent. This is mainly due to the positive development among employees falling under the collective agreement for the electric and electronics industry. In the area of catering, we were also able to reduce the turnover rate. An even clearer development was the reduction in early turnover to 19.8 percent. Considering the fact that approximately 60 percent of our employees are working in hospitality, this result is a particularly positive highlight.

AGE STRUCTURE

Total number of employees in Austria incl. inactive employment relationships



In 2013, the average age of our employees was approximately 38, with the majority of employees in the age group between 30 and 40 years of age.

The percentage of female employees increased slightly over the previous year and now amounts to 38.3 percent. 231 individuals work part-time and approximately eight percent of all employees have a university or college degree.

Diversity

As a company with international operations and facilities in 44 countries, we are convinced that our success depends to a large extent on our employees' diversity. Only through networked knowledge we are able to successfully overcome continuously changing challenges and further expand our market position in a globalizing world. For us, it is self-evident that every open position has to be filled with the most suitable employee – meaning the one with the best-matching technical and social qualifications. We see diversity as the symbiosis of people with different nationalities, genders, educational backgrounds, professional experiences and age groups. We believe that such diversity is a driver of ideas and innovation and the basis for creative, networked thinking and working processes. At our Austrian locations, we currently employ people from 50 different countries. And in 2013, approximately 25.3 percent of all employees held foreign citizenship.

Human Resource Marketing and Employer Branding

In order to be able to secure qualified employees on a long-term basis and to present ourselves as an attractive employer, we participate regularly in recruitment fairs as well as activities such as Girls' Day. NOVOMATIC offers its employees various advantages in the form of employee benefits or incentives (e.g. Christmas vouchers, bonuses).

Athletic activities are also promoted within the company: The annual skiing evening and various running events as well as golf and tennis tournaments are only a few of the highlights that enjoy great popularity among our employees.

Career Portal

The NOVOMATIC career portal has been online since the end of 2013. Apart from current job offerings, applicants can find comprehensive information on areas of activity, career opportunities and open trainee positions within the NOVOMATIC Group online at careers.novomatic.com. The core of the career platform consists of short videos in which employees from different corporate divisions tell about their areas of responsibility and offer outsiders an authentic impression of various fields of activity. The career portal allows us to follow an employer branding strategy and reposition ourselves as a diverse employer, thereby going beyond our mere function as a gaming company. It also offers us an opportunity to convey a more specific image of the NOVOMATIC Group.

Training and Further Education

A continuous and target-oriented human resource policy is of crucial importance to us. Our personalized human resource development includes the cultivation of our employees and providing them the opportunity to develop and expand skills as well as take on responsibility. We promote our employees' talents and interests and offer them varied development opportunities based on their qualifications. In order to allow for high-quality, task-specific further training, the NOVAcademy team endeavors to ensure a broad range of training opportunities and to support the individual departments in their selection of suitable courses. In this context, a constant emphasis is on specific technical training activities, for example within the IT sector. Due to our international orientation, language courses are also included in our training offerings. Last year, over 125 employees were trained in 12 languages through more than 50 courses, including both personal coaching and group training. It is also important to us to strengthen the social skills of our technical employees. This is why our further education offerings also include training in areas such as communication and time management.

In addition to the training sessions requiring personal attendance, we also focus on innovative learning technologies in order to allow time and location-independent interactive, flexible learning at one's own personal pace.

To this end, the NOVOAcademy has developed e-learning training sessions that are made available to the users via a learning platform (LMS). The following e-learning programs are currently available to our employees on demand. During 2013, more than 3,500 employees completed at least one of these training courses:

- Responsible gaming
- Gaming addiction prevention for employees and prevention representatives
- Protection of minors
- ADMIRAL Card
- Counterfeit money
- Sports betting
- Foundations for employee training (“Train the Trainer”)
- Office training

In addition to this, several e-learning projects are currently being developed and set to be completed during 2014. These include safety instruction training as well as behavioral training, among other topics. In 2013, a total of 1.2 million euros was invested in training and further education programs.

Trainee Program

In order to afford young university graduates an optimal start with the company and allow them to get to know it as a whole, 2013 saw two young talents offered the opportunity to participate in our individually tailored trainee program. Over the course of this one-year program, our young talents receive the opportunity to put the knowledge gained during their studies to practice for our company. In addition to this, they gain considerable practical experience in several corporate divisions, including abroad. Regular feedback talks ensure the high quality of this academic qualification program.

Apprentices

In order to ensure qualified new talent, we continuously train apprentices. In 2013, NOVOMATIC employed 20 apprentices. The acceptance of four further apprentices is planned for the year 2014. As part of our apprenticeship training program, we offer young people the opportunity to purposefully prepare for a career and develop according to their individual personal and professional interests. To achieve this objective, the apprentices get to know several corporate divisions. Interested young people are invited to “Getting to know us” days, where they can discover

if they are suited for their preferred occupation by gaining initial insights into their potential working environment. In order to guide the apprentices during their entire period of apprenticeship, regular reports as well as feedback conversations with their instructors have been introduced. In addition to this, there is rotational feedback when they switch from one department to the next, as well as a future-oriented career conversation after completion of the apprenticeship. Bonuses for good academic results offer further motivation.

In order to support our future technical employees to the greatest possible extent, we also provide them the opportunity to volunteer for an apprenticeship as part of which they also work to earn their Matura (the school-leaving exam qualifying them for university level studies) at the end of their apprenticeship. This training concept allows talented and motivated young people to combine practical working experience with further academic education and access to higher education thereafter, enabling them to pursue an academic career after completing the apprenticeship.

Work-Life-Balance

We are well aware of the fact that our employees are only able to achieve excellent results if their professional lives are well balanced with their private lives. Family-friendly corporate management is therefore part of our value-oriented human resource policy. To us, the flexible working hours offered to our office employees at the Gumpoldskirchen location are a matter of course. We also offer employees flexible opportunities to return following maternity leave whereby the working time model can be chosen freely. During 2013, 7.4 percent of all employees were employed part-time.

Networked Communication

The NOVONET intranet ensures that our employees can centrally and easily access a wide selection of information and have the possibility of bringing themselves up to date regarding new developments within the company. Its functions are constantly being expanded; during the first half of 2014, for example, a calendar function will be implemented. We are also accelerating the integration of additional companies, thus ensuring a constant increase in the number of users. At the moment, approximately 50 percent of our Austrian employees are included in the system. For 2014, the integration of our English-speaking subsidiaries as well as Betware, the LÖWEN Group, HTM and ADMIRAL Sportwetten is planned.

Safety and Health

Our employees' health, safety and well-being, as well as their quality of life, are very important to us. To us, satisfied, healthy and motivated employees are the most important pillar for the achievement of ambitious growth targets. We assume our social responsibility as an employer. We promote the health and capabilities of our employees through targeted programs and preventive measures. Our company physician is available to the employees at our Gumpoldskirchen headquarters during regular consultation hours and offers counseling sessions as well as a free annual checkup, a service of 149 employees took advantage in 2013.

Regular inspection tours and evaluations aid in promoting occupational health and safety. During the reporting year, all first aid kits were re-evaluated, all first aid certificates were verified, the existing first aiders were assigned to the first aid kits, and several first aid courses were organized. At the Gumpoldskirchen location, there are currently 106 first aiders who can help in a professional manner in the case of an emergency.

Evaluation of Psychological Stress

The prevention of work-related psychological stress constitutes a main pillar of our health management. In order to prevent work-related stress, an evaluation was performed at the end of 2013 together with an occupational psychologist in Gumpoldskirchen. The complete results of the evaluation are expected by the end of the first half-year 2014, but it is already becoming clear that the results are going to be very positive.

The feedback gathered during this survey provides a valuable basis for the identification of potential for improvement and the initiation of corresponding measures. The objective is to reduce the psychological stress to which our employees are subjected to a minimum. One of these measures that is already scheduled for the first quarter of 2014 is the organization of workshops aimed at evaluating psychological stress. Implementation at other subsidiaries is already being planned.

The Making-of the CSR Portraits

This year's image concept shows the people behind NOVOMATIC. An elaborate production put employees in the limelight for photos and videos. The dynamic images were once again conceived by photographer Jürgen Knoth with considerable attention to detail. All images and videos can be seen at careers.novomatic.com.



Photographer Jürgen Knoth setting up the image.



Putting Ramona Pantilimon in a good light at the Vösendorf facility.



Petar KNEZEVIC
Doorman

Mag. Christine KNOTZ
Assistant to the Group's Legal Department



Stefan KOKOSCHITZ
Head of Information & Knowledge Management

RELEVANT FROM THE STAKEHOLDERS' PERSPECTIVE

According to NOVOMATIC's materiality matrix, the main sustainability issues in the area of "Social commitment" are:

	Sustainability issue	Affected stakeholder groups
14	Promotion of the arts, culture, science and sports	Community
15	Promotion of diversity and education	Community

THE MOST IMPORTANT ACTIVITIES FOR 2014 AT A GLANCE

- Implementation of the sponsorship strategy: Targeted support of projects that relate to our core business
- Increased integration of the concerns of regional stakeholders at our locations as part of our social mandate (e.g. increased number of guided company tours)
- Increased focus of our social commitment in the areas of education, diversity and integration

Responsibility for Society

We see it as our comprehensive obligation to share our company's success with society and thereby contribute to social solidarity. In this context, we strive to view CSR not just in relation to our core business, but as a benefit for everybody by supporting cultural and social projects in the regional environment of our locations. We want to live up to our social mandate by supporting selected initiatives.

During the reporting year of 2013, we were involved in more than 200 different initiatives and projects throughout Austria. In Lower Austria alone, this included 13 cultural projects, six social and business initiatives, and approximately 52 sports activities.

The selection of our cooperation partners is not done randomly, but rather on the basis of internal **sponsoring guidelines**. These were revised during the reporting year of 2013 in order to offer potential stakeholders an orientation guideline as to which projects, initiatives and social causes we want to support as a priority while also achieving a stronger focus and a definition of regional core issues. The guidelines contain information on the areas of focus in which we provide support. Apart from our core objective of preventive protection of players (see chapter "Prevention and Player Protection"), these include in particular the arts and culture, business and research, as well as sports and social causes.

The Arts and Culture

As a company active in the entertainment industry, promotion of the arts and culture is of great importance to us. With the cultural initiatives supported by us, we convey a distinctive image for NOVOMATIC. In doing so, we do not tie ourselves to certain art forms or movements, but rather try to promote particularly promising new artists. One successful example for this is our longstanding support for **museum gugging**, which offers the public access to works of Art Brut artists from the House of Artists.

We are particularly proud of the **NOVOMATIC scholarship program at the Vienna State Opera**, which offers up-and-coming opera stars the opportunity to make a name for themselves on an international stage. This partnership with the Vienna State Opera, which has been in existence since 2008, has shown that many

artists are dependent on private sponsors such as NOVOMATIC. Where public support of the arts proves to be insufficient, we fill the gap as a reliable supporter – because it is not least strong business partners that enable any art form to ensure its long-term existence. It is also very important to us to combine the arts and culture with a social cause, wherever this is possible and appropriate – for example by supporting the **I Dance Company**, which acts upon the idea of social inclusion and offers artists with Down syndrome a stage on which to perform.

Business and Research

Innovation and highly qualified employees form an important pillar of our success. Based on this awareness, NOVOMATIC first and foremost supports commitment and innovative ideas and promotes business, science and research. As a technology company, we know from our own experience how important the right environment is for business and research to be able to attract highly qualified employees and offer young talents an opportunity. We therefore support, for example, the **Move On Award for young entrepreneurs**. With this, we seek to promote dedication and commitment, in particular on behalf of young entrepreneurs who through their own initiative create a company and thereby contribute to strengthening the economy.

As one of the main sponsors of the **Austrian Life Science Award (ALSA)**, NOVOMATIC also promotes young, ambitious scientists from fields such as biotechnology and medicine as a contribution to strengthening Austria as a center of scientific research. We want to demonstrate that science can offer innovative solutions for social challenges and to accelerate this development. We also, for example, promote scientific discoveries that improve the quality of life for people. Through its involvement in the humanities and social sciences, NOVOMATIC furthermore seeks to contribute to **a better understanding of addiction problems and their consequences** and to promote advances in this area. Here, we collaborate closely with leading scientific experts in order to quickly integrate the latest discoveries in our responsible gaming measures. Our longstanding cooperation with the **Anton Proksch Institute** and our regular exchange with the **gaming addiction treatment outpatient department at Vienna General Hospital** are only two examples of our involvement in this core area.

Sports

Through its subsidiary ADMIRAL Sportwetten, NOVOMATIC supports various types of sports at both the professional and amateur levels. With more than 130 sponsoring commitments during the reporting year, sports play an important role within our CSR activities.

We promote team spirit and fairness. This is why we focus primarily on clubs and team sports rather than on individual athletes. The combination of sports with a social cause is desired, as we believe that sports clubs can contribute to integration and the achievement of a social balance and play an important role within our communities. It is above all these types of clubs that we wish to support. Supporting athletes with a physical disability is particularly important to us, as for example our sponsorship of the two **hand cyclists Wolfgang Schattauer and Markus Schmol**l or the **Austrian national wheelchair basketball team** show.

Diversity, Education and Integration

Socio-political issues such as integration and diversity are important topics to an internationally operating company such as NOVOMATIC. We are convinced and experience in our daily lives that this diversity and these differences between our employees are a core building block for our success. This is why we support groups such as the **Verein Wirtschaft für Integration** (Association of Business for Integration) and, during the reporting year, also became a sponsor of the first **Vienna Diversity Award**.

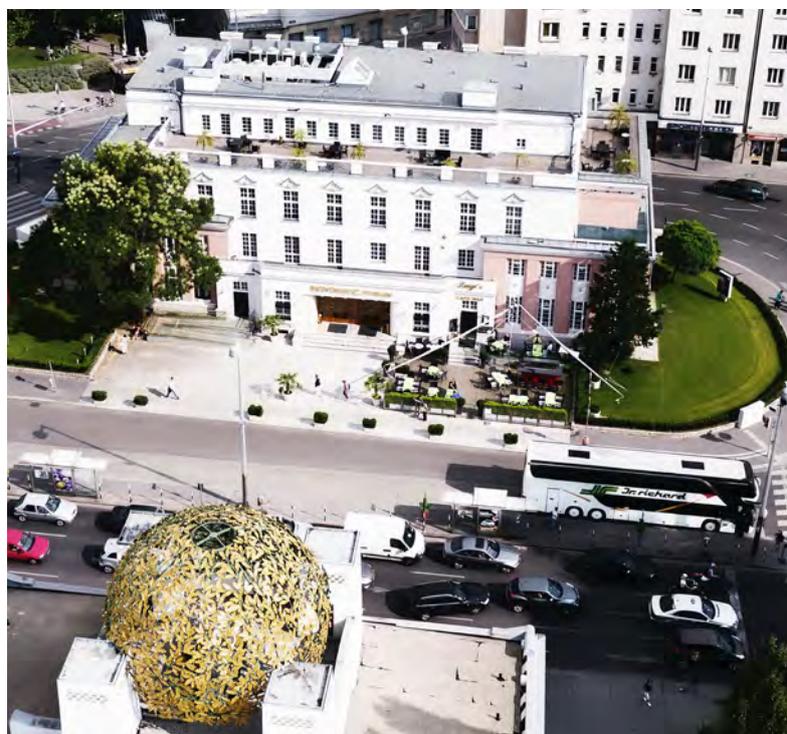
In addition to this, NOVOMATIC supports the non-profit IT company **AfB** (Work for People with Disabilities). The majority of people with disabilities suffer more from a lack of suitable tasks than from their actual disability. In order to counteract this problem, NOVOMATIC donates any IT hardware that is no longer needed to this company, thereby contributing to the creation of jobs for individuals with special needs. If you are interested in further information, our complete sponsoring guidelines as well as an overview of our sponsoring partners are available for download on our website at www.novomatic.com/csr/en.

Novomatic Forum

The Novomatic Forum in the heart of Vienna acts as a symbolic roof for our multifaceted social commitment. This listed historic building was designed by Heinrich Schmid and Herman Aichinger, two students of Otto Wagner, and features impressive art deco stylistic and art nouveau elements.

Following a careful restoration, the Novomatic Forum was once again made accessible to the public in the autumn of 2009. Since then, it has established itself as a place for dialog between culture, business, politics and science. The interdisciplinary cooperation that arises as a result offers new perspectives on various issues, allowing NOVOMATIC to pioneer new forms of sponsoring.

As an event location, the Novomatic Forum offers a stylish setting for numerous exhibitions, cultural events and panel discussions. This forms an integral component of our social commitment. For further information on the Novomatic Forum and the events held there, please visit www.novomaticforum.com.



OVERVIEW OF OUR SOCIAL COMMITMENT DURING 2013

RED RIBBON CELEBRATION CONCERT 24 MAY



Photo: NOVOMATIC

For the second time, NOVOMATIC acts as the main sponsor of the Red Ribbon Celebration Concert with its prominent lineup, held at the Burgtheater. The concert brings together a unique lineup of artists performing to benefit HIV and AIDS victims.

ART'N FASHION DAYS 12 - 14 SEPTEMBER



Photo: Jürgen Hammerschmid

Under the motto of "Diversity," the second edition of the Art'n Fashion Days was held at the Novomatic Forum. Nikola Fechter and Manuel W. Stepan organized a riveting mix of fashion show, gallery and pop-up store for an enthusiastic audience.

NOVOMATIC FORUM NIGHT FIRST EDITION 11 NOVEMBER



Photo: Thomas Meyer

At the Novomatic Forum, business, art, culture and science enter into an intensive dialog and ensure fascinating and good entertainment. This is how the event location at the heart of the city presented itself during the first Novomatic Forum Night.

TOP SWAP 16 NOVEMBER



Photo: Michèle Pauly

The TOP SWAP, a temporary clothing exchange event, popped up at the Novomatic Forum in November. "Swap instead of buying" was the motto, one that saves resources and offers the visitors entertaining hours of swapping.

CD PRESENTATION OF NATALIA USHAKOVA 13 MARCH



Photo: NOVOMATIC

Full-voiced prima donna Natalia Ushakova presented her current CD, the production of which was supported by NOVOMATIC, in the Novomatic Forum's ballroom.

MASTERPIECE COLLECTION 14 - 17 JUNE

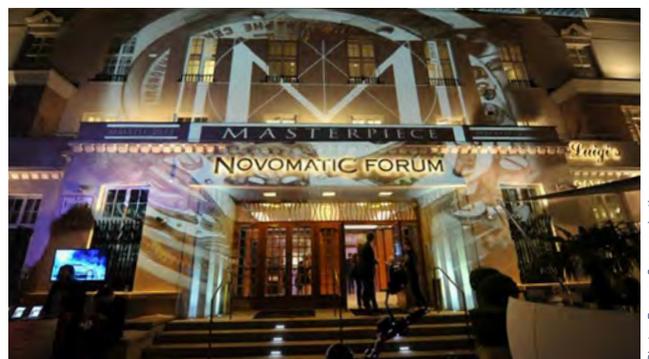


Photo: Purpur Communication

NOVOMATIC supported the Masterpiece Collection exhibition, which offered its visitors a mixture of modern and traditional works. At the center of the exhibition are manufacturers, as well as designers and creative types whose work upholds tradition and culture.

BRYONY DWYER, RECIPIENT OF THE STATE OPERA SCHOLARSHIP



Photo: Stefanie J. Steindl (NOVOMATIC)

Bryony Dwyer, winner of the 2012 Vienna State Opera Awards of the Opera Foundation Australia, received the 2013 NOVOMATIC scholarship supporting young artists.

BALL DES SPORTS 9 MARCH



Following the guiding principle of team spirit and fairness, NOVOMATIC supports both professional and recreational athletics. By supporting athletes with disabilities, NOVOMATIC contributes to a more just balance of opportunities within our society.

ISTAF 1 SEPTEMBER



Photo: ISTAF 2013

As a NOVOMATIC subsidiary, Spielbank Berlin supports the Internationales Stadionfest in Berlin (ISTAF), which honors outstanding athletic performances.

AFRICA! AFRICA!



Photo: NOVOMATIC

As a supporter of the visually monumental stage spectacle Africa! Africa!, CEO Franz Wohlfahrt met with patron André Heller to congratulate him on his successful show performance.

SCHOLARSHIP RECIPIENT EVENING 21 MAY



Photo: NOVOMATIC

In the context of NOVOMATIC's partnership with the Vienna State Opera, a unique evening concert was held at the Novomatic Forum. Anita Hartig, Valentina Nafornita, Mihail Dogotari and Carlos Osuna enchanted the audience with a selection of beautiful arias. They were accompanied by pianist Kathleen Kelly.

RUNNING EVENTS



Photo: NOVOMATIC

NOVOMATIC actively supports employees in participating in various running competitions. This year, the running enthusiasts among the employees were surprised with new running shirts.

PRESS CONFERENCE WITH NIKI LAUDA 16 JANUARY 2014



Photo: Jürgen Kroth

On 16 January 2014, NOVOMATIC presented the former racecar driver and entrepreneur Niki Lauda as a new testimonial at the Novomatic Forum. Just like NOVOMATIC, the three-time Formula 1 champion stands for innovative entrepreneurship and has been wearing the NOVOMATIC logo on his cap since mid-January.



Josef STROBL
Deputy Department Head of the Joinery



RELEVANT FROM THE STAKEHOLDERS' PERSPECTIVE

According to NOVOMATIC's materiality matrix, the main sustainability issues in the area of "Environment and environmental management" are:

Sustainability issue	Affected stakeholder groups
12 Environmental management	Environment (at the locations)
13 Product ecology	Suppliers, customers, environment

The following measures, statements and figures relate exclusively to the Group headquarters and the production site in Gumpoldskirchen.

THE MOST IMPORTANT ACTIVITIES FOR 2014 AT A GLANCE

- Implementation and certification of an environmental management system for Austrian Gaming Industries GmbH (AGI)
- Energy monitoring
- Analysis for an exchange of lamps from fluorescent to LED lamps
- Database of hazardous materials
- Reduction of the gaming devices' energy consumption

The development and production of innovative technology is a crucial element of NOVOMATIC's core business as an integrated gaming group. We own modern production facilities and strive to respect the environment and use resources economically in everything we do.

During the first quarter of 2013, the implementation of an environmental management system according to ISO 14001 was initiated at Austrian Gaming Industries GmbH (AGI). The certification was received in March of 2014.

With this environmental management system, important issues such as consciousness-raising, waste management, materials cycles and energy efficiency are integrated into a structured process. We expect these activities to not only improve our environmental performance, but also have positive effects in terms of our social responsibility. At the production location Gumpoldskirchen, the following focal points were identified:

- **Waste management and resource efficiency:** The objective is the responsible use of resources during the manufacturing of our products and services.
- **Energy-efficiency:** The objective is minimization of energy consumption by identifying potential energy savings.
- **Consciousness-raising:** The objective is to motivate our employees to support our environmental initiatives.

Waste Management and Resource Efficiency

The total amount of waste generated at Gumpoldskirchen during 2013 was 868.6 tons, which was an increase by 16.6 percent over the previous year. Due to the integration of the plastics technology department, which had acted independently before 2013, the waste volumes incurred in this area were recorded by us and reported as part of our waste volumes for the first time in 2013.

The following includes a few examples of the projects aimed at reducing waste and saving resources that were carried out during 2013:

Separation of Waste

A guideline for the collection and recycling of waste was introduced.

Polystyrene

A collection point for the separate collection of polystyrene was established.

Electronic Scrap

The amounts of electronic scrap were reduced by measures including passing on old but still-usable PCs/notebooks to a non-profit organization (see also the chapter "Social Commitment") for refurbishing and subsequent use. This transfer is done by contractual agreement with the recycler.

Environmental Policy of Austrian Gaming Industries GmbH (AGI)

- **We assume** responsibility for the environment, from corporate management down to each and every employee. Our executives are crucial role models for this sense of responsibility.
- **We produce** innovative products and are mindful of an eco-friendly design as early as the development phase.
- **We comply** with all laws and regulations relevant to the environment that affect our activities.
- **We inform** the public, as well as all employees, suppliers and stakeholders, regarding our environmental policy.
- **We reduce** and avoid waste, recycle our products and work to continuously optimize our waste management.
- **We raise** our employees' level of awareness. We optimize our environmental processes and achieve our environmental goals through targeted training and information.
- **We encourage** our suppliers to also assume responsibility for the environment and support them in their efforts.
- **We constantly** evaluate the environmental impact of our business processes. In doing so, we reduce our environmental footprint and save resources.
- **We increase** energy efficiency through technical innovations and motivate our employees to adopt resource-friendly behavior.
- **We commit** to maintaining the environmental management system and to guaranteeing the continuous improvement of our environmental performance.

Energy Efficiency

Electricity Consumption 2013 (Gumpoldskirchen)

9,656,584 kilowatt hours (9.66 gigawatt hours)

According to the electricity providers, the percentage of renewable primary energy among the electricity used is 57.16 percent.

Natural Gas Consumption 2013 (Gumpoldskirchen)

7,942,052.59 kilowatt hours (7.94 gigawatt hours)

The following illustrates a few examples of projects aimed at reducing our energy consumption that were carried out during 2013:

Energy Management

During 2013, measures to introduce database-supported energy controlling and to implement an energy management system were carried out. A further issue is the implementation of energy monitoring. For this, the electrical systems in Gumpoldskirchen were analyzed using special measurement technology in February of 2014. This allows for an exact allocation of the actual energy demand, rendering the efficiency of the individual consumers more transparent. The objective of this is to achieve a sustainable increase in the efficiency of the entire plant by optimizing the runtimes of different consumption groups. The planning work, as well as the commissioning of an external service provider, was carried out in the fourth quarter of 2013.

Compressed Air

In individual sections of the production plant, measurements for leakage from the compressed air tubes were performed and all discovered leaks within the compressed air system were sealed off.

Feasibility Study

The feasibility of using the waste heat from a nearby plant and self-generation of electricity through photovoltaic systems was evaluated. A decision is still pending with regard to the use of waste heat. On the topic of self-generation of electricity using photovoltaic systems, it was decided at the end of 2013 to postpone this project for an indefinite period.

In addition to this, the decision was made to inspect the ventilation system at the Gumpoldskirchen headquarters, which at the time of its implementation in 2008 was considered state of the art, with an eye to possible savings potential. Corresponding feasibility studies were performed by an external specialist company at the beginning of 2014.

Raising Awareness

Making our employees more conscious of the important issues relating to our business is still a significant challenge at NOVOMATIC. Within the NOVOMATIC intranet, the NOVONET, environmentally relevant issues are given regular discussion. An environmental guideline aiming at a sustainable reduction of our use of energy and resources was prepared in 2013 and distributed to all employees with the objective of raising their awareness.

WASTE QUANTITIES 2013

WASTE QUANTITY/TONS AND CHANGE COMPARED TO 2012 IN PERCENT

- MINUS		
-7.4 %	52.62	Plastic packaging and styrofoam
-31.5 %	15.55	Grease separators
-14.2 %	30.81	Screens/monitors
-3.4 %	12.74	Developing baths, bleach and fixer
-64.3 %	0.732	Paint / Varnish (bulk)
-42.7 %	0.47	Fluorescent tubes
-86.8 %	0.058	Solvent mixture, halogen-free
-24.4 %	0.242	Aerosol cans

+ PLUS		
+11.4 %	60.98	Scrap metal
+122.2 %	0.4	Used glass
+17.8 %	157.27	Scrap wood, mixed
+13.4 %	19.8	Kitchen waste
+4.4 %	28.39	Electronic waste, non-hazardous
+127.6 %	20.96	Wood dust, 8m3 vat
+93.1 %	2.335	Cables CU
+7.7 %	162.67	Paperboard, 40m3
+173.3 %	21.97	Circuit boards
+1.6 %	184.08	Residual waste
+19.0 %	1.25	Filter pads
+52.8 %	3.04	Used oil
+316.4 %	3.748	Varnish and paint sludge
+44.9 %	16.5	Glue and adhesives
+83.6 %	13.92	Oil separators
+14.2 %	0.29	Oil-contaminated solids
+42.9 %	1.8	Dry cell and consumer batteries

/ SAME OR NO DATA FROM PREVIOUS YEAR		
	53.1*	PMMA
	1.96	Lead rechargeable batteries, car batteries
	0.2	Emulsion (Plant 7)
	0.26	Cooling units
	0.44	Ink residues

*since April 2013

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NOTES: The Board of Directors includes individuals with different experiences and varying tenures. In selecting the members of the Supervisory Board, aspects that are considered in the evaluation for this purpose include independence, individual capabilities and management experience in order to ensure that the respective candidates have sufficient capacities, including in terms of expertise and time, to live up to the requirements of a Supervisory Board mandate.	
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DMA HR Management Approach CHAPTER: Responsible Corporate Governance, Employees NOTES: NOVOMATIC AG acknowledges its responsibility to respect the human rights of the individuals within its sphere of influence, in particular of its employees, but also of its suppliers, external service providers and, of course, its customers. The company's obligation to respect human rights is based on the United Nations Universal Declaration of Human Rights.	
HR4 Total number of incidents of discrimination and corrective actions taken NOTES: The annual compliance evaluation for 2013 showed no significant cases of non-compliance regarding NOVOMATIC AG's instruction regarding equal treatment of employees and dignity at work. NOVOMATIC AG strives to ensure equal opportunities and tolerates no form of discrimination, in particular on the basis of ethnic background, nationality, gender, sexual orientation, religion, age, marital status, pregnancy or disability.	
PRODUCT RESPONSIBILITY	
DMA PR Management Approach CHAPTER: Responsible Gaming NOTES: NOVOMATIC AG believes that the long-term success of its business depends on its ability to act in a responsible manner. The company acts as a reliable and professional partner to its customers, whose interests and safety are accorded the highest priority. In this context, the company supports its customers with regard to various issues, and in particular with regard to the risks involved in gaming. It offers comprehensive measures aimed at allowing them a safe, fair, responsible and entertaining gaming experience. NOVOMATIC believes that its culture of compliance and its responsible gaming program promote the stakeholder groups' trust in the company.	
PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement and percentage of significant products and service categories subject to such procedures CHAPTER: Prevention and Player Protection	52-54**
PR3 Type of product and service information required by law, and percentage of products and services subject to such information requirements CHAPTER: Prevention and Player Protection	51-61**
PR6 Programs for adherence to laws, standards and voluntary codes related to marketing communication, including advertising, promotion and sponsorship CHAPTER: Responsible Corporate Governance, Prevention and Player Protection	48-49, 56

*reported partially **indicator adjusted

INDICATOR	PAGE
ECONOMIC INDICATORS	
DMA EC Management Approach CHAPTER: Foreword, CSR strategy, Responsible Corporate Governance NOTES: NOVOMATIC AG strives to create added value for its customers, investors and employees via the responsible and efficient assumption of its core functions as a gaming group. At the same time, the company seeks to support the economy with its activities and make a contribution to society.	
EC1 Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments (taxes) CHAPTER: Responsible corporate governance	47
EC3 Coverage of the organization's defined benefit plan obligations CHAPTER: Employees	66-67
EC6 Business policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation CHAPTER: Responsible corporate governance	47
SOCIETY	
DMA SO Management Approach CHAPTER: CSR Strategy, Social Commitment NOTES: We strive to do business in a way that creates value for our customers, our employees and our owners. We also want to ensure that our activities benefit the economy and the social environment in which we are active. At the center of our social responsibility is our role as a service provider in a growing and challenging entertainment industry. Within its social mandate, NOVOMATIC acts as a mediator and enabler between cultural, social and sports-related initiatives and projects and a broad public and contributes to clarifying the role of entertainment and gaming within society in a responsible manner.	
SO5 Public policy positions and participation in public policy development and lobbying CHAPTER: CSR Strategy, Corporate Overview	36-37, 42-43*

"No sustainable development without transparency" is the motto of the Global Reporting Initiative (GRI). The Global Reporting Initiative provides an extensive reporting framework in close collaboration with the UN Global Compact.

The guidelines of the Global Reporting Initiative make it possible for companies to give account of their economic, ecological and social achievements in the form of a sustainability report. With its orientation toward the (third-generation) GRI guidelines, NOVOMATIC indicates its commitment to transparency and internationally comparable reporting standards.

The present report fulfills the requirements for Application Level C of the Global Reporting Initiative. In addition, we voluntarily submitted our report for review by an external partner. You can find additional information on the Global Reporting Initiative at: www.globalreporting.org

Required criteria	Levels of application	OUTPUT	C	C+	B	B+	A	A+
Required criteria	G3 Profile disclosures	Report on: 1.1, 2.1-2.10, 3.1-3.8, 3.10-3.12, 4.1-4.4, 4.14-4.15	If report externally assured	If report externally assured	Report on: all criteria listed for level C plus: 1.2, 3.9, 3.13, 4.5-4.13, 4.16-4.17	If report externally assured	Same as requirement for level B	If report externally assured
	G3 Management approach disclosures	No disclosure of the management approach.			The management approach is disclosed for every indicator category.		The management approach is disclosed for every indicator category.	
	G3 Performance indicators and sector supplement performance indicators	Report on a minimum of 10 G3 core performance indicators, including at least one each from the Economic, Environmental and Social categories.			Report on a minimum of 20 G3 core performance indicators, including at least one each from the Economic, Environmental, Human Rights, Labor, Society and Product Responsibility categories.		Disclosures for all G3 core indicators and each Sector Supplement Indicator, with due regard to the materiality principle by either: a) reporting on the indicator or b) explaining the reason for its omission.	

REPORT PARAMETERS AND CONTACT

With the publication of our CSR report for 2013, we present our activities and achievements in the area of corporate social responsibility (CSR) to external and internal stakeholders, as well as to interested members of the public. This report was prepared with the support of the sustainability consulting firm 'plenum – gesellschaft für ganzheitliche nachhaltige entwicklung gmbh'. In addition to this, we had an independent external confirmation prepared by the auditing and consulting firm Deloitte Audit Wirtschaftsprüfungs GmbH.

Reporting Period and Contents of the Report

The selection of this report's content, as well as the determination of priorities, is guided by the principle of materiality. This is documented by our stakeholder management, which was expanded during the year 2013, and the resulting materiality matrix. We therefore gave consideration to significant stakeholder interests and assigned relative weightings to aspects of our business activities with a material impact on the environment, society and stakeholders. The weighting of the topics was done based on NOVOMATIC's core business and on the company's significant strategic challenges. Input from stakeholder meetings and internal discussions were incorporated into the weighting of the topics.

On an operative level, NOVOMATIC's strategy with regard to CSR is implemented in five core areas, and the structure of the report reflects these, which are: Responsible business, prevention and player protection, employees, and social commitment, as well as environment and environmental management. For each of these core areas, information is provided with regard to our concept, our strategic approach, our measures and our goals.

The report matches the Global Reporting Initiative's (GRI) G.3.1 guidelines. The application level C+ is confirmed by an external audit.

The CSR Report for the NOVOMATIC AG Group is published annually, together with the Annual Report, at the end of April. The

latest reports are available online at www.novomatic.com/csr/en. The data and information contained in this report relate to the calendar year 2013 (1st of January 2013 through 31st of December 2013).

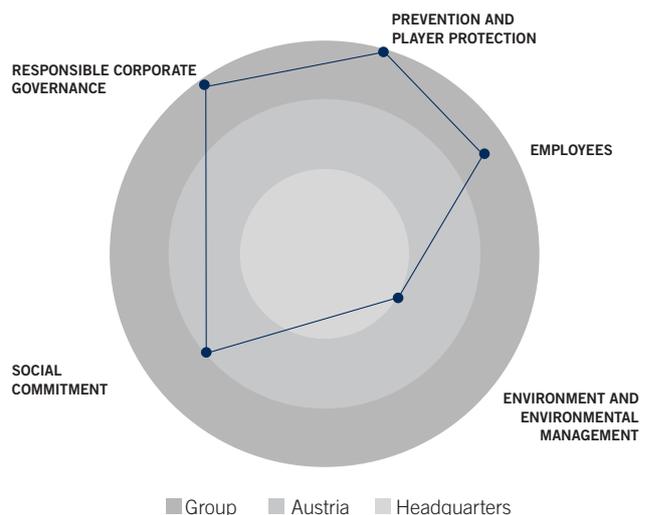
Due to the largely autonomous way in which our subsidiaries operate, the data is not yet uniformly comparable. The report boundaries are therefore not uniform across all topics covered and are therefore illustrated in the graph to the right. While we still plan to expand the database to the Group level, we regard this as a long-term project. For reasons of confidentiality, we do not publish any information relating to investments in research and development. Similarly, NOVOMATIC has made a conscious decision not to publish the amounts that it invests in sponsorship and social initiatives, as we wish to draw attention to the results and successes of our partnerships rather than to the financial assets deployed.

Contact

Dr. Monika Poeckh-Racek (Head of CSR) can be contacted at csr@novomatic.com for questions, suggestions and critical feedback. We would like to expressly invite our readers to enter into dialog with us, and are looking forward to feedback and constructive criticism about our report.

BOUNDARIES OF THE REPORT

THE REPORTING BOUNDARIES WERE DEFINED DIFFERENTLY FOR THE VARIOUS TOPICS



Editor's note:

In order to improve readability, terminology is generally used only in its masculine form. With this, of course, both genders are addressed equally. **NOVOMATIC Group:** The NOVOMATIC Group includes NOVO Invest, the NOVOMATIC AG Group, EDP and ATSI, as well as the two Swiss sister holding companies ACE Casino Holding and Gryphon Invest, both of which are owned by Prof. Johann F. Graf.

NOVOMATIC AG Group: The NOVOMATIC AG Group is a part of the NOVOMATIC Group and includes the main subsidiaries such as Austrian Gaming Industries (AGI), ADMIRAL Casinos & Entertainment (ACE), ADMIRAL Sportwetten, Greentube Internet Entertainment Solutions, HTM Hotel und Tourismus Management, Spielbank Berlin, LÖWEN Entertainment, Crown Technologies, Adria Gaming International, Astra Games, Alfor, Gamestec Leisure, Bell-Fruit Games, Novo Sun, Eurocoin, JVH and Betware.

Disclaimer

The utmost care has been taken in collecting the data and information contained in this report. Nevertheless, errors cannot be excluded entirely. Any statement regarding future developments is based on the information and forecasts available at the time of publication. Even if the latter were prepared with great care, various influencing factors that could not be foreseen at the time of publication may result in deviations. The contents of this report were verified by the respective technically responsible employees.

INDEPENDENT LIMITED ASSURANCE STATEMENT

on certain subject areas of the CSR Report 2013 for NOVOMATIC AG

Introduction

We were instructed to perform an audit in order to achieve a limited certainty regarding certain subject areas of the CSR Report 2013 (subsequently referred to as the “Report”) for NOVOMATIC AG (subsequently referred to as “NOVOMATIC”).

The Report and the underlying procedures, systems and structures, including subject matters and criteria, are the responsibility of NOVOMATIC’s management. Our responsibility is to issue a conclusion based on our review.

We conducted our review in accordance with the International Standard on Assurance Engagements (ISAE) 3000, “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and the expert opinion of the Professional Committee for Corporate Law and Audits on Carrying Out Other Reviews (KFS/PG 13) in order to obtain limited assurance on the subject matter covered by the assignment. The scope in a limited assurance engagement is more limited than in a reasonable assurance engagement, for which reason a lesser degree of assurance can be obtained.

This engagement was performed on the basis of the “General Conditions of Contract for the Public Accounting Professions,” as issued by the Chamber of Public Accountants and Tax Advisors in Austria on 21 February 2011 (AAB 2011). According to Section 8 of the AAB 2011, our liability is limited to willful intent and gross negligence. In the event of gross negligence, the maximum liability is limited to EUR 726,730. This amount constitutes a total maximum liability cap which may only be utilized up to this maximum amount even if there is more than one claimant or more than one claim has been asserted.

Subject Matters

- Review of the procedures, systems and structures regarding the determination of the contents of the Report.
- Review of the data and information disclosed in the chapters “Responsible Corporate Governance”, “Prevention and Player Protection”, “Employees” and “Environment and Environmental Management”, whereas the review was limited to the data and information covering Austria.

Criteria

Based on an assessment of materiality and risk, we have evaluated the information and documents obtained with regard to the conformity of the subject matters to the following criteria:

- The criterion regarding the determination of the contents of the Report includes the consistency with the principles on the determination of the contents of the Report set out in the GRI guideline on sustainability reporting (version 3.1).
- The criterion regarding the data and information disclosed in the chapters “Responsible Corporate Governance”, “Prevention and Player Protection”, “Employees” and “Environment and Environmental Management” includes the consistency with the reporting principles for quality assurance set out in the GRI guideline on sustainability reporting (version 3.1).

Proceedings

Our work included analytical procedures as well as interviews with employees from the headquarters in Gumpoldskirchen notified by the NOVOMATIC Board of Directors and an onsite appointment at a selected facility in Lower Austria.

Limitation of Reliability of the Review

Our limited assurance statement was limited exclusively to the abovementioned assignment contents. We have not reviewed comparative data derived from previous years. The scope of our review was limited to samples. Our work was performed on a sample basis as we deemed necessary in the particular case, but did not include any substantial testing. Therefore, the assurance that we obtained from our evidence gathering procedures is limited.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the procedures, systems and structures for the determination of the contents of the Report are not consistent with the principles on the determination of the contents of the Report set out in the GRI guideline on sustainability reporting (version 3.1).

Based on our review, nothing has come to our attention that causes us to believe that data and information disclosed in the chapters “Responsible Corporate Governance”, “Prevention and Player Protection”, “Employees” and “Environment and Environmental Management” relating to Austria are not consistent with the reporting principles for quality assurance set out in the GRI guideline on sustainability reporting (version 3.1).

Vienna, 30th of April 2014

Deloitte Audit Wirtschaftsprüfungs GmbH

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