

# NOVOMATIC

# Highlights H1 2011

## Revenues substantially increased

- Revenues up 17.0% over previous year
- Revenue drivers: Gaming operations, Rental and Other (online gaming) segments

## Stable operative results

- EBITDA +4.7% to EUR 225.7m
- EBIT of EUR 108.6m at previous year's level

## Solid cash flow

- Cash flow from operating activities +5.5% to EUR 134.0m
- Free cash flow up EUR 64.7m to EUR 26.0m

## Acquisitions

- Spielbank Berlin (a total of four locations) strengthens presence in Germany (January 2011)
- Takeover of majority stake in Empire Games, United Kingdom (January 2011)
- Takeover of majority stake in Italian concessionaire G.Matica (July 2011)
- Greentube (online gaming) complete takeover (August 2011)

## Outlook

- Substantial revenue increase for 2011 as a whole expected
- Sustained growth in Italian market

# Key Indicators

EUR m			
Income statement	H1 2011	H1 2010	Change
Revenues	654.7	559.6	+17.0%
EBITDA	225.7	215.6	+4.7%
EBITDA margin	34.5%	38.5%	-
EBIT	108.6	108.9	-0.3%
EBIT margin	16.6%	19.5%	-
Earnings before taxes	82.8	92.7	-10.7%
Profit for the period	52.8	57.3	-7.8%
Employees (average for period)	11,493	10,135	+13.4%
Cash flow	H1 2011	H1 2010	
Cash flow from operating activities	134.0	127.1	+5.5%
Cash flow from investing activities	-108.0	-165.8	-34.9%
Free cash flow	26.0	-38.7	-
Investment in property, plant and equipment	-131.8	-139.4	-5.6%
Investments in associated companies	-6.2	-5.9	+5.9%
Balance sheet	30/06/2011	31/12/2010	
Balance sheet total	1,913.0	1,825.7	+4.8%
Equity	771.2	738.0	+4.5%
Non-current assets	1,216.7	1,214.8	+0.2%
Current assets	696.4	610.9	+14.0%
Net debt	519.8	510.3	+1.9%
Net debt / EBITDA	1.1x	1.3x	-
Return on Equity (ROE)	16.2%	5.6%	-
Interest Coverage	7.7x	7.5x	-
Equity ratio	40.3%	40.4%	-

- Net debt = Non-current financial liabilities + Current financial liabilities - Cash and cash equivalents
- Net debt / EBITDA = Net debt / EBITDA LTM (last 12 months)
- Return on equity (ROE) = Net profit attributable to equity holders of the parent LTM (last 12 months) / Equity
- Interest coverage = EBIT LTM (last 12 months) / Interest charges LTM (last 12 months)
- Equity ratio = Equity / Balance sheet total

# Statement of the management board

Dear ladies and gentlemen,

The first half of 2011 was marked by further growth in our core markets Germany and Italy. The takeover of Spielbank Berlin and the integration of BPA Freizeit- und Unterhaltungsbetriebe GmbH enabled us to further increase our presence in the German market.

In Italy we are the largest supplier of Video Lottery Terminals (VLTs), a growing segment in Europe's largest market for gaming machines. The strength of our range of VLTs is also evident in the fact that nine out of ten Italian concessionaires rely on NOVOMATIC's terminal and network technologies. By the end of 2011, we will have installed approximately 10,000 terminals in Italy. The further rollout will take place in the years to come and will form the basis for further growth.

The efforts made by our employees have set the pace for future growth. Organic growth and acquisitions increased our revenues by 17.0% to EUR 654.7m. The EBITDA increased by 4.7% to EUR 225.7m. The EBIT reached 108.6m EUR, similar to the previous year's level. This development demonstrates one of the great strengths

of NOVOMATIC: the ability to quickly and flexibly respond to changes in regulations and to take advantage of opportunities.

In order to make use of further market opportunities, we plan to take part in a partial tender held in August 2011 involving a total of 15 casino concessions ("casino licenses") in Austria as well as for the licenses for gaming machines in Austria's provinces.

In July, 2011, we increased our stake in one of the ten concessionaires in Italy. The NOVOMATIC Group now holds a majority of more than 80% of G.Matica.

In August 2011, we acquired the remaining 30% of Greentube, an online gaming company. We are thus well equipped to participate in the growing online market.

The revenue growth achieved in 2011 is largely based on increases in the segments Gaming Operations, Other (online gaming) as well as Rental. We expect to achieve more than 15% revenue growth in 2011 as a whole.

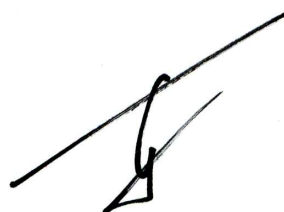
Gumpoldskirchen, 26 August, 2011



**Dr. Franz Wohlfahrt**  
CEO



**Ryszard Presch**  
Deputy CEO



**Thomas Graf**  
CTO



**Peter Stein**  
CFO

# Half-year management report

## Economic environment and operating conditions

The world economy started its upturn in the first half of 2011. However, its dynamic slightly decreased in the second quarter. IHS and WIFO are forecasting a growth of 3.0% for Austria in 2011, up from 2010's 2.1% level. According to figures from the Deutsche Bundesbank, domestic demand has substantially rebounded in Germany. As in Austria, the pace of economic growth as a whole is lessening. The companies' perception of the overall economic positions have improved, however, the exceptionally positive expectations are slowly and continuously being moderated.

Renowned economic researchers have responded to the Italian government austerity program by reducing their prognoses for the country's economic growth. The IMF expects Italy's GDP to rise by 1.1% in 2011. The expected austerity measures, high taxation and competition disparities, together with a high rate of structural unemployment hamper the Italian economy.

The impact of general economic trends upon NOVOMATIC's business is limited. The most important determinants of our business development are: regulation changes, the exploitation of existing possibilities, and the overall acceptance of the NOVOMATIC games and game content.

## Changes in scope of consolidation

As of 1/1/2011, 92.04% of the shares of Spielbank Berlin Gustav Jaenecke GmbH & Co KG were acquired by NOVOMATIC. Spielbank Berlin is measured by revenues one of the largest operators of live game casinos in Germany.

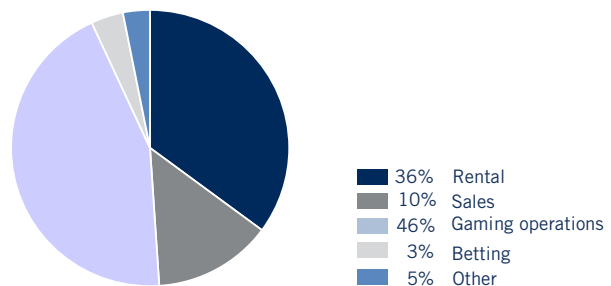
As of 1/1/2011, 70.0% of the shares of Empire Games Ltd., a developer of software used in gaming devices and based in the United Kingdom, were acquired by NOVOMATIC. Also acquired were several companies of subordinate importance.

## Development of business – earnings

In the first half of 2011, revenues increased by 17.0% to EUR 654.7m. This increase was primarily achieved in the Rental, Gaming Operations and Other (Greentube) segments.

Compared to the first half of 2010, EBITDA rose by 4.7% to EUR 225.7m. At EUR 108.6m, EBIT is at the same level as that of the previous year.

### Shares of revenues according to segments in the first half of 2011 <sup>1</sup> in %



<sup>1</sup> shares of revenues related to external revenues

Earnings for this period reached EUR 52.8m, down EUR 4.5m or 7.8% from those of the previous year. This result was influenced, however, by the increases in financial expenditures associated with the completed takeover of the Greentube Group in 2011. Excluding this one-time effect, earnings for the period amount to EUR 67.8m, up 18.3% from the previous year.

## Revenues by segments<sup>1)</sup>

EUR m	H1 2011	H1 2010	Change %	m
<b>Total revenues</b>	<b>654.7</b>	<b>559.6</b>	<b>+17.0%</b>	<b>+95.1</b>
Rental	236.2	215.4	+9.7%	+20.8
Sales	63.8	68.2	-6.4%	-4.4
Gaming operations	299.4	242.0	+23.7%	+57.4
Betting	20.8	24.7	-15.8%	-3.9
Other	34.5	9.2	>100.0%	+25.2

<sup>1)</sup> External revenues of segments

## Income Statement

EUR m	H1 2011	H1 2010	Change %	m
Revenues	<b>654.7</b>	559.6	+17.0%	+95.1
Changes in inventories of finished goods and work in progress	27.6	20.8	+32.4%	+6.7
Own work capitalized	74.0	55.6	+33.2%	+18.5
Other operating income	24.5	36.8	-33.4%	-12.3
Cost of material and other purchased services	-130.6	-122.4	+6.7%	-8.2
Personnel costs	-151.6	-126.6	+19.7%	-25.0
Other operating expenses	-272.9	-208.1	+31.1%	-64.8
<b>EBITDA</b>	<b>225.7</b>	<b>215.6</b>	<b>+4.7%</b>	<b>+10.1</b>
Amortization and depreciation	-117.1	-106.7	+9.7%	-10.4
<b>EBIT</b>	<b>108.6</b>	<b>108.9</b>	<b>-0.3%</b>	<b>-0.3</b>
Share of profit/loss of associated companies	-0.1	-2.6	-98.0%	+2.5
Financial income	6.7	3.1	>100.0%	+3.5
Financial expenses	-32.4	-16.7	+93.8%	-15.7
thereof financial expenses in connection with Greentube option	-15.0	0.0	---	-15.0
Financial result	-25.8	-16.2	+59.5%	-9.6
<b>Earnings before taxes</b>	<b>82.8</b>	<b>92.7</b>	<b>-10.7%</b>	<b>-9.9</b>
Income taxes	-29.6	-34.9	-15.2%	+5.3
<b>Profit from continuing operations</b>	<b>53.1</b>	<b>57.8</b>	<b>-8.0%</b>	<b>-4.6</b>
Result from discontinued operations	-0.3	-0.4	-33.7%	+0.2
<b>Profit for the period</b>	<b>52.8</b>	<b>57.3</b>	<b>-7.8%</b>	<b>-4.5</b>
thereof attributable to non-controlling shares	0.8	0.4	+92.1%	+0.4
thereof attributable to equity holders of Novomatic AG (net profit)	52.0	56.9	-8.5%	-4.8

The 17.0% increase in revenues in the first half of 2011 primarily resulted from the increase in proceeds recorded by proprietary Gaming operations. A significant contribution to this positive development was made by the recently-founded operations in Italy (for the rollout of the Video Lottery Terminals (VLTs)) and the recently acquired facilities in Germany (Spielbank Berlin Group and BPA Freizeit- und Unterhaltungsbetriebe).

A further increase in the Rental of gaming devices boosted the Rental segment. This formed part of the first half of 2011's revenue increase. Our core market Italy, which continues to gain in importance, contributed largely to this increase.

The increase in own work capitalized (+EUR 18.5m to EUR 74.0m, the position changes in the inventories of finished goods and work in progress (EUR 27.6m) and increased

expenditures for materials (+EUR 8.2m to EUR 130.6m) reflect the ongoing penetration of the Italian market of for-rent Video Lottery Terminals (VLTs) as well as activities in Germany.

The increase in expenditures for personnel (+EUR 25.0m to EUR 151.6m) was caused by the strong growth registered in Italy and by the acquisitions made over the past 12 months (especially the Spielbank Berlin Group and BPA Freizeit- und Unterhaltungsbetriebe). The number of employees grew by 13,4% to 11,493.

The EUR 64.8m increase of other operating expenses to EUR 272.9m is attributable to the purposeful expansion undertaken by the NOVOMATIC Group. The largest changes from the previous year came in the items of taxes on games of chance, advertising expenditures, legal and auditing expenses, and rental expenditures.

In the period under review, depreciation rose by EUR 10.4m to EUR 117.1m. This development was caused by the strong growth recorded in our core markets Germany and Italy and by the related growth investments

The financial results came to EUR -25.8m, EUR 9.6m less than the previous year's financial results. Main cause for this change was an increase of EUR 32.4m in financial expenditures in the first half of 2011. The successful development of business at Greentube necessitated the revaluation of the 30% put option held by the other shareholders in the Greentube Group. The initial value entered into the balance sheet as of December 31, 2010 had to be increased by EUR 15.0m as of 30 June, 2011. The balance sheet adjustment caused the earnings for the first half of 2011 to decline to EUR 52.8m. Excluding this one-time effect, earnings for the period amount to EUR 67.8m and are thus 18.3% over those of the previous year.

## EBITDA according to segments

EUR m	H1 2011	H1 2010	Change %	m
<b>EBITDA</b>	<b>225.7</b>	<b>215.6</b>	<b>+4.7%</b>	<b>+10.1</b>
Rental	166.0	160.3	+3.5%	+5.7
Sales	18.2	18.2	-0.4%	-0.1
Gaming operations	45.1	34.5	+30.9%	+10.7
Betting	0.4	0.6	-27.4%	-0.2
Other	16.5	17.5	-5.5%	-1.0
Group adjustments	-20.5	-15.4	+32.7%	-5.1

## EBIT according to segments

EUR m	H1 2011	H1 2010	Change %	m
<b>EBIT</b>	<b>108.6</b>	<b>108.9</b>	<b>-0.3%</b>	<b>-0.3</b>
Rental	88.4	87.9	+0.6%	+0.5
Sales	13.4	13.3	+0.5%	+0.1
Gaming operations	21.0	15.2	+37.9%	+5.8
Betting	-1.5	-0.9	+54.7%	-0.5
Other	7.7	8.8	-12.2%	-1.1
Group adjustments	-20.5	-15.4	+32.7%	-5.1

The NOVOMATIC Group was able to increase its EBITDA in the first half of 2011 by EUR 10.1m to EUR 225.7m. The main component of this increase stemmed from the Gaming operations segment (+EUR 10.7m) and the Rental segment (+EUR 5.7m).

At EUR 108.6m, the EBIT was at the level of the previous year. With the exception of the Betting segment and the Other segment, all other segments recorded an increase in EBIT, with the strongest growth being achieved by the Gaming operations segment.

## Assets and finances

### Balance sheet structure by term

EUR m	30/06/2011	Structure	31/12/2010	Structure
<b>Assets</b>				
Non-current assets	1,216.7	63.6%	1,214.8	66.5%
thereof investments in associated companies	138.5	7.2%	144.9	7.9%
Current assets	696.4	36.4%	610.9	33.5%
thereof cash and cash equivalents	306.2	16.0%	277.3	15.2%
	<b>1,913.0</b>	<b>100.0%</b>	<b>1,825.7</b>	<b>100.0%</b>
<b>Equity and liabilities</b>				
Equity	771.2	40.3%	738.0	40.4%
Non-current liabilities	869.7	45.5%	828.1	45.4%
thereof non-current financial liabilities	795.4	41.6%	750.3	41.1%
Current liabilities	272.1	14.2%	259.5	14.2%
thereof short-term provisions	53.5	2.8%	49.6	2.7%
	<b>1,913.0</b>	<b>100.0%</b>	<b>1,825.7</b>	<b>100.0%</b>

With 63.6% long-term assets account for the major part of the balance sheet sum of EUR 1,913.0m. These include property, plant and equipment, worth EUR 774.2m (primarily consisting of gaming machines that are rented or proprietarily operated) as well as shares held in associated companies. Short-term assets comprise cash, which amounts to EUR 306.2m (+EUR 28.9m since the beginning of 2011). A portion of the cash is the base filling of the gaming machines and cash reserve of casino operations.

The most important items on the liability side of the balance sheet are the long-term liabilities and equity. The long-term liabilities are dominated by the long-term financial liabilities

(bonds issued by NOVOMATIC). The long-term liabilities are EUR 795.4m. Based upon equity, which rose to EUR 771.2m, the equity ratio reached 40.3%.

Comment on the balance sheet sum for 2010: in accordance with IFRS 3, this was adjusted by EUR 2.8m from EUR 1,828.5m (figure in the annual report) to EUR 1,825.7m. This alteration arose from the adjustment of the fair value of the acquisition of 75% of BPA Freizeit- und Unterhaltungsbetriebe GmbH, Germany, an operator of gaming arcades (see note 3 to the consolidated financial statements scope of consolidation).

### Cash flow and investments

EUR m	H1 2011	H1 2010
Cash flow from operating activities	134.0	127.1
Cash flow from investing activities	-108.0	-165.8
Free cash flow	26.0	-38.7
Cash flow from financing activities	3.3	66.7
<b>Net change in cash and cash equivalents</b>	<b>28.8</b>	<b>29.0</b>

Cash flow from operating activities amounted to EUR 134.0m, up EUR 6.9m from the previous year. The most significant divergences from the first half of 2010 are found in the items depreciation, increase in other assets, increase in liabilities and payments of income taxes.

Cash flow from investing activities declined by EUR 57.8m to EUR 108.0m. Capital expenditure for assets (Capex) reached EUR 131.7m, down EUR 7.7m. Worth mentioning are the investments carried out in new gaming devices in Germany and in Italy. These investments account for approximately 50% of total investments. Other investments were employed to set up the company offices in



Spain and the new logistics center in Germany (Bingen, headquarters of NSM-Löwen).

Significant components of the cash flow from financing activities are the proceeds from bank loans and from financial liabilities which amounted to EUR 39.7m (previous year: EUR 105.4m). This item largely consists of revolving lines of credit. In the first half of 2010 a bond of EUR 200m was issued. Dividends worth EUR 15.8m were paid out (previous year: EUR 30.1m).

## Employees

The average number of employees working for the NOVOMATIC Group rose in the period under review by more than 1,300 or 13.4% to reach 11,493 employees. This increase stems primarily from a rise in the number of employees in Germany (acquisitions of Spielbank Berlin, BPA Freizeit- und Unterhaltungsbetriebe) and in Albania. NOVOMATIC AG employs an average of 35 people. More than 2,500 employees work for the Group in Austria. The majority of the company's employees – more than 8,900 persons – work for the Group's non-Austrian subsidiaries.

## Significant risks and uncertainties

### Economic risks

The NOVOMATIC Group is exposed to risks arising from the macroeconomic shock emanating on a long-term basis from the world economic crisis of 2009. This shock could take the form of drops in economic growth, rises in unemployment and a decline in disposable income.

### Legislative risks

Legislative risks can ensue from unexpected and quickly-enacted alterations in laws, guidelines, regulations and from legal verdicts. With these leading to restrictions of activities in markets, such alterations are especially possible in the areas of the granting of licenses to operate gaming equipment and/or of the producing and distributing of gaming equipment and the approving of products. Risks also arise from the eventual non-granting or extending of concessions and/or licenses to operate games of chance. Not capable of being excluded are especially any claims placed by third parties in the area of intellectual property, or by gamers, with this also applying to product liability and/or to customers requirements in the areas of warranties and/or guarantees. Among other things, a strengthening in several jurisdictions of laws protecting non-smokers would also have a negative influence upon business.

### Alteration of customer behavior

The diversity of leisure-time and entertainment offerings causes customer behavior to continually change. This necessitates the ongoing alteration and creation of products and innovations, so as to maintain positions on target markets. Not to be excluded is the failure to recognize customer needs and wishes, or to do such in a timely way.

### Technological risks

The NOVOMATIC Group operates in a high-tech market. It features short cycles of innovation and thus the development and exploiting of new technologies. Not to be excluded is the failure to discover and exploit innovative technologies and developments, or to do such in a timely way. The NOVOMATIC Group is also exposed to the risks of imitation, software and product piracy, and of the illegal intrusion by third parties into gaming systems and software.

### Operative risks

The risks of an interruption of corporate operations and of a damaging of assets are covered by insurance policies.

## Outlook

The NOVOMATIC Group assumes that the positive development of its business in Germany (caused, among other things, by the acquisitions of Spielbank Berlin) and in Italy (rollout of the Video Lottery Terminals) will continue.

The revenue growth achieved in 2011 is largely based on increases in the segments Gaming operations ,Other (online gaming) as well as Rental. We expect to achieve substantial revenue growth in 2011 as a whole.

The ongoing rollout of the Video Lottery Terminals and of the related networks in Italy has become a priority for NOVOMATIC. A goodly portion of the investments is foreseen for Italy. NOVOMATIC expects Italian subsidiaries to achieve further growth in revenues and earnings.

## Significant events occurring after the period of interim reporting

In July 2011, an increase of the stake held in one of the ten Italian concessionaires was attained. Through this, the NOVOMATIC-Group now holds an 80.94% majority of the shares of G.Matica.

In August 2011, the remaining 30% of the shares of the Greentube Group were acquired. Greentube is now 100% owned by NOVOMATIC.

The following changes took place in the Supervisory Board: Erich Kirchberger resigned from his position at the beginning of August 2011. Dr. Bernd Oswald is now the board's Deputy Chairman. Dr. Karl Pour was elected to the Supervisory Board.

## Performance of the business segments

### Changes of the account compared with the report for the first half of 2010:

The combination of Sales and Rental into one segment in the interim consolidated report for 2010 was changed. Two segments - bearing the names "Sales" and "Rental" - were established.

These interim consolidated financial statements depict all earnings from wagering minus the payouts arising from the betting business. The adjustments pertain to virtually the entire Betting segment.

Changed vis-à-vis the period of comparison has been the allocation of certain costs in the interim consolidated financial statements for 2011. The alterations involve primarily depreciation and the segment results (EBITDA and EBIT).

The previous year's values have been correspondingly changed.

### Rental segment

EUR m	H1 2011	H1 2010	Change %	m
<b>External revenues</b>	<b>236.2</b>	<b>215.4</b>	<b>+9.7%</b>	<b>+20.8</b>
Intra-segment revenues	22.4	25.8	-13.1%	-3.4
Total revenues	258.7	241.2	+7.2%	+17.4
<b>EBITDA</b>	<b>166.0</b>	<b>160.3</b>	<b>+3.5%</b>	<b>+5.7</b>
Depreciation/ amortization	-77.5	-72.4	+7.1%	-5.2
<b>EBIT</b>	<b>88.4</b>	<b>87.9</b>	<b>+0.6%</b>	<b>+0.5</b>
EBITDA margin	64.2%	66.5%	-	-
EBIT margin	34.2%	36.4%	-	-

The external revenues of the Rental segment rose by 9.7% or EUR 20.8m to EUR 236.2m. The three most important countries for the Rental segment are Germany, Italy and Austria. The main cause of this positive development is the increase in Rental revenues arising from Video Lottery Terminals (VLTs) in Italy. Italy's VLT market is strongly

developing and provides the basis for further growth. A significant share of our investments was directed at this core market. At EUR 88.4m, the EBIT is still being hindered by the start-up costs incurred during the current phase of development in Italy.

### Sales segment

EUR m	H1 2011	H1 2010	Change %	m
<b>External revenues</b>	<b>63.8</b>	<b>68.2</b>	<b>-6.4%</b>	<b>-4.4</b>
Intra-segment revenues	95.5	56.9	+67.9%	+38.6
Total revenues	159.3	125.1	+27.4%	+34.2
<b>EBITDA</b>	<b>18.2</b>	<b>18.2</b>	<b>-0.4%</b>	<b>-0.1</b>
Depreciation/ amortization	-4.8	-5.0	-2.8%	+0.1
<b>EBIT</b>	<b>13.4</b>	<b>13.3</b>	<b>+0.5%</b>	<b>+0.1</b>
EBITDA margin	11.4%	14.6%	-	-
EBIT margin	8.4%	10.6%	-	-

The external revenues of the Sales segment dropped in the first half of 2011 by 6.4% to EUR 63.8m. Revenues between the segments – and thus revenues as a whole – rose by a substantial 67.9% to EUR 95.5m. This was caused by the strengthening of the focus on the Rental

segment. The Sales segment serves the world market (more than 70 countries) as well as the internal segments (primarily Rental and Gaming operations). At EUR 13.4m, EBIT was at the same level as the previous year.

## Gaming operations segment

EUR m	H1 2011	H1 2010	Change %	m
<b>External revenues</b>	<b>299.4</b>	<b>242.0</b>	<b>+23.7%</b>	<b>+57.4</b>
Intra-segment revenues	3.2	4.3	-26.1%	-1.1
Total revenues	302.6	246.3	+22.8%	+56.2
<b>EBITDA</b>	<b>45.1</b>	<b>34.5</b>	<b>+30.9%</b>	<b>+10.7</b>
Depreciation/ amortization	-24.1	-19.2	+25.4%	-4.9
<b>EBIT</b>	<b>21.0</b>	<b>15.2</b>	<b>+37.9%</b>	<b>+5.8</b>
EBITDA margin	14.9%	14.0%	-	-
EBIT margin	7.0%	6.2%	-	-

The external revenues of the Gaming operations segment rose by EUR 57.4m or 23.7% to EUR 299.4m thus constituting the largest component of the increase in revenues registered by NOVOMATIC. The acquisition of the Spielbank Berlin, the integration of BPA Freizeit- und

Unterhaltungsbetriebe and the activities in Albania are primarily responsible for the strong rise in revenues. EBIT correspondingly rose by 37.9% to EUR 21.0m.

## Betting segment

EUR m	H1 2011	H1 2010	Change %	m
<b>External revenues</b>	<b>20.8</b>	<b>24.7</b>	<b>-15.8%</b>	<b>-3.9</b>
Intra-segment revenues	1.3	1.7	-22.1%	-0.4
Total revenues	22.1	26.4	-16.2%	-4.3
<b>EBITDA</b>	<b>0.4</b>	<b>0.6</b>	<b>-27.4%</b>	<b>-0.2</b>
Depreciation/ amortization	-1.9	-1.5	+24.2%	-0.4
<b>EBIT</b>	<b>-1.5</b>	<b>-0.9</b>	<b>+54.7%</b>	<b>-0.5</b>
EBITDA margin	1.8%	2.1%	-	-
EBIT margin	-6.6%	-3.6%	-	-

The external revenues of the Betting segment declined by EUR 3.9m to EUR 20.8m. The betting business is largely influenced by betting on major sporting events. The revenues were positively influenced during the first half of 2010 by the football World Cup, which was held in South Africa. By way of contrast, no comparable sport event took

place during the first half of 2011. The Betting segment is to be viewed as a complementary business, since betting facilities can also be employed as venues for gaming machines. EBIT reached -EUR 1.5m.

## Other segment

EUR m	H1 2011	H1 2010	Change %	m
<b>External revenues</b>	<b>34.5</b>	<b>9.2</b>	<b>&gt;100%</b>	<b>+25.2</b>
Intra-segment revenues	17.8	18.1	-1.3%	-0.2
Total revenues	52.3	27.3	+91.6%	+25.0
<b>EBITDA</b>	<b>16.5</b>	<b>17.5</b>	<b>-5.5%</b>	<b>-1.0</b>
Depreciation/ amortization	-8.8	-8.6	+1.3%	-0.1
<b>EBIT</b>	<b>7.7</b>	<b>8.8</b>	<b>-12.2%</b>	<b>-1.1</b>
EBITDA margin	31.6%	64.0%	-	-
EBIT margin	14.8%	32.3%	-	-

The Other segment includes the online gaming activities of the Greentube Group, the group headquarters in Gumpoldskirchen and other real estate not assigned to the segments. External revenues increased by EUR 25.2m to EUR 34.5m – the second largest contribution to

NOVOMATIC's increase in revenues – which was largely due to the growth ensuing from Greentube. Despite the increase in revenues, EBIT declined to EUR 7.7m. This was due to an increase in personnel costs and to losses resulting from foreign currencies.

# IFRS Consolidated Interim Financial Statement

## Consolidated income statement

EUR m	H1 2011	H1 2010 (unaudited)
<b>Revenues</b>	<b>654.7</b>	<b>559.6<sup>1</sup></b>
Changes in inventories of finished goods and work in progress	27.6	20.8
Own work capitalized	74.0	55.6
Other operating income	24.5	36.8
Cost of material and other purchased services	-130.6	-122.4 <sup>1</sup>
Personnel costs	-151.6	-126.6
Amortization and depreciation	-117.1	-106.7
Other operating expenses	-272.9	-208.1
<b>Operating profit</b>	<b>108.6</b>	<b>108.9</b>
Share of profit/loss of associated companies	-0.1	-2.6
Financial income	6.7	3.1
Financial expenses	-32.4	-16.7
Financial result	-25.8	-16.2
<b>Earnings before taxes</b>	<b>82.8</b>	<b>92.7</b>
Income taxes	-29.6	-34.9
<b>Profit from continuing operations</b>	<b>53.1</b>	<b>57.8</b>
<b>Result from discontinued operations</b>	<b>-0.3</b>	<b>-0.4</b>
<b>Profit for the period</b>	<b>52.8</b>	<b>57.3</b>
thereof attributable to non-controlling interests	0.8	0.4
thereof attributable to equity holders of Novomatic AG (net profit)	52.0	56.9

<sup>1)</sup> This group interim report depicts the revenues from wagering minus payouts from the betting business. The adjustments virtually exclusively pertain to Gaming operations.

## Consolidated statement of comprehensive income

EUR m	H1 2011	H1 2010 (unaudited)
<b>Profit for the period</b>	<b>52.8</b>	<b>57.3</b>
Exchange rate differences on foreign operations	-0.5	1.0
Income/Loss arising on revaluation of asset held for sale	0.0	0.0
Other comprehensive income for the year after tax	-0.4	1.0
<b>Total comprehensive income for the year</b>	<b>52.4</b>	<b>58.3</b>
thereof attributable to non-controlling interests	0.2	1.6
thereof attributable to equity holders of the parent	52.2	56.7

## Consolidated balance sheet

EUR m	30/06/2011	31/12/2010
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	151.1	148.8 <sup>1</sup>
Property, plant and equipment	774.2	764.6
Investment property	19.2	29.6
Investments in associated companies	138.5	144.9
Non-current financial assets	15.3	11.3
Deferred tax assets	35.3	31.1
Other non-current assets	83.1	84.4
	<b>1,216.7</b>	<b>1,214.8</b>
<b>Current assets</b>		
Inventories	173.3	160.0
Trade and other receivables	189.1	149.1
Current tax receivables	19.4	15.4
Current financial assets	8.4	9.0
Cash and cash equivalents	306.2	277.3
	<b>696.4</b>	<b>610.9</b>
<b>Total ASSETS</b>	<b>1,913.0</b>	<b>1,825.7</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	26.0	26.0
Capital reserves	1.0	1.0
Retained earnings	729.2	693.8
Revaluation reserve acc. IAS 39	-0.6	-0.6
Currency translation adjustment	-23.0	-23.1
	732.6	697.1
Non-controlling interests	38.6	40.9 <sup>1</sup>
	<b>771.2</b>	<b>738.0</b>
<b>Non-current liabilities</b>		
Non-current financial liabilities	795.4	750.3
Non-current provisions	25.6	22.3
Deferred tax liabilities	39.1	37.7 <sup>1</sup>
Other non-current liabilities	9.6	17.9
	<b>869.7</b>	<b>828.1</b>
<b>Current liabilities</b>		
Current financial liabilities	30.6	37.3
Current provisions	53.5	49.6
Current tax liabilities	17.5	22.8
Trade payables and other liabilities	170.6	149.8
	<b>272.1</b>	<b>259.5</b>
<b>Total EQUITY AND LIABILITIES</b>	<b>1,913.0</b>	<b>1,825.7</b>

<sup>1)</sup> Adjustments according to IFRS 3, see note (3) Scope of consolidation / acquisitions of companies / BPA Freizeit- und Unterhaltungsbetriebe GmbH

## Consolidated-cash flow statement

EUR m	H1 2011	H1 2010 (unaudited)
<b>Operating profit</b>	<b>108.3</b>	<b>108.4</b>
Income/Loss from the disposal of non-current assets	-1.8	-3.5
Depreciation / Appreciation of fixed assets	116.6	106.6
Other non-cash income and expenses	0.0	-1.0
Interest received	5.3	3.0
Change in inventories, trade receivables and other assets	-40.1	-24.4
Change in provisions, trade payables and other liabilities	-8.9	-0.3
Taxes paid	-45.4	-61.6
<b>Cash flow from operating activities</b>	<b>134.0</b>	<b>127.1<sup>1</sup></b>
Proceeds from the disposal of fixed assets (excluding financial assets)	17.1	12.8
Proceeds from financial assets and other financial investments	17.2	-2.9
Expenditures for additions to fixed assets (excluding financial assets)	-131.8	-139.4
Expenditures for additions to financial assets and other financial investments	-4.3	-30.4
Expenditures for acquisition of companies	-6.2	-5.9
<b>Cash flow from investing activities</b>	<b>-108.0</b>	<b>-165.8<sup>1</sup></b>
Changes in non-controlling interests	1.0	0.0
Dividend payments	-15.8	-30.1
Proceeds from change in interests in subsidiaries (without loss of control)	0.0	2.9
Expenditures from change in interests in subsidiaries (without loss of control)	-4.6	0.0
Proceeds from bank loans and financial liabilities	39.7	105.4
Interest paid	-17.0	-11.5
<b>Cash flow from financing activities</b>	<b>3.3</b>	<b>66.7<sup>1</sup></b>
Currency translation adjustments	-0.5	1.0
Changes in cash and cash equivalents due to changes in scope of consolidation	0.0	0.0
<b>Net change in cash and cash equivalents</b>	<b>28.8</b>	<b>29.0</b>
Cash and cash equivalents at the beginning of the year	277.3	215.8
Cash and cash equivalents at the end of the year	306.2	244.8
<b>Net change in cash and cash equivalents</b>	<b>28.8</b>	<b>29.0</b>

<sup>1)</sup> The alteration of the depiction of the comparable period in 2010 is based upon adjustments made in the depictions contained in the consolidated financial statements on the first half of 2010.

## Consolidated statement of changes in equity

EUR m	Shares of the equity holders of Novomatic AG						Total	Non-controlling interests	Equity
	Share capital	Capital reserve	Retained earnings	Reserves acc. IAS 39	Currency translation adjustment				
<b>01/01/2011</b>	<b>26.0</b>	<b>1.0</b>	<b>693.8</b>	<b>-0.6</b>	<b>-23.1</b>	<b>697.1</b>	<b>40.9<sup>1)</sup></b>	<b>738.0</b>	
1) Comprehensive income for the period									
Profit for the period	0.0	0.0	52.0	0.0	0.0	52.0	0.8	52.8	
Other results	0.0	0.0	0.0	0.0	0.1	0.1	-0.6	-0.4	
2) Dividend payments									
	0.0	0.0	-15.0	0.0	0.0	-15.0	-0.8	-15.8	
3) Change in non-controlling interests									
	0.0	0.0	-1.7	0.0	0.0	-1.7	-2.9	-4.6	
4) Changes in the scope of consolidation									
	0.0	0.0	0.0	0.0	0.0	0.0	1.2	1.2	
<b>30/06/2011</b>	<b>26.0</b>	<b>1.0</b>	<b>729.2</b>	<b>-0.6</b>	<b>-23.0</b>	<b>732.6</b>	<b>38.6</b>	<b>771.2</b>	

<sup>1)</sup> Adjustments according to IFRS 3, see note (3) Scope of consolidation / acquisitions of companies / BPA Freizeit- und Unterhaltungsbetriebe GmbH

EUR m	Shares of the equity holders of Novomatic AG						Total	Non-controlling interests	Equity
	Share capital	Capital reserve	Retained earnings	Reserves acc. IAS 39	Currency translation adjustment				
<b>01/01/2010</b>	<b>26.0</b>	<b>1.0</b>	<b>605.4</b>	<b>-1.4</b>	<b>-22.9</b>	<b>608.1</b>	<b>31.5</b>	<b>639.6</b>	
1) Comprehensive income for the period									
Profit for the period	0.0	0.0	56.9	0.0	0.0	56.9	0.4	57.3	
Other results	0.0	0.0	0.0	0.0	-0.2	-0.2	1.2	1.0	
2) Dividend payments									
	0.0	0.0	-30.0	0.0	0.0	-30.0	-0.1	-30.1	
3) Change in non-controlling interests									
	0.0	0.0	0.3	0.0	0.0	0.3	4.2	4.5	
4) Changes in the scope of consolidation									
	0.0	0.0	-1.0	0.0	0.0	-1.0	0.0	-1.0	
<b>30/06/2010</b>	<b>26.0</b>	<b>1.0</b>	<b>631.5</b>	<b>-1.4</b>	<b>-23.1</b>	<b>634.1</b>	<b>37.2</b>	<b>671.3</b>	
(unaudited)									



# Notes to the consolidated financial statements

## (1) Basis of preparation of these financial statements

These interim consolidated financial statements of Novomatic AG and its subsidiaries as of 30 June, 2011 were prepared in accordance with IAS 34 “interim financial reporting”. The accounting and measurement methods applied herewith adhere to the International Financial Reporting Standards (IFRS) and to the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), adopted by the EU.

The methods of balance sheet compilation used in the preparation of these interim consolidated accounts correspond to those employed in the consolidated accounts as of December 31, 2010. The measurement methods used as of December 31, 2010 remain unchanged. In-depth information on the details of the methods of balance sheet compilation and measurement are available in the consolidated accounts of Novomatic AG as of December 31, 2010.

The following new or revised accounting standards and interpretations were adopted by the EU, were to be applied for the first time during the first six months of 2011, and did not have any or any significant impact upon the Novomatic Group.

- Revision of IAS 24 “Related Party Disclosures”
- Amendment of IAS 32 “Financial Instruments: Depiction – Classification of Rights Issues
- Amendment of IFRIC 14 “Prepayments due to Minimum Funding Requirements”
- IFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments”

All figures contained in these interim consolidated accounts are denominated in euros. All amounts, unless otherwise indicated, are reported in millions of euros (EUR m).

## (2) Segment reporting

### **Changes of the account compared with the report for the first half of 2010:**

The combination of Sales and Rental into one segment in the interim consolidated report for 2010 was changed. Two segments - bearing the names “Sales” and “Rental” -were established.

These interim consolidated financial statements depict all earnings from wagering minus the payouts arising from the betting business. The adjustments pertain to virtually the entire Betting segment.

Changed vis-à-vis the period of comparison has been the allocation of certain costs in the interim consolidated financial statements for 2011. The alterations involve primarily depreciation and the segment results (EBITDA and EBIT).

The previous year’s values have been correspondingly changed.

No significant changes took place during the first half of 2011 in the total assets assigned to the segments.

First half-year 2011							
EUR m	Rental	Sales	Gaming operations	Betting	Other	Group adjustments	Total
<b>External revenues</b>	<b>236.2</b>	<b>63.8</b>	<b>299.4</b>	<b>20.8</b>	<b>34.5</b>	<b>0.0</b>	<b>654.7</b>
Intra-segment revenues	22.4	95.5	3.2	1.3	17.8	-140.3	0.0
<b>Total revenues</b>	<b>258.7</b>	<b>159.3</b>	<b>302.6</b>	<b>22.1</b>	<b>52.3</b>	<b>-140.3</b>	<b>654.7</b>
Depreciation/ amortization	-77.5	-4.8	-24.1	-1.9	-8.8	0.0	-117.1
<b>EBIT</b>	<b>88.4</b>	<b>13.4</b>	<b>21.0</b>	<b>-1.5</b>	<b>7.7</b>	<b>-20.5</b>	<b>108.6</b>
Financial result							-25.8
Earnings before taxes							82.8
Income taxes							-29.6
Profit from continuing operations							53.1
Result from discontinued operations							-0.3
Profit for the period							52.8

First half-year 2010							
EUR m	Rental	Sales	Gaming operations	Betting	Other	Group adjustments	Total
<b>External revenues</b>	<b>215.4</b>	<b>68.2</b>	<b>242.0</b>	<b>24.7</b>	<b>9.2</b>	<b>0.0</b>	<b>559.6</b>
Intra-segment revenues	25.8	56.9	4.3	1.7	18.1	-106.7	0.0
<b>Total revenues</b>	<b>241.2</b>	<b>125.1</b>	<b>246.3</b>	<b>26.4</b>	<b>27.3</b>	<b>-106.7</b>	<b>559.6</b>
Depreciation/ amortization	-72.4	-5.0	-19.2	-1.5	-8.6	0.0	-106.7
<b>EBIT</b>	<b>87.9</b>	<b>13.3</b>	<b>15.2</b>	<b>-0.9</b>	<b>8.8</b>	<b>-15.4</b>	<b>108.9</b>
Financial result							-16.2
Earnings before taxes							92.7
Income taxes							-34.9
Profit from continuing operations							57.8
Result from discontinued operations							-0.4
Profit for the period							57.3

### (3) Scope of consolidation

Initially consolidated into the group during the period of interim reporting were the following companies:

- Spielbank Berlin Gustav Jaenecke GmbH & Co KG, Germany (92.04%)
- Spielbank Berlin Entertainment GmbH & Co KG, Germany (92.04%)
- Spielbank Berlin nationale BeteiligungsGmbH & Co KG, Germany (92.04%)
- Spielbank Berlin Service GmbH & Co KG, Germany (92.50%)
- Empire Games Ltd., United Kingdom (70.0%)
- Inter Invest Co Srl, Romania (99.0%)
- S.C. Lucky Gaming Srl, Romania (99.9%)
- S.C. Nili Real Srl, Romania (99.0%)
- Adria Gaming Vicenza Srl, Italy (70%)
- Hotel Carrera SAC, Peru (100%)
- Fill and Play Slots Srl, Romania (60%)
- Games Holding Hungaria Kft, Hungary (100%)
- Admiral Casinos & Entertainment AG, Austria (100%)

Activities in Bulgaria included the merging of Bonaco EOOD, Bulten EOOD and Sofiten EOOD into Novo Invest Bulgaria EOOD. Merged in Italy were Allstar Italiana Srl and Gimau Srl.

The scope of companies consolidated thus developed as follows:

Scope of consolidation	fully-consolidated	valued at equity
31/12/2010	123	8
initially consolidated during first half of 2011	13	0
disposed of during first half of 2011	0	0
merged during first half of 2011	-4	0
30/06/2011	132	8
of which non-Austrian companies	113	6

Affiliated companies whose influence upon the Group's assets, finances and earnings are of negligible importance have not been included in the group of fully-consolidated companies, but are reported at their costs of acquisition in the financial assets item.

#### Acquisitions of companies

##### BPA Freizeit- und Unterhaltungsbetriebe GmbH:

An extensive depiction of the acquisition of a 75% stake in the renowned operator of amusement arcades BPA Freizeit- und Unterhaltungsbetriebe GmbH, Germany, which was acquired in August 2010, is available in the notes to the accounts of the consolidated financial statements for 2010. The initial inclusion of this company into corporate accounts was made upon the basis of the preliminary fair values reported for this acquisition in the Group's financial statements for 2010.

The fair values – now decisively determined – led to a drop in the fair value of the assumed intangible assets of EUR 6.0m and one of EUR 1.8m in the deferred tax liabilities. This caused the goodwill to increase from a preliminary EUR 3.0m to EUR 6.2m. The non-controlling shares decreased in value by EUR 1.1m. The adjustments were depicted retroactively in these interim consolidated accounts in accordance with IFRS 3. This led to an adjustment of the comparative figures contained in the balance sheet.

As of 1 January, 2011, further 20% were acquired. As of 30 June, 2011, the NOVOMATIC Group thus held 95% of the shares of BPA Freizeit- und Unterhaltungsbetriebe GmbH, an operator of slot arcades.

The fair values are now to be depicted in the following way:

EUR m	preliminary fair value	adjustments	Fair value
Intangible assets	25.6	-6.0	19.6
Property, plant and equipment	7.2		7.2
Deferred tax assets	0.3		0.3
Inventories	0.4		0.4
Cash	1.3		1.3
Other current assets	0.4		0.4
Non-current liabilities and provisions	-5.4		-5.4
Deferred tax liabilities	-6.4	1.8	-4.6
Current liabilities and provisions	-4.5		-4.5
<b>Net assets</b>	<b>19.0</b>		<b>14.7</b>
<b>Non-controlling shares</b>	<b>-4.7</b>	<b>1.1</b>	<b>-3.7</b>
Goodwill (for 75% of the shares)	3.0	3.2	6.2
<b>Consideration (for 75% of the shares)</b>	<b>17.3</b>		<b>17.3</b>

The consideration of EUR 17.3m was paid in cash.

Spielbank Berlin – companies:

In order to strengthen the Group's business operations in Germany, a stake of 92,04% of the shares of Spielbank Berlin Gustav Jaenecke GmbH & Co KG and the three other limited partnerships was acquired as of 1 January, 2011. The primary business of the companies acquired comprises the operation of a publicly-accessible casino, three gaming outlets in Berlin and the provision of supplementary gastronomical and entertainment services.

The Group acquired these companies from the majority shareholder of Novomatic AG. The price of acquisition and the formulation of the contract were based upon internal corporate values, which ensued from negotiations between the contractual parties involved. The customary configuration of this transaction causes IFRS 3 on jointly controlled companies to apply to the Group's incorporation of this acquisition into its balance sheets. The goodwill arising from this acquisition reflects the strategic advantages expected to accrue to the Group through the increase of its business operations on the German market.

The fair values as of the time of acquisition are to be depicted in the following way:

EUR m	Fair value
Intangible assets	3.9
Property, plant and equipment	8.3
Non-current financial assets	0.6
Cash	8.4
Other current assets	8.9
Non-current liabilities and provisions	-2.7
Deferred tax liabilities	-3.5
Current liabilities and provisions	-10.8
<b>Net assets</b>	<b>13.1</b>
<b>Shares in limited partnerships</b>	<b>-1.0</b>
Goodwill	1.8
<b>Consideration</b>	<b>13.8</b>

The consideration of EUR 13.8m was paid in cash.

The results for the period starting as of the time of acquisition amount to EUR 0.6m.

#### Other major acquisitions:

The extension of the palette of products offered by the Novomatic Group led to the takeover of 70.0% of the shares of Empire Games Ltd., UK as of 1 January, 2011. The business of Empire Games Ltd comprises the design, development, production and marketing of gaming devices and software. In order to optimize the Group's organization on the Romanian market, 99.00% of the shares of Inter Invest Co Srl, 99.90% of the shares of S.C. Lucky Gaming Srl and 99.00% of the shares of S.C. Nili Real Srl were acquired as of 1 January, 2011.

The fair values as of the time of acquisition are to be depicted in the following way:

EUR m	Fair value
Property, plant and equipment	0.3
Inventories	0.1
Other current assets	0.7
Current liabilities and provisions	-0.9
<b>Net assets</b>	<b>0.2</b>
<b>Non-controlling interests</b>	<b>-0.1</b>
Goodwill	1.6
<b>Consideration</b>	<b>1.7</b>

The consideration of EUR 1.7m is comprised of EUR 0.9m of a contingent consideration and of EUR 0.8m in a component to be paid in cash.

The earnings for the period since the time of acquisition amount to a total of EUR 0.0m.

## (4) Other figures

#### Related party transactions:

The NOVOMATIC Group sold several properties to an affiliated company for EUR 10.1m. In a further move, the NOVOMATIC Group paid EUR 13.8m to its majority shareholder for shares in Spielbank Berlin Gustav Jaenecke GmbH & Co KG and in other limited partnerships. A mutually agreed upon and ahead-of-term termination of contract between the NOVOMATIC Group and a company affiliated with the management gave rise to an indemnification for termination amounting to EUR 8.7m on behalf of the affiliated company. Aside from these transactions, during the first half year of 2011 and since the consolidated financial statements as of 31/12/2010, there have been no significant alterations in transactions involving the delivery of goods, the charging of rentals and the rendering of research and development services with affiliated companies and persons.

#### Seasonality:

NOVOMATIC Group's business is not subject to seasonal fluctuations.

#### Guarantees and other commitments:

No significant changes have occurred in guarantees and other commitments since the last balance sheet reporting date.

#### Dividends:

The Annual General Meeting of the NOVOMATIC Group on April 28, 2011 agreed to the dispensing of a dividend yielding a total payout of EUR 15.0m to the shareholders. The paying out of the resolved-upon dividend was undertaken in May 2011.

**(5) Events occurring after the interim reporting period**

To strengthen the Group's presence on the Italian market, the stake of 47.2% held in the shares of Telcos S.r.l., an Italian company, was increased by the acquisition in July 2011 of a further 38%. The purchase price was EUR 25.0m. The seller was granted a contractual right of repurchase of a 17% stake at a purchase price of EUR 10.0m. This has a term of 30 months from the closing. The increase in the stake held by the Group in Telcos S.r.l. caused the assumption of liabilities amounting to EUR 11.4m which are associated with gaming charges and license fees. The increase in this stake caused the Group to hold a majority of the shares of Telcos S.r.l. and of its subsidiary G.Matica S.r.l., one of its Italian concessionaires.

In July 2011, the NOVOMATIC Group made a strategic investment in Kaliningrad, Russia, by acquiring for EUR 5.0m the remaining 50% of United Gaming Industries OOO.

The Group had secured the acquisition of the remaining 30% of the shares of Greentube Internet Entertainment Solutions GmbH by entering into an option agreement forming part of a syndicate contract concluded in 2009 (Call Option for NOVOMATIC). The obligation to render the purchase price resulting from this contract (through the Put Option of fellow shareholders) was recorded as a liability bearing a fair value of EUR 5.1m in the consolidated financial statements for 2010. The commitment to pay the purchase price was raised to EUR 19.5m in the report for the first half of 2011 on the basis of the positive business development. This was recorded in a way that illustrates an impact on earnings in the financial results. Strategic reasons led to the decision in August 2011 to acquire the remaining 30% ahead-of-schedule at a purchase price of EUR 19.6m. NOVOMATIC now holds 100% of the shares of the Greentube Group.

The following changes took place in the Supervisory Board: Karl Schlögl and Dr. Gernot Hain resigned their positions in April, 2011. Erich Kirchberger gave up his position in August, 2011. Dr. Bernd Oswald is now Deputy Chairman of the Supervisory Board. Dr. Karl Pour was elected to the Supervisory Board.

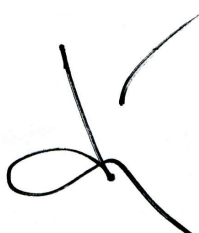
**(6) Review**

The interim consolidated financial statements of NOVOMATIC AG, Gumpoldskirchen, for the first half year of 2011 were not subject to an audit by an auditor. A review was performed by an auditor.

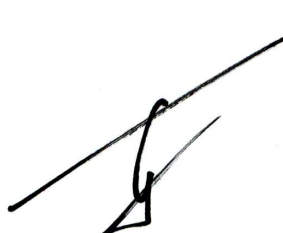
Gumpoldskirchen, 26 August, 2011



**Dr. Franz Wohlfahrt**  
CEO



**Ryszard Presch**  
Deputy CEO



**Thomas Graf**  
CTO



**Peter Stein**  
CFO

# Report on the Review of the IFRS Consolidated Interim Financial Statements including selected explanatory notes as of 30 June 2011

## Introduction

The report is a translation from the original report in German, which is solely valid. The English translation or the review report was prepared for the client's convenience only. It is no legally relevant translation of the German review report. We have reviewed the accompanying IFRS consolidated interim financial statements including selected explanatory notes of Novomatic AG, Gumpoldskirchen, for the period from 1 January 2011 to 30 June 2011. The IFRS consolidated interim financial statements include the consolidated balance sheet as of 30 June 2011, the consolidated income statement and statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the period from 1 January 2011 to 30 June 2011 as well as selected explanatory notes. The legal representatives of Novomatic AG are responsible for the preparation of these IFRS consolidated interim financial statements including selected explanatory notes in accordance with International Financial Reporting Standards (IFRSs) applicable on interim financial reporting as endorsed by the European Union. Our responsibility is to issue a report on these IFRS consolidated interim financial statements including selected explanatory notes based on our review.

## Scope of review

We conducted our review in accordance with applicable Austrian laws and professional standards and International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying IFRS consolidated interim financial statements including selected explanatory notes of Novomatic AG, are not prepared, in all material respects, in accordance with IFRSs applicable on interim financial reporting as endorsed by the European Union.

## Statement on the Group Interim Management Report and the Responsibility Statement of the Legal Representatives according to section 87 of the Austrian Stock Exchange Act

The statement is a translation from the original statement in German, which is solely valid. The English translation or the statement was prepared for the client's convenience only. It is no legally relevant translation of the German statement. We have read the accompanying Group Interim Management Report of Novomatic AG as of 30 June 2011 and assessed whether it contains any obvious contradictions to the IFRS consolidated financial statements including selected explanatory notes. Based on our review, the accompanying Group Interim Management Report contains no obvious contradictions to the IFRS consolidated financial statements including selected explanatory notes.

The interim financial report of Novomatic AG as of 30 June 2011 includes the responsibility statement of the legal representatives as required by Section 87 (1) (3) of Austrian Stock Exchange Act (Börsegesetz, BörseG).

Vienna, 26 August 2011

Deloitte Audit Wirtschaftsprüfungs GmbH

ppa. Helga Csokay m.p.  
Austrian Certified Public Accountant

Dr. Michael Heller m.p.  
Austrian Certified Public Accountant

# Statement of all legal representatives pursuant to § 87 Section 1 (3) Austrian Stock Exchanges Act

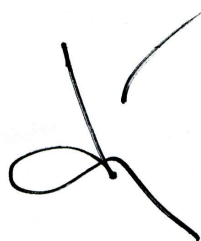
As the legal representatives of NOVOMATIC AG, we confirm to the best of our conscience that the interim consolidated accounts as of 30 June, 2011 have been compiled in a way in accordance with the applicable accounting standards, and that these accounts depict as accurately as possible the Group's assets, finances and earnings. We also confirm that the Group's report for the first half of 2011 depicts as accurately as possible the Group's assets, finances and earnings and the events taking place during the first six months of the fiscal year and most importantly influencing the interim consolidated accounts as of 30 June, 2011. This applies to the significant risks and uncertainties vis-à-vis the remaining six months of the fiscal year and involving the significant transactions to be disclosed with affiliated companies and persons.

Gumpoldskirchen, 26 August, 2011

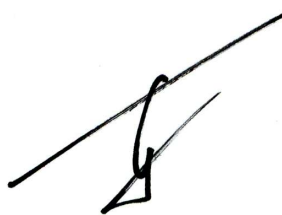
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Deputy CEO,  
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**Thomas Graf**  
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## Credits

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### Notifications

We used the greatest possible care during the compilation of this report. We checked all figures. Errors resulting from rounding off, typesetting or printing cannot, however, be excluded. The summation of amounts and percentages that were rounded off and the use of automatic mathematical programs could cause differences of calculations to occur.

This report also contains forward looking estimates and statements. These were made on the basis of the information available to us at the time of writing the report. These forward-looking statements were described by using such terms as “expect”, “plan”, “assume” and “reckon with”. We wish to point out that a wide range of factors can cause the actual conditions – and thus the actual results – to diverge from the expectations depicted in this report. Person-related formulations should be understood as gender-neutral.

In this report, “NOVOMATIC“ and “NOVOMATIC Group” designate the corporate group comprised of those companies fully-consolidated in it. “NOVOMATIC AG“ refers to the individual company.

### Disclaimer

The German version of this report is binding and is to be used in all legal matters. The English-language report is comprised of translations that are not legally binding.

### Press date

26 August, 2011

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