

# NOVOMATIC AG

(an Austrian joint stock company (Aktiengesellschaft), entered in the company register of the commercial court of Wiener Neustadt under registered number FN 69548 b)

## EURO 2,000,000,000 DEBT ISSUANCE PROGRAMME

NOVOMATIC AG ("NOVOMATIC AG" or the "Issuer" and, together with its consolidated subsidiaries, the "NOVOMATIC AG Group" or the "Group") can issue unsecured, unconditional and unsubordinated notes (the "Notes") under this debt issuance programme (the "Programme") in any currency agreed between the Issuer and the relevant Dealer (as defined below). The total principal amount of Notes outstanding under the Programme may not at any time exceed EUR 2,000,000,000. Notes will be issued in tranches (each a "Tranche" or "Tranche of Notes"), each Tranche consisting of Notes which are identical in all respects. One or more Tranches, which are expressed to be consolidated and form a single series and are identical in all respects, but may have different issue dates, interest commencement dates, reoffer prices, issue prices and dates for first interest payments may form a series ("Series") of Notes. Further Notes may be issued as part of an existing Series. The specific terms of each Tranche will be determined at the time of offering of such Tranche based on then prevailing market conditions and will be set forth in the applicable final terms (the "Final Terms") (the form of which is contained herein). Each Series will be represented by a global note, without interest coupons.

The Issuer is assigned a long-term issuer rating of "BBB" with stable outlook and a short-term issuer rating of "A-2" with stable outlook by Standard & Poor's Credit Market Services Europe Limited ("Standard & Poor's"). The Notes to be issued under the Programme may be rated or unrated. Where Notes are rated, such rating will be specified in the relevant Final Terms.

The Issuer will apply for the admission of the Programme to the Second Regulated Market (*Geregelter Freiverkehr*) of the Vienna Stock Exchange. This prospectus (the "Prospectus") is valid in regards to Notes issued and to be listed on the Vienna Stock Exchange within a period of 12 months from the date of approval of this Prospectus. The Programme also allows the issuance of Notes listed on other regulated (subject to the prior notification of the Prospectus in accordance with Article 18 of Directive 2003/71/EC, as amended (the "Prospectus Directive"), and approval for listing) and unregulated markets within the European Economic Area or not listed on any stock exchange, as indicated in the respective Final Terms.

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***Prospective investors should consider that an investment in the Notes includes diverse risks, which are described in more detail in Section II. (Risk Factors) starting on page 1. The occurrence of one or more of such risks could lead investors to lose some or all of their investment. Each investor should consult its own professional investment, legal, tax and other relevant advisors in connection with the subscription of Notes.***

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This Prospectus is a base prospectus in accordance with Article 5.4 of the Prospectus Directive, which was prepared in line with requirements of the Prospectus Directive, Annexes IV, V, XXII and XXX of Commission Regulation 809/2004/EC, as amended (the "Prospectus Regulation") and the Austrian Capital Markets Act 1991, as amended (the "KMG"). The Prospectus was submitted to the Austrian Financial Market Authority (the "FMA"), was approved by the FMA and was made available free of charge as of 5 September 2016 at the registered office of the Issuer at Wiener Straße 158, 2352 Gumpoldskirchen, Austria and in electronic form on the website of the Issuer ([www.novomatic.com/debtissuanceprogramme2016](http://www.novomatic.com/debtissuanceprogramme2016)).

The Notes issued under the Programme are subject to Austrian law.

The Issuer has requested that the FMA provide the competent authority of the Federal Republic of Germany with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the KMG, which implements the Prospectus Directive into Austrian law (a "Notification"). The Issuer may at any time request the FMA to provide other competent authorities with a Notification.

This Prospectus is not an offer to sell or a solicitation of an offer to purchase the Notes in any country in which such an offer or solicitation of an offer would be unlawful. In particular, the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and are subject to United States tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act ("Regulation S") unless the Notes are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

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***The FMA is not required under the applicable statutory provisions to review the validity of the information contained in this Prospectus. The FMA only reviews the Prospectus with respect to completeness, coherence and comprehensibility in accordance with § 8a KMG.***

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Arrangers and Dealers

Erste Group Bank AG

Raiffeisen Bank International AG

UniCredit Bank Austria AG

The date of this Prospectus is 5 September 2016.

## RESPONSIBILITY STATEMENT

NOVOMATIC AG, with its registered office at Wiener Straße 158, 2352 Gumpoldskirchen, Austria, and entered in the company register under registered number FN 69548 b, accepts responsibility for the information given in this Prospectus.

NOVOMATIC AG declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

## NOTICE

This Prospectus should be read and understood in conjunction with any supplement hereto and with any other documents incorporated herein by reference (see Section X. (*Documents Incorporated by Reference*)) and, in relation to any Tranche of Notes, together with the relevant Final Terms. Full information on any Tranche of Notes is only available on the basis of the combination of the Prospectus and the relevant Final Terms.

The Issuer has confirmed to the Dealers listed on the cover page that this Prospectus contains all information with regard to the Issuer and the Notes which is material in the context of the Programme and the issuance and offering of Notes thereunder; that the information contained herein with respect to the Issuer and the Notes is accurate and complete in all material respects and is not misleading; that any opinions and intentions expressed herein are honestly held and based on reasonable assumptions; that there are no other facts with respect to the Issuer or the Notes, the omission of which would make this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading; that the Issuer has made all reasonable enquiries to ascertain all facts material for the purposes aforesaid.

The Issuer has undertaken with the Dealers to supplement this Prospectus in the event of any significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus in respect of the Notes issued on the basis of this Prospectus which is capable of affecting the assessment of the Notes and which arises or is noted between the time of approval of this Prospectus and the closing of any Tranche offered to the public or, as the case may be, the commencement of trading of any Tranche of Notes on a regulated market. In accordance with § 6 KMG, any such supplement shall be prepared, published and filed, and approved by the FMA, all in the same manner as this Prospectus.

No person has been authorised to give any information which is not contained in or not consistent with this Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or any other information in the public domain and, if given or made, such information must not be relied upon as having been authorised by the Issuer, the Dealers or any of them.

No Arranger or Dealer nor any other person mentioned in this Prospectus, excluding the Issuer, is responsible for the information contained in this Prospectus or any supplement hereto, or any Final Terms or any document incorporated herein by reference and, accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts any responsibility for the accuracy and completeness of the information contained in any of these documents.

This Prospectus is valid for 12 months following the date of its approval and this Prospectus and any supplement hereto as well as any Final Terms reflect the status as of their respective dates of issue. The delivery of this Prospectus, any supplement thereto, or any Final Terms and the offering, sale or delivery of any Notes may not be taken as an implication that the information contained in such documents is accurate and complete subsequent to their respective dates of issue or that there has been no adverse change in the financial situation of the Issuer since such date or that any other information supplied in connection with the Programme is accurate at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Prospectus and any Final Terms and the offering, sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus or any Final Terms come are required to inform themselves about and observe any such restrictions. For a description of the restrictions applicable in certain jurisdictions; see Section IX. (*Subscription and Sale*). In particular, the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and include Notes in bearer form that are subject to tax law requirements of the United States of America; subject to

certain exceptions, Notes may not be offered, sold or delivered within the United States of America or to United States persons.

The legally binding language of this Prospectus, other than the terms and conditions (the "**Terms and Conditions**") and Final Terms in this Prospectus, is English. Any part of the Prospectus, other than the Terms and Conditions and Final Terms in this Prospectus, in German language constitutes a translation for additional information. In respect of the issue of any Tranche of Notes under the Programme, the German text of the Terms and Conditions and Final Terms in this Prospectus will be controlling and binding.

**This Prospectus may only be used for the purpose for which it has been published. This Prospectus and any Final Terms may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation. This Prospectus, any supplement thereto and any Final Terms do not constitute an offer or an invitation to subscribe for or purchase any Notes.**

**Neither this Prospectus nor any Final Terms nor any further information supplied in connection with the Programme or the Notes constitute an offer or an invitation to subscribe for or purchase any Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.**

**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the stabilising manager(s) (or persons acting on behalf of any stabilising manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the stabilising manager(s) (or persons acting on behalf of a stabilizing manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms and conditions of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or overallotment must be conducted by the relevant stabilising manager(s) (or person(s) acting on behalf of any stabilising manager(s)) in accordance with all applicable laws and rules. Each Dealer and/or each further financial intermediary subsequently reselling or finally placing Notes issued under the Programme is entitled to use the Prospectus as set out in "Consent to use the Prospectus" below.**

**Each Dealer and/or each further financial intermediary subsequently reselling or finally placing Notes issued under the Programme is entitled to use the Prospectus as set out in "Consent to use the Prospectus" below.**

## **INFORMATION REGARDING FINANCIAL INFORMATION**

Certain numbers (including percentages) in this Prospectus were commercially rounded. In tables, such commercially rounded numbers may not add up exactly to the totals presented in such tables. The percentages provided refer to the commercially rounded financial information in this Prospectus and may therefore deviate from the actual values in the Consolidated Financial Statements and the Interim Financial Statements.

## **FORWARD-LOOKING STATEMENTS**

This Prospectus contains certain forward-looking statements. A forward-looking statement is a statement that does not relate to historical facts and events. They are based on analyses or forecasts of future results and estimates of amounts not yet determinable or foreseeable. These forward-looking statements are identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will" and similar terms and phrases, including references and assumptions.

This applies, in particular, to statements in this Prospectus containing information on future earning capacity, plans and expectations regarding NOVOMATIC AG's business and management, its growth and profitability, and general economic and regulatory conditions and other factors that affect it.

Forward-looking statements in this Prospectus are based on current estimates and assumptions that the Issuer makes to the best of its present knowledge. These forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results, including NOVOMATIC AG's financial condition and results of operations, to differ materially from and be worse than results that have expressly or implicitly been assumed

or described in these forward-looking statements. NOVOMATIC AG's business is also subject to a number of risks and uncertainties that could cause a forward-looking statement, estimate or prediction in this Prospectus to become inaccurate. Accordingly, investors are strongly advised to read the following sections of this Prospectus: "Summary", "Risk Factors" and "Information regarding the Issuer and the Group". These sections include more detailed descriptions of factors that might have an impact on NOVOMATIC AG's business and the markets in which it operates.

In light of these risks, uncertainties and assumptions, future events described in this Prospectus may not occur. Neither the Issuer nor its management or the Dealers can vouch for the future veracity of the opinions contained in the Prospectus or for the actual occurrence of the forecast developments. Moreover, prospective investors should note that statements regarding past trends and developments provide no guarantee that such trends and developments will continue in the future.

In addition, neither the Issuer nor the Dealers assume any obligation, except as required by law, to update any forward-looking statement or to conform these forward-looking statements to actual events or developments.

### **THIRD-PARTY STATEMENTS**

Where information was sourced from a third party, the Issuer confirms that this information was accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts were omitted which would render the reproduced information inaccurate or misleading. Where such information was included in this Prospectus, the source is indicated.

### **DOCUMENTS ON DISPLAY**

While this Prospectus remains valid, thus during a period of 12 months from the date of approval, the articles of association of the Issuer may be viewed in hardcopy at the registered office of the Issuer in Wiener Straße 158, Gumpoldskirchen, Austria and in the documents on file with the commercial court of Wiener Neustadt. In addition, an electronic copy of the articles of association may be downloaded without cost from the website of the Issuer at [www.novomatic.com/debtissuanceprogramme2016](http://www.novomatic.com/debtissuanceprogramme2016) beginning the day after the date of approval.

This Prospectus, as well as the documents incorporated herein by reference (see Section X. (*Documents Incorporated by Reference*)), will be published in accordance with § 10 Abs 3 Z 2 KMG and will be available free of charge to the public in hardcopy at the registered office of the Issuer at Wiener Straße 158, 2352 Gumpoldskirchen during regular business hours and in electronic copy on the website of the Issuer ([www.novomatic.com/debtissuanceprogramme2016](http://www.novomatic.com/debtissuanceprogramme2016)).

### **CONSENT TO USE THE PROSPECTUS**

While this Prospectus remains valid, the Issuer hereby gives each Dealer (as defined herein) and/or each further financial intermediary subsequently reselling or finally placing the Notes express consent to use the Prospectus, and accepts responsibility for the content of the Prospectus with respect to, the subsequent resale or final placement of the Notes during the offer period (as set out in the applicable Final Terms). Such consent for the subsequent resale or final placement of Notes by the financial intermediaries is restricted to certain jurisdictions as set out in the applicable Final Terms and subject to conditions as stated in the applicable Final Terms.

The Prospectus may only be delivered to potential investors together with all supplements published before such delivery. Any supplement to the Prospectus will be available for viewing in electronic form on the website of the Issuer at [www.novomatic.com/debtissuanceprogramme2016](http://www.novomatic.com/debtissuanceprogramme2016).

When using the Prospectus, each Dealer and/or relevant further financial intermediary must make certain that it complies with all applicable laws and regulations in force in the respective jurisdictions.

**In the event of an offer being made by a Dealer and/or further financial intermediary, the Dealer and/or further financial intermediary shall provide information to investors on the terms and conditions of the offer at the time the offer is made.**

**Any Dealer and/or financial intermediary using the Prospectus has to state on its website that it uses the Prospectus in accordance with the consent and the conditions attached thereto.**

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## I. SUMMARY

### 1. Summary of the Prospectus

*Summaries are made up of disclosure requirements known as elements (the "**Elements**"). These Elements are numbered in sections A – E (A.1 – E.7).*

*This summary (the "**Summary**") contains all the Elements required to be included in a summary for this type of securities and the Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.*

*Even though an Element may be required to be inserted in the Summary because of the type of securities and the Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the Summary with the specification of "not applicable".*

#### Element

##### A. Introduction and Warnings

###### A. 1 Warnings:

###### Warning that

- this Summary should be read as an introduction to this prospectus (the "**Prospectus**");
- any decision to invest in the notes issued under this debt issuance programme (the "**Notes**") should be based on consideration of the Prospectus as a whole by the investor;
- where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member state, have to bear the costs of translating the Prospectus, before the legal proceedings are initiated; and
- civil liability attaches only to the Issuer which has tabled the Summary including any translation thereof, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Notes.

###### A. 2 Consent by the Issuer to the use of the Prospectus:

NOVOMATIC AG (the "**Issuer**") hereby gives Erste Group Bank AG, Raiffeisen Bank International AG and UniCredit Bank Austria AG (together the "**Dealers**") and/or each further financial intermediary subsequently reselling or finally placing Notes its express consent to use this Prospectus, including all documents incorporated by reference and any supplements, for selling notes [in Austria][,] [and] [in Germany] [and in any further country to which the Issuer has this Prospectus notified]. The Issuer states that it accepts responsibility for the content of the Prospectus also with respect to subsequent resale or final placement of the Notes by the Dealers and/or financial intermediaries. The Issuer does not accept any liability for acts or omissions on the part of the Dealers and/or financial intermediaries. Dealers and/or financial intermediaries may use the Prospectus only in accordance with the following provisions.

The offer period within which subsequent resale or final

placement of the Notes by Dealers and/or financial intermediaries can be made will be indicated in the relevant final terms (the "**Final Terms**"). It is expressly stated that the consent given does not constitute a release from compliance with the selling restrictions applicable to the respective offering and with any and all rules and regulations applicable from time to time. Each Dealer and/or financial intermediary is not released from compliance with the statutory rules and regulations applicable to it. Consent is given for the term of validity of the Prospectus from time to time. The right to revoke, with effect for the future and without giving reasons, the statement contained herein is reserved for the Issuer.

**In the event of an offer being made by a Dealer and/or further financial intermediary, the Dealer and/or further financial intermediary shall provide information to investors on the terms and conditions of the offer at the time the offer is made.**

**Any Dealer and/or financial intermediary using the Prospectus has to state on its website that it uses the Prospectus in accordance with the consent and the conditions attached thereto.**

## **B. The Issuer**

**B. 1** Legal and commercial name of the Issuer: NOVOMATIC AG and NOVOMATIC

**B. 2** Domicile and legal form of the Issuer, governing law and country of incorporation: NOVOMATIC AG is a joint stock company (*Aktiengesellschaft*), company register number FN 69548 b, domiciled in Gumpoldskirchen, Austria. It was incorporated in the Republic of Austria under Austrian law.

**B. 4b** Description of any known trends affecting the Issuer and the industries in which it operates: There are no known trends that affect the Issuer and the industries in which it operates.

**B. 5** Description of the group and the Issuer's position within the group: The Issuer is the parent company of the consolidated subsidiaries of NOVOMATIC AG (the Issuer along with its consolidated subsidiaries, the "**NOVOMATIC AG Group**" or the "**Group**"). As a holding company, the Issuer has no business operations as such but is responsible for the management of and for support functions for the Group, including, among others, group strategy and group development; group treasury (e.g. group funding and investor relations); compliance; real estate; group licensing (gaming licenses); and IP rights (trademarks, patents, copyrights, designs, utility models and know-how/trade secrets and management and licensing thereof).

Furthermore, the Issuer forms part of the NOVOMATIC Group. NOVOMATIC Group is the common designation used to refer to the three independent groups the parent companies of which are NOVO Invest GmbH (which holds a 89.96% stake in the Issuer), ACE Casino Holding AG and Gryphon Invest AG (which holds an 10.04% stake in the Issuer). The (direct or indirect) sole shareholder of each of the above companies is Professor Johann F. Graf (the

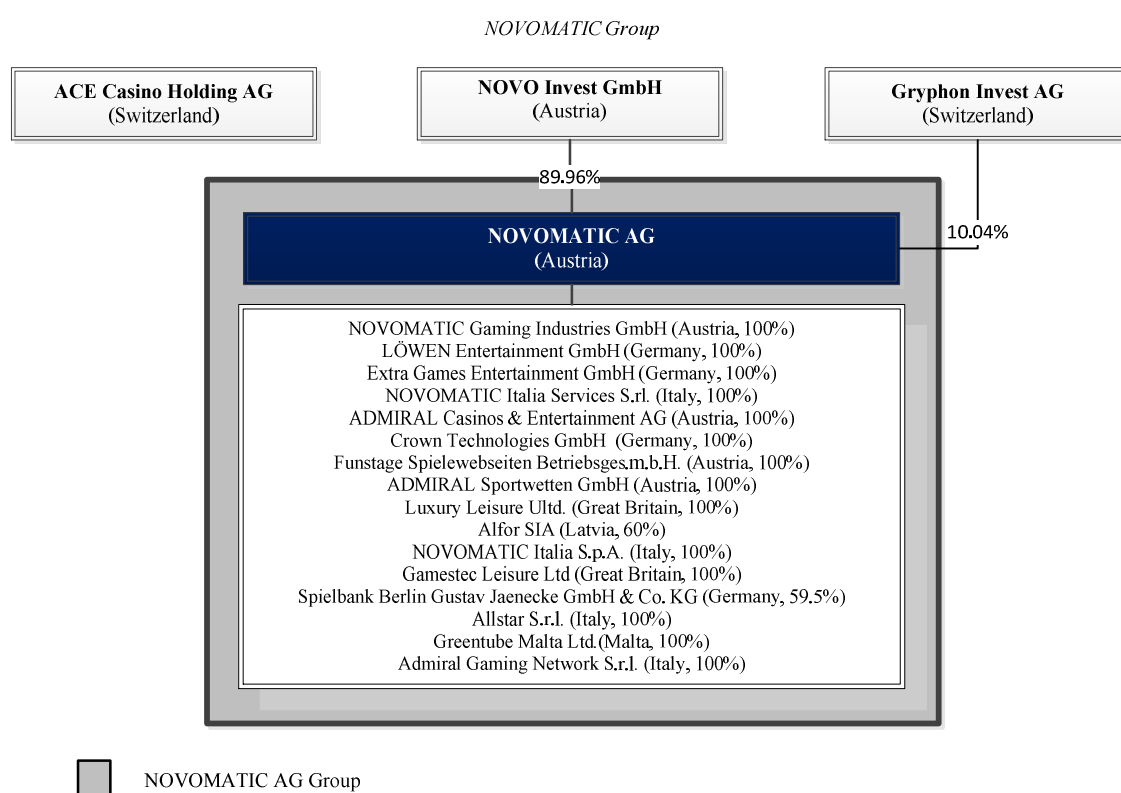


"NOVOMATIC Group").

100% of all shares in NOVO Invest GmbH, in ACE Casino Holding AG and in Gryphon Invest AG are owned by Professor Johann F. Graf.

The NOVOMATIC AG Group, the Issuer and the Issuer's position within the NOVOMATIC Group can be seen in the following summary organisational chart.

The following organisational chart shows subsidiaries of NOVOMATIC AG which contributed revenues in excess of 2% to the NOVOMATIC Group's consolidated revenue as reported on 30 June 2016 and which remain subsidiaries of the Issuer as of the date of this Prospectus.



(Source: NOVOMATIC AG)

**B. 9** Profit forecasts or estimates:

Not applicable. A profit forecast or estimate has not been made.

**B. 10** Qualifications in the audit report on the historical financial information:

Not applicable. There are no such qualifications.

**B. 12** Selected material historical financial information:

*The following summarised financial information is merely a summary of the consolidated balance sheet and consolidated income statement of the NOVOMATIC AG Group and should be read in conjunction with the documents incorporated into this Prospectus by reference, the audited consolidated financial statements as at 31 December 2015 and as at 31 December 2014 (the "Consolidated Financial*

*Statements") and the unaudited consolidated interim financial statements as at 30 June 2016 (the "Interim Financial Statements").*

#### Income Statement Data

| NOVOMATIC AG GROUP (in mEUR)                                 | 6 months ended<br>30.6.2016<br>(unaudited) | 6 months ended<br>30.6.2015<br>(unaudited) | 12 months ended<br>31.12.2015<br>(audited) | 12 months ended<br>31.12.2014<br>(audited) |
|--|--|--|--|--|
| Revenues .....   | 1,094.9                                    | 988.2                                      | 2,086.3                                    | 1,977.6                                    |
| Segment Gaming Technology external revenue <sup>(1)</sup> .. | 453.0                                      | 418.6                                      | 860.3                                      | 805.2                                      |
| Segment Gaming Operations external revenue <sup>(1)</sup> .. | 631.9                                      | 562.1                                      | 1,204.0                                    | 1,155.4                                    |
| Other (external revenue) .....                               | 9.9  | 7.5  | 22.0                                       | 17.1                                       |
| EBITDA <sup>(2)*</sup> .....                                 | 287.2                                      | 290.8                                      | 616.7                                      | 647.4                                      |
| Operating profit .....                                       | 141.4                                      | 161.8                                      | 325.4                                      | 363.3                                      |
| Segment Gaming Technology .....                              | 72.5                                       | 107.4                                      | 169.5                                      | 204.3                                      |
| Segment Gaming Operations .....                              | 80.2                                       | 56.3                                       | 176.3                                      | 171.7                                      |
| Other .....  | -4.5                                       | 1.8  | 0.1  | 9.7  |
| Reconciliation .....   | -6.7                                       | -3.6                                       | -20.5                                      | -22.3                                      |
| Total comprehensive income .....                             | 43.1                                       | 131.7                                      | 227.9                                      | 267.8                                      |
| Cash flows from operating activities .....                   | 194.2                                      | 199.1                                      | 417.4                                      | 444.5                                      |

<sup>(1)</sup> Segment revenues net of inter-segment revenues.

<sup>(2)</sup> EBITDA means the operating profit plus amortization and impairment and reversal of impairment for intangible assets, property, plant and equipment and investment property of the NOVOMATIC AG Group.

#### Balance Sheet Data

| NOVOMATIC AG GROUP (in mEUR) | 30.6.2016<br>(unaudited) | 31.12.2015<br>(audited) | 31.12.2014<br>(audited) |
|------------------------------|--------------------------|-------------------------|-------------------------|
| Balance-sheet total .....    | 3,258.5                  | 2,997.2                 | 2,634.4 <sup>(1)</sup>  |
| Equity .....                 | 1,301.7                  | 1,224.9                 | 1,174.3 <sup>(1)</sup>  |

<sup>(1)</sup> Adjustment compared to the number presented in the 2014 Consolidated Financial Statements according to IFRS „3 “Business combinations”.

#### Additional Key Figures

| NOVOMATIC AG GROUP   | 6 months ended<br>30.6.2016<br>(unaudited) | 6 months ended<br>30.6.2015<br>(unaudited) | 12 months ended<br>31.12.2015<br>(unaudited) | 12 months ended<br>31.12.2014<br>(unaudited) |
|--|--|--|--|--|
| EBITDA margin <sup>(1)*</sup> .....                          | 26.2%                                      | 29.4%                                      | 29.6%  | 32.7%  |
| Net debt/EBITDA * .....                                      | 1.00x <sup>(2)</sup>                       | 0.67x <sup>(2)</sup>                       | 0.8x <sup>(3)</sup>                          | 0.43x <sup>(3)</sup>                         |
| Equity ratio <sup>(4)*</sup> .....                           | 39.9%                                      | 43.3%                                      | 40.9%  | 44.6%  |
| Interest coverage ratio <sup>(5)*</sup> .....                | 8.3x                                       | 10.9x                                      | 10.1x  | 9.5x   |
| Employees (average for period)(annual figures audited) ..... | 22,373                                     | 18,594                                     | 19,955                                       | 17,984                                       |

<sup>(1)</sup> EBITDA margin means EBITDA divided by the total revenues over the past 12, respectively 6 months, in per cent.

<sup>(2)</sup> Net debt / EBITDA means the net debt, calculated from the non-current and current financial liabilities minus cash and cash equivalents as of 30 June 2016 and 2015, respectively, divided by EBITDA over the past 12 months from 1 July 2015 to 30 June 2016 and from 1 July 2014 to 30 June 2015, respectively, based on information in the Consolidated Financial Statements as well as the Interim Financial Statements.

<sup>(3)</sup> Net debt / EBITDA means the net debt, calculated from the non-current and current financial liabilities minus cash and cash equivalents as of 31 December 2015 and 2014, respectively, divided by EBITDA over the past 12 months, based on information in the Consolidated Financial Statements.

<sup>(4)</sup> Equity ratio means the ratio of equity to total assets.

<sup>(5)</sup> Interest coverage ratio means the ratio of EBIT to interest expense.

(Source: Consolidated Financial Statements and Interim Financial Statements except for the line items marked with an asterisk (\*), which are not included in the Consolidated Financial Statements or the Interim Financial Statements, were therefore in any case not audited by an auditor and determined by the Issuer itself.)

- Prospects of the Issuer

There has been no material adverse change in the prospects of

|   |  |
|---|--|
|   | the Issuer since the date of its last published Consolidated Financial Statements.   |
| - Description of significant changes  | There have been no significant changes in the Issuer's financial or trading position subsequent to the period covered by the historical financial information.   |
| <b>B. 13</b> Events which are to a material extent relevant to the evaluation of the Issuer's solvency: | Not applicable. There have been no such events.  |
| <b>B. 14</b> Dependency upon other entities within the Group:   | The Issuer is the parent company of the NOVOMATIC AG Group. As a holding company, the Issuer has no business operations as such but is responsible for the management of and for support functions for the Group. The Issuer is thus, to a certain degree, dependent upon dividend payments to be made by its subsidiaries.  |
| <b>B. 15</b> Issuer's principal activities:   | <p>The Issuer is the parent company of NOVOMATIC AG Group and is itself not operationally active but responsible for the management of and for support functions of the NOVOMATIC AG Group.</p> <p>The NOVOMATIC AG Group develops, manufactures, sells and rents gaming products and operates approximately 1,600 gaming and betting facilities and 60,000 gaming machines (as of June 2016 compared to 1,400 gaming and betting and 47,000 gaming machines as of 31 December 2015). Besides developing gaming, betting and lottery equipment, the NOVOMATIC AG Group has also established itself as a provider of casino management systems and online monitoring systems, local or central game result determination including direct interface to state authorities, content provider of games for licensed online and offline providers as well as an operator of online gaming platforms.</p> <p>The NOVOMATIC AG Group exports its products to approximately 80 countries all over the world. Germany, Austria, Italy, Latvia, Great Britain, Croatia, Romania, Macedonia, Spain and the Netherlands are among the target markets in the segment Gaming Operations.</p> |
| <b>B. 16</b> Control:   | <p>The Issuer forms part of the NOVOMATIC Group. NOVOMATIC Group is the common designation used to refer to the three independent groups the parent companies of which are NOVO Invest GmbH (which holds a 89.96% stake in the Issuer), ACE Casino Holding AG and Gryphon Invest AG (which holds an 10.04% stake in the Issuer), in each of such three parent companies, Professor Johann F. Graf is the direct sole shareholder.</p> <p>Through the ownership of the majority shareholder of the Issuer and control of the members of the supervisory board, the owner is able, taking into account provisions of the law and of the articles of association, to set the business policies of the Issuer and control important business decisions.</p>  |
| <b>B. 17</b> Ratings:   | The Issuer is assigned a long-term issuer rating of "BBB" with stable outlook and a short-term issuer rating of "A-2" with stable outlook by Standard & Poor's Credit Market   |

Services Europe Limited ("**Standard & Poor's**").

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (as amended) (the "**CRA Regulation**"), unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration has not been refused.

Standard & Poor's Credit Market Services Europe Limited, has its registered office at 20 Canada Square, Canary Wharf, London, United Kingdom E14 5LH and is a business unit of The McGraw-Hill Companies Inc. whose headquarter is at 1221 Avenue of the Americas, New York, NY 10020. Standard & Poor's assigns long-term credit ratings on a scale from "AAA" to "D". The ratings from "AA" to "CCC" can be modified by a "+" or "-" to indicate the relative position within the main rating category. Additionally, Standard & Poor's can provide an estimation (known as Credit Watch) as to whether a rating will be upgraded, downgraded or whether the trend is uncertain (neutral). Standard & Poor's can assign specific issues short-term ratings on a scale from "A-1", "A-2", "A-3", "B", "C" down to "D". Within the "A-1" class, the rating can be given a "+".

Standard & Poor's Credit Market Services Europe Limited is established in the European Union and is included as a registered rating agency in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

[Not applicable. The Notes are not rated.]

[The Notes are [expected to be] rated [●] by [●]]

## **C. Securities**

### **C.1** Type and class of the securities including security identification number:

Under the Programme, the Issuer may issue Notes that constitute unsecured, unconditional and unsubordinated obligations of the Issuer. The exact terms and conditions of the Notes including the security identification number can be seen from the Final Terms applicable to the respective series.

The ISIN of the Notes is [●].

### **C.2** Currency of the securities issue:

The Notes are denominated in the currency specified in the Final Terms.

### **C. 5** Restrictions on the free transferability of the securities:

The Notes are transferable in accordance with the rules and regulations and terms of the clearing system specified in the Final Terms as the central securities depository (the "**Clearing System**").

**C. 8** Rights attached to the securities, ranking, and limitations to those rights:

The Notes are [fixed-interest][floating-interest] notes and will be repaid at the Redemption Amount on the Redemption Date.

The Redemption Amount equals the specified denomination of the Note. The Redemption Date is specified in the Final Terms..

The Notes constitute unsecured, unconditional and unsubordinated obligations of the Issuer ranking *pari passu* without any preference among themselves and with all other present or future unsecured and unsubordinated obligations of the Issuer, with the exception of any obligations having priority according to applicable mandatory law. Such latter include, for example, the costs of insolvency proceedings or any claims for current remuneration asserted by employees after insolvency proceedings have been instituted.

The Noteholders are not entitled to an ordinary right of termination, although extraordinary termination on the grounds of the events of default provided for in the terms and conditions of the Notes, such as payment default, insolvency or change of control of the Issuer, is permitted.

*Early redemption for taxation reasons*

The Notes may be redeemed at the option of the Issuer before the Redemption Date upon giving notice of early redemption to the Paying Agent and to the Noteholders within the specified notice period in whole, but not in part, at the Redemption Amount, if as a result of any change in, or amendment to, the laws or regulations for the Republic of Austria or of any political subdivision or taxing authority thereof or therein, or as a result of any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effected on the or after the date on which any Notes are issued, the Issuer will become obliged to pay additional amounts.

*[Early redemption at the option of the Issuer]*

The Notes may be redeemed, in whole but not in part, at the option of the Issuer by giving not less than 15 nor more than 30 days' notice to the Noteholders at any time during the period commencing on (and including) the day that is 90 days prior to the Redemption Date to (but excluding) the Redemption Date at par plus any interest accrued to (but excluding) the date of redemption.]

**C. 9** Interest rate, interest periods and due dates for interest, amortisation and repayment procedures, yield, and representation of the debt security holders:

The interest rate, the interest commencement date, the interest payment dates, and the redemption date are indicated in the Final Terms. The calculation of interest will be carried out on the basis of the day count fraction specified in the Notes [(Actual/Actual (ICMA))][Actual/365 (Fixed)][Actual/360].

The yield of the Notes is specified in the Final Terms.

Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed on at their principal amount on the redemption date as indicated in the

|  |   |
|--|---|
|  | <p>Final Terms. Interest and principal will be made to the Paying Agent for on-payment to the Clearing System or to its order. The interest and principal payments will be credited to the respective holder of notes via its securities depository.</p> <p>Should court proceedings or insolvency proceedings be instituted against the Issuer in Austria, the Noteholders owning the Notes will be represented in such proceedings by a trustee appointed by and answering to the Commercial Court of Vienna, pursuant to the Act of 24 April 1874, Imperial Law Gazette (<i>Reichsgesetzblatt</i>) No. 49 as amended (Act Governing Bond Trusteeship (<i>Kuratorenengesetz</i>)), if the rights of the Noteholders owning the Notes are at risk in the absence of a joint representative, or if the rights of any other person would otherwise be delayed.</p>   |
| <b>C. 10</b> Derivative component in the interest payment: | Not applicable. There is no derivative component in the interest payment.   |
| <b>C. 11</b> Admission to trading on a regulated market:   | <p>[Application has been made to admit the Notes to trading on [the [Second Regulated Market (<i>Geregelter Freiverkehr</i>)] [Multilateral Trading Facility (<i>Dritter Markt</i>)] of the Vienna Stock Exchange][●.] [Not applicable. The Issuer does not intend to make an application for the Notes to be admitted to trading on any stock exchange.]</p> <p>The Issuer will apply to admission to listing of the Programme on the Second Regulated Market (<i>Geregelter Freiverkehr</i>) of the Vienna Stock Exchange.</p>  |
| <b>D. Risks</b>  |   |
| <b>D. 2</b> Risks that are specific to the Issuer:         | <ul style="list-style-type: none"> <li>▪ The NOVOMATIC AG Group's business depends upon general economic conditions.</li> <li>▪ The expansion into new markets or into new product or service areas could be unsuccessful and thus the success of the NOVOMATIC AG Group's strategy is uncertain.</li> <li>▪ The NOVOMATIC AG Group faces risks in connection with future acquisitions, joint ventures and investments.</li> <li>▪ Risks due to shareholder concentration.</li> <li>▪ The Issuer's ability to service its liabilities is limited on account of its character as a holding company.</li> <li>▪ The economic success of the NOVOMATIC AG Group is dependent upon its management and key staff.</li> <li>▪ The NOVOMATIC AG Group is dependent upon technology systems and relies on technologies and advanced IT systems that might fail, suffer interferences or become subject to illegal attacks and fraudulent activities.</li> <li>▪ The NOVOMATIC AG Group is subject to bookmaker's risk.</li> <li>▪ Risks in connection with pathological gaming, lawsuits brought by gamers, lawsuits brought by competitors or other legal proceedings.</li> <li>▪ The NOVOMATIC AG Group might suffer losses due to technical defects, illegal attacks or fraudulent manipulation.</li> <li>▪ The NOVOMATIC AG Group is exposed to the risk of suffering an image loss.</li> <li>▪ Risks due to product liability or product defects.</li> </ul> |

- The NOVOMATIC AG Group's production is dependent upon the availability of high-quality raw materials and semi-finished products.
- The NOVOMATIC AG Group depends on a limited number of suppliers.
- The NOVOMATIC AG Group is exposed to the risk of temporary or permanent interruptions of production or operation caused by external events; in particular, the production facilities of the NOVOMATIC AG Group are exposed to a risk of accidents and failures.
- The NOVOMATIC AG Group does not carry insurance against all risks, and coverage under its insurance policies might be insufficient in case of some losses.
- The Issuer's organisation and controlling might fail.
- Risks in connection with changes in customer behaviour.
- Receivables due from customers and/or business partners may not be collectible and contractual counterparties may not fulfil their payment obligations.
- The Issuer is exposed to liquidity risk.
- The Issuer is subject to the risk of unfavourable exchange rates.
- The Issuer is exposed to risks of changing interest rates.
- Risks on account of assuming liability.
- The Issuer is exposed to certain market risks in connection with assets and risks associated with investments in companies.
- The operative and financial flexibility of the NOVOMATIC AG Group could be compromised on account of restrictive clauses in certain financing tools.
- Risks in connection with financing agreements.
- The NOVOMATIC AG Group is exposed to a risk of competition.
- The NOVOMATIC AG Group is dependent upon certain geographical markets.
- The international business of the Issuer gives rise to economic, political, legal and other risks.
- Risks on account of potential changes in gaming legislation as well as related changes in the tax framework in the countries where the NOVOMATIC AG Group operates.
- Risks on account of dependency upon national licences/authorisations for the operation of gaming and betting facilities as well as risks on account of dependency upon production licences, sales licences and product licences.
- Risks on account of a potential tightening of regulatory measures.
- Evolving legal systems, in particular their tax systems, might have a material adverse effect on the Issuer and / or the NOVOMATIC AG Group.
- The NOVOMATIC AG Group is exposed to risks in connection with intellectual property.
- The NOVOMATIC AG Group is exposed to the risk of failing to sufficiently protect its customer data.
- Risks on account of the tightening of international money-laundering prevention measures (e.g. *Financial Action Task Force-EU*) and other regulations to prevent the financing of terrorism.
- Risks on account of tax audits.

**D. 3 Risks that are specific to the securities:**

- Every investor bears the risk inherent in making the

investment decision.

- Investors are subject to the credit risk in respect of the Issuer.
- Investors are subject to the interest-rate risk in respect of the Issuer.
- Investors in floating rate Notes are subject to the risk of uncertain interest income.
- Suspensions of trading could have negative effects on the liquidity and price of the Notes.
- The Issuer's credit rating may change over the term of the Notes (risk of default by the Issuer) or be withdrawn entirely.
- The Notes are unsecured and are not subject to the system of deposit protection.
- Risks in connection with the leveraged acquisition of Notes.
- Investors are exposed to the risk that reinvestment may be possible only on less favourable terms.
- Transaction cost and expenses can diminish the yield of the Notes.
- Risks in connection with the settlement of Note acquisitions through clearing systems.
- Risks on account of the Notes trading inactively or illiquidly.
- The Issuer or the Dealers may perform transactions that are not in the interest of the Noteholders, or conflicts of interests between the Issuer, the Dealers and the Noteholders may arise on other grounds.
- Noteholders are exposed to a market risk upon selling the Notes.
- Noteholders are exposed to the risk of the Issuer raising further debt capital.
- Tax conditions could have an adverse effect on Noteholders.
- There are risks on account of a potential structural subordination of the Notes to other financing raised by the Issuer and its subsidiaries.
- A Noteholder of Notes denominated in a currency being a foreign currency to such investor may be exposed to adverse changes in currency exchange rates which may affect the yield of such Notes.
- Noteholders are exposed to the risk of inflation diminishing the real yield.
- Risks in connection with the appointment of a trustee for the holders of Notes.
- The Notes are governed by Austrian law, and changes in the relevant applicable laws, regulations or regulatory provisions may have negative effects on the Issuer, on the Notes and on the Noteholders.
- Rights to claim repayment from the Issuer shall become time-barred unless they are asserted within thirty years (in respect of principal) and within three years (in respect of interest).
- Subject to certain conditions being met, the Dealers could withdraw from a contemplated issuance of the Notes.

## **E. Offer**

**E.2.B. Reasons for the offer and use of proceeds:** [The Issuer wishes to raise additional debt capital through the



|   |  |
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|   | <p>offer of the Notes. The Issuer intends to use the proceeds from the sale of the Notes primarily for the optimization of the financing structure, for example by repaying outstanding lines of credit, but also for possible acquisitions (including the acquisitions of shares of Ainsworth Game Technology Ltd. or the increase of existing shareholdings), future investments in ongoing operations and fixed and financial assets, as well as for general corporate purposes.][●]</p>  |
| <p><b>E. 3</b> Description of the terms and conditions of the offer:</p>                      | <p>[<i>Reoffer price to be included</i>] [<i>Issue price to be included</i>] [<i>Specified denomination to be included</i>] [<i>Place and medium of disclosure to be included</i>] [The subscription period is from [●] to [●].] [The subscription period may be extended or shortened.] [Other terms and conditions of the offer are [●].]</p>  |
| <p><b>E. 4</b> Interests that are material to the offer, including conflicting interests:</p> | <p>[The Issuer wishes to raise additional debt capital through the offer of the Notes. To the best knowledge of the Issuer, there are no interests of natural and legal persons other than the Issuer involved in the issue, including conflicting ones that are material to the issue.</p> <p>The Dealers and their affiliates have provided or provide various banking, financial advisory and/or similar services to the Issuer in the ordinary course of business and maintain ordinary business relationships with the Issuer in their capacity as credit institutions or as lenders under credit facilities for which they have received and may continue to receive customary fees and reimbursement of expenses. The net proceeds may be used to repay outstanding obligations towards the Dealers or their affiliates. Furthermore, the Dealers are expected to receive [a management/underwriting commission] [or] [a selling fee] in an amount as specified in the relevant Final Terms.][Furthermore, NOVOMATIC AG Group has entered into agreements to acquire stakes from Leipnik-Lundenburger Invest as well as of UNIQA Insurance Group in connection with Casinos Austria Transactions. There are direct and indirect shareholders of Raiffeisen Bank International AG, an Arranger and Dealer under the Programme, including Raiffeisen Zentralbank Österreich, which are also indirect shareholders of Leipnik-Lundenburger Invest as well as of UNIQA Insurance Group.][<i>description of conflicts of interest (if any).</i>]</p> |
| <p><b>E. 7</b> Expenses charged to the investor by the Issuer or the offeror:</p>             | <p>[●]</p>   |

## 2. German Translation of the Summary of the Prospectus

The following translation of the original summary is a separate document attached to the Prospectus. It does not form part of the Prospectus itself and has not been approved by the FMA. Further, the FMA did not review its consistency with the original summary.

Die folgende Übersetzung der Originalzusammenfassung ist ein separates Dokument, welche diesem Prospekt angeschlossen ist. Sie ist selbst nicht Teil dieses Prospekts und wurden nicht von der FMA gebilligt. Auch die Übereinstimmung mit der Originalzusammenfassung wurde von der FMA nicht geprüft.

*Zusammenfassungen bestehen aus Offenlegungspflichten, die als Elemente (die "**Elemente**") bezeichnet werden. Diese Elemente sind eingeteilt in Abschnitte A – E (A.1 – E.7).*

*Diese Zusammenfassung (die "**Zusammenfassung**") enthält alle Elemente, die in einer Zusammenfassung für diese Art von Schuldverschreibungen und die Emittentin enthalten sein müssen. Da einige Elemente nicht zwingend angegeben werden müssen, können Lücken in der Aufzählung entstehen.*

*Auch wenn ein Element in die Zusammenfassung aufgrund der Art der Schuldverschreibungen und der Emittentin aufgenommen werden müssen, ist es möglich, dass keine zutreffende Information hinsichtlich dieses Elements angegeben werden kann. In diesem Fall ist eine kurze Beschreibung des Elements mit dem Hinweis "Entfällt" enthalten.*

### Element

#### A. Einleitung und Warnhinweise

##### A. 1 Warnhinweise:

##### Warnhinweis, dass

- die Zusammenfassung als Einleitung zu diesem Prospekt (der "**Prospekt**") verstanden werden sollte;
- sich der Anleger bei jeder Entscheidung in die Schuldverschreibungen, die unter diesem Emissionsprogramm begeben werden (die "**Schuldverschreibungen**") zu investieren, auf den Prospekt als Ganzen stützen sollte;
- ein Anleger, der wegen der in dem Prospekt enthaltenen Angaben Klage einreichen will, nach den nationalen Rechtsvorschriften seines Mitgliedstaats möglicherweise für die Übersetzung des Prospekts aufkommen muss, bevor das Verfahren eingeleitet werden kann; und
- zivilrechtlich nur die Emittentin haftet, die die Zusammenfassung samt etwaiger Übersetzungen vorgelegt und übermittelt hat, und dies auch nur für den Fall, dass die Zusammenfassung verglichen mit den anderen Teilen des Prospekts irreführend, unrichtig oder inkohärent ist oder verglichen mit den anderen Teilen des Prospekts wesentliche Angaben, die in Bezug auf Anlagen in die Schuldverschreibungen für die Anleger eine Entscheidungshilfe darstellen, vermissen lässt.

##### A. 2 Zustimmung der Emittentin zur Verwendung des Prospekts:

NOVOMATIC AG (die "**Emittentin**") erteilt Erste Group Bank AG, Raiffeisen Bank International AG und UniCredit Bank Austria AG (gemeinsam die "**Platzeure**") und/oder jedem weiteren Finanzintermediär, der die Schuldverschreibungen nachfolgend weiter verkauft oder endgültig platziert, ihre ausdrückliche Zustimmung, diesen Prospekt samt aller durch Verweis einbezogenen Dokumente und allfälliger Nachträge, für den Vertrieb von Schuldverschreibungen [in Österreich][,] [und] [in Deutschland] [und jedem weiteren Land, in das die Emittentin diesen Prospekt notifizieren lässt,] zu verwenden. Die Emittentin

erklärt, dass sie die Haftung für den Inhalt des Prospekts auch hinsichtlich einer späteren Weiterveräußerung oder endgültigen Platzierung der Schuldverschreibungen durch die Platzeure und/oder Finanzintermediäre übernimmt. Für Handlungen oder Unterlassungen der Platzeure und/oder Finanzintermediäre übernimmt die Emittentin keine Haftung. Platzeure und/oder Finanzintermediäre dürfen den Prospekt nur im Einklang mit den nachfolgenden Bestimmungen verwenden.

Die Angebotsfrist, während der die spätere Weiterveräußerung oder endgültige Platzierung der Schuldverschreibungen durch Platzeure und/oder Finanzintermediäre erfolgen kann, wird in den jeweiligen endgültigen Bedingungen (die "**Endgültigen Bedingungen**") angegeben. Die Zustimmung entbindet ausdrücklich nicht von der Einhaltung der für das jeweilige Angebot geltenden Verkaufsbeschränkungen und sämtlicher jeweils anwendbarer Vorschriften. Jeder Platzeur und/oder Finanzintermediär wird nicht von der Einhaltung der auf ihn anwendbaren gesetzlichen Vorschriften entbunden. Die Zustimmung wird für die jeweilige Dauer der Gültigkeit des Prospekts erteilt. Ein Widerruf der hier enthaltenen Erklärung mit Wirkung für die Zukunft ohne Angaben von Gründen bleibt der Emittentin vorbehalten.

**Für den Fall, dass ein Platzeur und/oder weiterer Finanzintermediär ein Angebot macht, informiert dieser Platzeur und/oder weiterer Finanzintermediär die Anleger zum Zeitpunkt der Angebotsvorlage über die Angebotsbedingungen.**

**Jeder Platzeur und/oder weiterer Finanzintermediär der diesen Prospekt verwendet muss auf seiner Website anmerken, dass er den Prospekt gemäß der Zustimmung und den damit verbundenen Bedingungen verwendet.**

## **B. Die Emittentin**

**B. 1** Gesetzliche und kommerzielle Bezeichnung der Emittentin:

NOVOMATIC AG und NOVOMATIC

**B. 2** Sitz und Rechtsform der Emittentin, geltendes Recht und Land der Gründung:

NOVOMATIC AG ist eine Aktiengesellschaft, Firmenbuchnummer FN 69548 b, mit Sitz in Gumpoldskirchen, Österreich. Sie wurde in der Republik Österreich nach österreichischem Recht gegründet.

**B. 4b** Alle bereits bekannten Trends, die sich auf die Emittentin und die Branchen, in denen sie tätig ist, auswirken:

Es gibt keine bekannten Trends, die sich auf die Emittentin und die Branchen, in denen sie tätig ist, auswirken.

**B. 5** Beschreibung der Gruppe und der Stellung der Emittentin innerhalb der Gruppe:

Die Emittentin ist die übergeordnete Gesellschaft des NOVOMATIC AG-Konzerns (die Emittentin gemeinsam mit ihren konsolidierten Tochtergesellschaften, der "**NOVOMATIC AG-Konzern**" oder der "**Konzern**"). Als Holdinggesellschaft verfügt die Emittentin über keinen eigentlichen Geschäftsbetrieb, sondern ist für das Management und unterstützende Funktionen verantwortlich. Hierzu zählen unter anderem Konzernstrategie und Konzernentwicklung, Konzern-Treasury (e.g. Konzernfinanzierung und Investor Relations), Compliance;

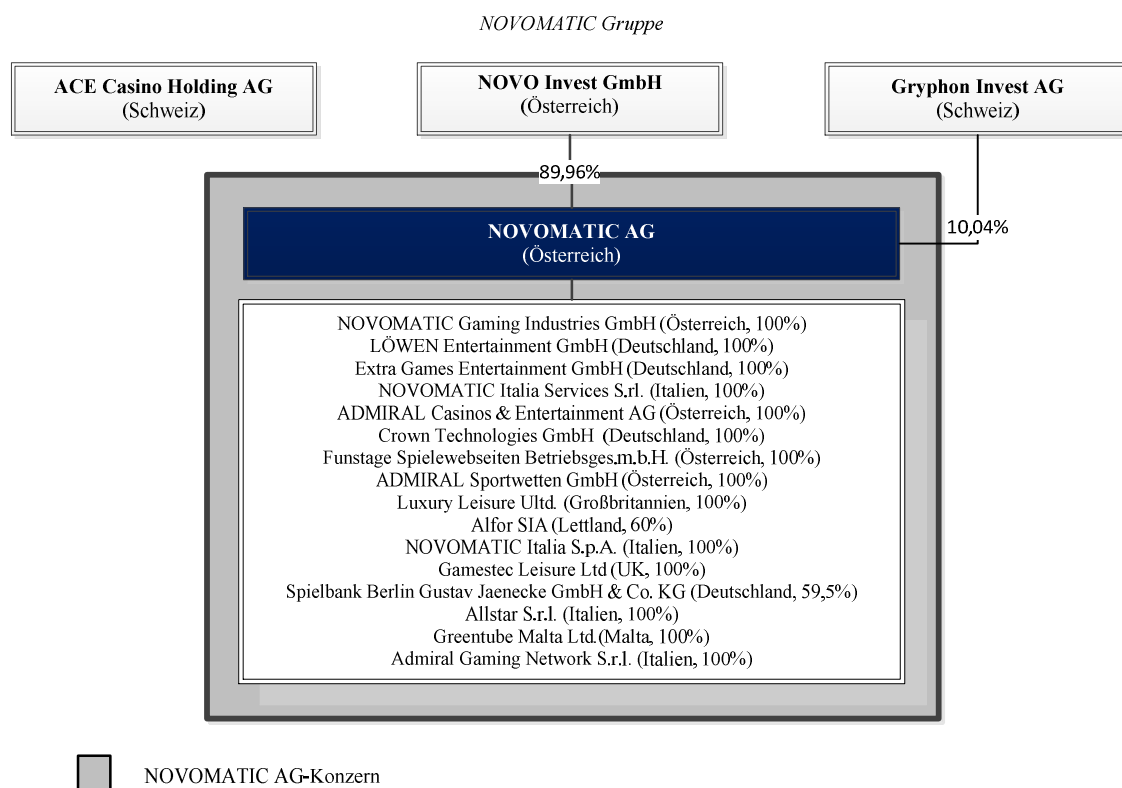
Immobilien, Konzern-Lizenzierungen (Glücksspiellizenzen), sowie IP-Rechte (Marken-, Muster- Patent, Urheberrechte und Know-how/Betriebsgeheimnisse sowie deren Verwaltung und Lizenzierung).

Die Emittentin ist ferner Teil der NOVOMATIC-Gruppe. Die NOVOMATIC-Gruppe ist die gemeinschaftliche Bezeichnung für die drei unabhängigen Konzerne, deren übergeordnete Gesellschaften die NOVO Invest GmbH (die 89,96% an der Emittentin hält), die ACE Casino Holding AG und die Gryphon Invest AG (die 10,04% an der Emittentin hält) sind, und deren jeweiliger (direkter oder indirekter) Alleinaktionär Herr Prof. Johann F. Graf ist (die "**NOVOMATIC-Gruppe**").

Die NOVO Invest GmbH, die ACE Casino Holding AG sowie die Gryphon Invest AG stehen zu 100% im Eigentum von Herrn Prof. Johann F. Graf.

Der NOVOMATIC AG-Konzern, die Emittentin und die Stellung der Emittentin innerhalb der NOVOMATIC-Gruppe ist im folgenden zusammengefassten Organigramm dargestellt.

Die im folgenden Organigramm dargestellten Tochtergesellschaften der NOVOMATIC AG erwirtschafteten einen Umsatz von mehr als 2% des Konzernumsatzes zum 30. Juni 2016 ausgewiesen und sind zum Datum dieses Prospekts Tochtergesellschaften der Emittentin.



(Quelle: NOVOMATIC AG)

**B. 9 Gewinnprognosen oder –schätzungen:**

Entfällt. Es liegen keine Gewinnprognosen oder –schätzungen



abzüglich Zahlungsmittel zum 30. Juni 2016 und 2015, dividiert durch EBITDA innerhalb der letzten 12 Monate von 1. Juli 2015 bis 30. Juni 2016 und von 1. Juli 2014 bis 30. Juni 2015, auf Basis der Informationen aus den Konzernabschlüssen und den Konzernzwischenabschlüssen.

(3) Nettoverschuldung/EBITDA bedeutet die Nettoverschuldung, berechnet auf Basis der langfristigen und kurzfristigen Finanzverbindlichkeiten abzüglich Zahlungsmittel, dividiert durch EBITDA innerhalb der letzten 12 Monate, auf Basis der Informationen aus den Konzernabschlüssen.

(4) Eigenkapitalquote bedeutet das Verhältnis von Eigenkapital zur Summe AKTIVA (Bilanzsumme).

(5) Zinsdeckungsgrad bedeutet das Verhältnis von EBIT zu Zinsaufwand.

(Quelle: Konzernabschlüsse und Konzernzwischenabschluss ausgenommen die mit einem Stern (\*) markierten Angaben, die nicht in den Konzernabschlüssen und Konzernzwischenabschluss enthalten sind, diese wurden daher jedenfalls keiner Prüfung durch einen Wirtschaftsprüfer unterzogen und von der Emittentin selbst ermittelt.)

– Aussichten der Emittentin

Die Aussichten der Emittentin haben sich seit dem Datum des letzten veröffentlichten geprüften Konzernabschlusses nicht wesentlich verschlechtert.

– Beschreibung wesentlicher Veränderungen

Es gab nach dem durch die historischen Finanzinformationen abgedeckten Zeitraum keine wesentliche Veränderung der Finanzlage oder Handelsposition der Emittentin.

**B. 13** Für die Bewertung der Zahlungsfähigkeit der Emittentin in hohem Maße relevante Ereignisse:

Entfällt. Es bestehen keine solchen Ereignisse.

**B. 14** Abhängigkeit von anderen Unternehmen der Gruppe:

Die Emittentin ist die übergeordnete Gesellschaft des NOVOMATIC AG-Konzerns und ist selber nicht operativ aktiv. Als Holdinggesellschaft verfügt die Emittentin über keinen eigentlichen Geschäftsbetrieb, sondern ist für das Management und unterstützende Funktionen verantwortlich. Somit ist die Emittentin bis zu einem bestimmten Grad von Dividendenzahlungen ihrer Tochtergesellschaften abhängig.

**B. 15** Haupttätigkeiten der Emittentin:

Die Emittentin ist die übergeordnete Gesellschaft des NOVOMATIC AG-Konzerns und nicht selbst operativ aktiv. Die Emittentin ist aber für das Management und die Support-Funktion in dem NOVOMATIC AG Konzern verantwortlich.

Der NOVOMATIC AG-Konzern entwickelt, produziert, verkauft und vermietet Glücksspielprodukten und betreibt 1.600 Glücksspiel- und Wettbetriebe und 60.000 Glücksspielmaschinen (zum 30. Juni 2016, verglichen mit 1.400 Glücksspiel- und Wettbetrieben und 47.000 Glücksspielmaschinen zum 31. Dezember 2015). Neben der Entwicklung von Glücksspiel-, Wett- und Lotterierequipment, ist der NOVOMATIC AG-Konzern auch als Provider von Casino-Management Systemen und online Überwachungssystemen, lokaler oder zentraler Glücksspielbestimmung inklusive einer direkten Schnittstelle zu staatlichen Behörden, als Content-Provider für lizenzierte Online- und Offline-Glücksspiel Provider sowie als Betreiber von Online-Glücksspielplattformen tätig.

Der NOVOMATIC AG-Konzern exportiert seine Produkte weltweit in rund 80 Länder. Zielmärkte im Segment Gaming Operations sind, unter anderem, Deutschland, Österreich, Großbritannien, Italien, Lettland, Kroatien, Rumänien, Mazedonien, Spanien und die Niederlande.

**B. 16** Beherrschungsverhältnisse:

Die Emittentin ist Teil der NOVOMATIC-Gruppe. Die NOVOMATIC-Gruppe ist die gemeinschaftliche Bezeichnung für die drei unabhängigen Konzerne, deren übergeordnete Gesellschaften die NOVO Invest GmbH (die 89,96% an der Emittentin hält), die ACE Casino Holding AG und die Gryphon

**B. 17 Ratings:**

Invest AG (die 10,04% an der Emittentin hält) sind, und deren jeweiliger (direkter oder indirekter) Alleinaktionär Herr Prof. Johann F. Graf ist.

Durch die Konzentration des Anteilseigentums und die im Aufsichtsrat bestellten Kapitalvertreter ist der Eigentümer des Hauptaktionärs unter Berücksichtigung der gesetzlichen und satzungsmäßigen Vorgaben in der Lage, die allgemeinen Grundsätze der Geschäftspolitik der Emittentin zu bestimmen und wichtige unternehmerische Entscheidungen zu kontrollieren.

Die Emittentin hat ein Langzeit-Emittentenrating von "BBB" mit stabilem Ausblick und ein Kurzzeit-Emittentenrating von "A-2" mit stabilem Ausblick von Standard & Poor's Credit Market Services Europe Limited ("**Standard & Poor's**").

Generell dürfen regulierte Investoren in der Europäischen Union für regulatorische Zwecke kein Rating verwenden, das nicht von einer in der Europäischen Union ansässigen und unter der Verordnung (EG) Nr 1060/2009 des Europäischen Parlaments und des Rates vom 16. September 2009, in ihrer jeweils geltenden Fassung ("**CRA Verordnung**"), registrierten Kreditratingagentur erstellt wurde, ausgenommen Ratings einer Kreditratingagentur, die in der Europäischen Union schon vor dem 7. Juni 2010 tätig war und einen Antrag auf Registrierung gemäß der CRA Verordnung gestellt hat, der nicht abgewiesen wird.

Standard & Poor's Credit Market Services Europe Limited, hat die Geschäftsanschrift 20 Canada Square, Canary Wharf, London, United Kingdom E14 5LH und ist eine Geschäftseinheit von The McGraw-Hill Companies Inc. Mit dem Hauptsitz an der Geschäftsanschrift 1221 Avenue of the Americas, New York, NY 10020. Standard & Poor's vergibt langfristige Bonitätsratings auf einer Skala von "AAA" bis "D". Die Ratings von "AA" bis "CCC" können durch ein "+" oder "-" modifiziert werden, um die relative Position innerhalb der Hauptratingklasse anzugeben. Standard & Poor's kann darüber hinaus eine Einschätzung (genannt Credit Watch) abgeben, ob ein Rating in naher Zukunft voraussichtlich ein Upgrade (positiv) erhält, ein Downgrade (negativ) erhält oder ob die Tendenz ungewiss ist (neutral). Standard & Poor's weist spezifischen Emissionen kurzfristige Ratings auf einer Skala von "A-1", "A-2", "A-3", "B", "C" bis hinab zu "D" zu. Innerhalb der Klasse "A-1" kann das Rating mit einem "+" versehen werden.

Standard & Poor's Credit Market Services Europe Limited ist in der Europäischen Union ansässig und ist als registrierte Ratingagentur auf der von der Europäischen Wertpapier- und Marktaufsichtsbehörde (ESMA) auf ihrer Webseite gemäß CRA Verordnung veröffentlichten Ratingagenturenliste eingetragen.

Ein Rating ist keine Empfehlung zum Kauf, Verkauf oder Halten von Wertpapieren und kann jederzeit von der Ratingagentur geändert, ausgesetzt oder zurückgezogen werden.

[Entfällt. Die Schuldverschreibungen haben kein Rating.]

[Es wird erwartet, dass] [D][d]ie Schuldverschreibungen [haben] ein [●] Rating von [●] [haben]]

## C. Wertpapiere

### C. 1 Art und Gattung der Wertpapiere einschließlich Wertpapierkennung:

Die Emittentin kann unter dem Emissionsprogramm Schuldverschreibungen begeben, die nicht besicherte, unbedingte und nicht nachrangige Verbindlichkeiten der Emittentin begründen. Die genaue Ausstattung der Schuldverschreibungen einschließlich der Wertpapierkennung ergibt sich aus den auf die jeweilige Serie anwendbaren Endgültigen Bedingungen.

Die ISIN der Schuldverschreibungen ist [●].

### C. 2 Währung der Wertpapieremission:

Die Schuldverschreibungen lauten auf die in den Endgültigen Bedingungen angegebene Währung.

### C. 5 Beschränkungen für die freie Übertragbarkeit der Wertpapiere:

Die Schuldverschreibungen können gemäß den Regelungen, Bestimmungen und Vorschriften des in den Endgültigen Bedingungen angegebenen Clearingsystems (das "**Clearingsystem**") als zentrale Verwahrstelle übertragen werden.

### C. 8 Mit den Wertpapieren verbundene Rechte, Rangordnung und Beschränkungen dieser Rechte:

Die Schuldverschreibungen sind [fix][variabel] verzinslich und werden am Fälligkeitstag zum Rückzahlungsbetrag zurückbezahlt, der der festgelegten Stückelung oder einem Prozentsatz der festgelegten Stückelung entspricht. Der Rückzahlungsbetrag entspricht der festgelegten Stückelung der Schuldverschreibung. Der Fälligkeitstag wird in den Endgültigen Bedingungen angegeben.

Die Schuldverschreibungen begründen nicht besicherte, unbedingte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen gegenwärtigen oder künftigen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, mit Ausnahme von Verbindlichkeiten, die nach geltendem zwingenden Recht vorrangig sind. Dazu gehören beispielsweise die Kosten eines Insolvenzverfahrens oder Forderungen von Arbeitnehmern auf laufendes Entgelt nach Insolvenzeröffnung.

Die Anleihegläubiger haben kein Recht zur ordentlichen Kündigung der Schuldverschreibungen, wobei aber eine Kündigung zu den in den Emissionsbedingungen der Schuldverschreibungen vorgesehenen außerordentlichen Kündigungsgründen, wie zum Beispiel Zahlungsausfall, Insolvenz oder Kontrollwechsel der Emittentin, zulässig ist.

#### *Vorzeitige Rückzahlung aus steuerlichen Gründen*

Die Emittentin ist berechtigt, die Schuldverschreibungen zur Gänze, aber nicht nur teilweise, vor dem Fälligkeitstag durch vorzeitige Kündigung an die Zahlstelle und die Anleihegläubiger innerhalb einer festgelegten Kündigungsfrist zu kündigen und zum Rückzahlungsbetrag zurückzuzahlen, falls aufgrund einer Änderung oder Ergänzung der Gesetze und Vorschriften der Republik Österreich oder einer ihrer Gebietskörperschaften oder einer ihrer Steuerbehörden, oder als Folge einer Änderung oder Ergänzung der offiziellen Auslegung oder Anwendung solcher Gesetze und Vorschriften die Emittentin dazu verpflichtet wird zusätzliche Beträge zu zahlen, wobei die Änderung oder Ergänzung erst an oder nach dem Tag in Kraft tritt, an dem die Schuldverschreibungen emittiert werden.



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|   | <p><i>[Vorzeitige Rückzahlung nach Wahl der Emittentin]</i></p> <p>Die Schuldverschreibungen können zur Gänze, aber nicht nur teilweise, nach Wahl der Emittentin durch Kündigung an die Anleihegläubiger unter Einhaltung einer Kündigungsfrist von nicht weniger als 15 und nicht mehr als 30 Tagen zu jeder Zeit während der Periode beginnend an (und inklusive) dem Tag, der 90 Tage vor dem Fälligkeitstag ist, bis zu (und exklusive) dem Fälligkeitstag, zum Nennbetrag zurückgezahlt werden, zuzüglich allfälliger Zinsen, die bis zu (aber exklusive) dem Fälligkeitstag aufgelaufen sind.]</p>  |
| <p><b>C. 9</b> Zinssatz, Zinsperioden und –fälligkeitstermine, Tilgung und Rückzahlungsverfahren, Rendite, und Vertretung der Schuldtitelinhaber:</p> | <p>Der Zinssatz, der Verzinsungsbeginn, die Zinszahlungstage, und der Fälligkeitstag werden in den Endgültigen Bedingungen angegeben. Die Zinsberechnung erfolgt auf Grundlage des in den Schuldverschreibungen bestimmten Zinstagequotienten [(Actual/Actual (ICMA))][Actual/365 (Fixed)][Actual/360].</p> <p>Die Rendite der Schuldverschreibungen wird in den Endgültigen Bedingungen angegeben.</p> <p>Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zum Nennbetrag am Fälligkeitstag wie in den Endgültigen Bedingungen angegeben zurückgezahlt. Zins- und Tilgungszahlungen durch die Emittentin erfolgen an die Zahlstelle zur Weiterleitung an das jeweilige Clearingsystem oder an dessen Order. Die Gutschrift der Zins- und Tilgungszahlungen erfolgt über die jeweilige für den Inhaber der Schuldverschreibungen depotführende Stelle.</p> <p>Die Anleihegläubiger der Schuldverschreibungen werden in einem Gerichtsverfahren oder in einem Insolvenzverfahren, welches in Österreich gegen die Emittentin eingeleitet werden sollte, durch einen Kurator, der vom Handelsgericht Wien bestellt wird und diesem verantwortlich ist, gemäß dem Gesetz vom 24.04.1874, Reichsgesetzblatt Nr. 49 idgF. (Kuratorengesetz) vertreten, wenn die Rechte der Anleihegläubiger der Schuldverschreibungen mangels einer gemeinsamen Vertretung gefährdet sind, oder wenn die Rechte einer anderen Person dadurch verzögert würden.</p> |
| <p><b>C. 10</b> Derivative Komponente bei der Zinszahlung:</p>  | <p>Entfällt. Es gibt keine derivative Komponente bei der Zinszahlung.</p>  |
| <p><b>C. 11</b> Zulassung zum Handel an einem geregelten Markt:</p>   | <p>[Für die Schuldverschreibungen ist ein Antrag auf Zulassung zum Börsenhandel im [Geregelten Markt][Dritten Markt] der Wiener Börse][●] gestellt worden.] [Entfällt. Die Emittentin beabsichtigt nicht einen Antrag zum Handel der Schuldverschreibungen an einer Börse zu stellen.]</p> <p>Die Emittentin wird einen Antrag auf Zulassung dieses Emissionsprogrammes zum Handel am Geregelten Freiverkehr an der Wiener Börse einbringen.</p>   |
| <p><b>D. Risiken</b></p>  |  |
| <p><b>D. 2</b> Risiken, die der Emittentin eigen sind:</p>  | <ul style="list-style-type: none"> <li>▪ Das Geschäft des NOVOMATIC AG-Konzerns ist von allgemeinen wirtschaftlichen Rahmenbedingungen abhängig.</li> <li>▪ Die Expansion in neue Märkte oder in neue Produkt- und</li> </ul>  |

Dienstleistungsbereiche könnte erfolglos sein und der Erfolg der Strategie des NOVOMATIC AG-Konzerns ist daher unsicher.

- Der NOVOMATIC AG-Konzern ist Risiken in Zusammenhang mit zukünftigen Akquisitionen, Joint Ventures und Investitionen ausgesetzt.
- Risiken aufgrund der Konzentration der Anteilseigner.
- Die Fähigkeit der Emittentin, ihre Verbindlichkeiten zu bedienen, ist durch ihre Eigenschaft als Holdinggesellschaft beschränkt.
- Der wirtschaftliche Erfolg des NOVOMATIC AG-Konzerns ist von seinem Management und von Schlüsselmitarbeitern abhängig.
- Der NOVOMATIC AG-Konzern ist von Technologiesystemen abhängig und verlässt sich auf Technologien und hochentwickelte informationstechnologische Systeme, die versagen, Störungen erleiden oder illegalen Angriffen und betrügerischen Aktivitäten unterliegen könnten.
- Der NOVOMATIC AG-Konzern unterliegt dem Buchmacherrisiko.
- Risiken im Zusammenhang mit dem pathologischen Glücksspiel, Spielerklagen, Klagen von Mitbewerbern oder sonstigen Rechtsstreitigkeiten.
- Der NOVOMATIC AG-Konzern könnte aufgrund von technischen Fehlern, illegalen Angriffen oder betrügerischen Manipulationen Verluste erleiden.
- Der NOVOMATIC AG-Konzern ist dem Risiko eines Imageverlusts ausgesetzt.
- Risiken aufgrund von Produkthaftung oder Produktmängeln.
- Die Produktion des NOVOMATIC AG-Konzerns ist von der Verfügbarkeit von hochqualitativen Rohmaterialien und Halbfertigprodukten abhängig.
- Der NOVOMATIC AG-Konzern ist von einer begrenzten Anzahl an Zulieferern abhängig.
- Der NOVOMATIC AG-Konzern ist dem Risiko der zeitweiligen oder dauerhaften Produktions- oder Betriebsstörung aufgrund externer Ereignisse ausgesetzt; insbesondere sind die Produktionsstätten des NOVOMATIC AG-Konzerns einem Unfalls- und Ausfallsrisiko ausgesetzt.
- Der NOVOMATIC AG-Konzern ist nicht gegen alle Risiken versichert und seine Versicherungen könnten zur Deckung mancher Verluste unzureichend sein.
- Organisation und Controlling der Emittentin könnten versagen.
- Risiken im Zusammenhang mit Änderungen von Kundenverhalten.
- Forderungen gegen Kunden und / oder Geschäftspartner könnten nicht einbringlich sein und Gegenparteien könnten ihren Zahlungspflichten nicht nachkommen.
- Die Emittentin ist dem Liquiditätsrisiko ausgesetzt.
- Die Emittentin unterliegt dem Risiko von sich ungünstig entwickelnden Wechselkursen (Währungsrisiko).
- Die Emittentin ist Risiken der Zinsänderung ausgesetzt.
- Risiken auf Grund von Haftungen.
- Die Emittentin ist bestimmten Marktrisiken im Zusammenhang mit Vermögenswerten ausgesetzt sowie Risiken im Zusammenhang mit Investitionen in Unternehmen.

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|   | <ul style="list-style-type: none"> <li>▪ Die operative und finanzielle Beweglichkeit des NOVOMATIC AG-Konzerns könnte aufgrund restriktiver Klauseln in bestimmten Finanzierungsinstrumenten eingeschränkt sein.</li> <li>▪ Risiken in Zusammenhang mit Finanzierungsverträgen.</li> <li>▪ Der NOVOMATIC AG-Konzern ist einem Wettbewerbsrisiko ausgesetzt.</li> <li>▪ Der NOVOMATIC AG-Konzern ist von bestimmten geographischen Märkten abhängig.</li> <li>▪ Das internationale Geschäft der Emittentin führt zu wirtschaftlichen, politischen, rechtlichen und weiteren Risiken.</li> <li>▪ Risiken aufgrund möglicher Änderungen der Glücksspielgesetze sowie damit verbundener Änderungen der steuerlichen Rahmenbedingungen in den Ländern, in denen der NOVOMATIC AG-Konzern tätig ist.</li> <li>▪ Risiken aufgrund der Abhängigkeit von nationalen Lizenzen / Konzessionen zum Betrieb von Glücksspiel- und Wetteinrichtungen sowie Risiken aufgrund der Abhängigkeit von Produktions-, Vertriebs- und Produktlizenzen.</li> <li>▪ Risiken aufgrund einer möglichen Verschärfung ordnungspolitischer Maßnahmen.</li> <li>▪ Die sich noch weiter entwickelnden Rechtsordnungen insbesondere deren Steuersysteme, könnten einen erheblich nachteiligen Einfluss auf die Emittentin bzw. den NOVOMATIC AG-Konzern haben.</li> <li>▪ Der NOVOMATIC AG-Konzern ist Risiken im Zusammenhang mit geistigem Eigentum ausgesetzt.</li> <li>▪ Der NOVOMATIC AG-Konzern ist dem Risiko ausgesetzt, seine Kundendaten nicht ausreichend zu schützen.</li> <li>▪ Risiken aufgrund der Verschärfung internationaler Geldwäscheprävention (z.B. <i>Financial Action Task Force-EU</i>) und sonstiger Regelungen zur Bekämpfung der Terrorismusfinanzierung.</li> <li>▪ Risiken aufgrund Prüfungen durch Steuerbehörden.</li> </ul> |
| <b>D. 3 Risiken, die den Wertpapieren eigen sind:</b> | <ul style="list-style-type: none"> <li>▪ Jeder Anleger trägt das Risiko der Veranlagungsentscheidung.</li> <li>▪ Anleger unterliegen im Hinblick auf die Emittentin dem Kreditrisiko.</li> <li>▪ Anleger unterliegen im Hinblick auf die Emittentin dem Zinsrisiko.</li> <li>▪ Anleger von variabel verzinslichen Schuldverschreibungen unterliegen dem Risiko von ungewissen Zinserträgen.</li> <li>▪ Handelsaussetzungen könnten negative Auswirkungen auf die Liquidität und den Kurs der Schuldverschreibungen haben.</li> <li>▪ Das Rating der Emittentin kann sich während der Laufzeit der Schuldverschreibungen verändern (Bonitätsrisiko) oder ganz entzogen werden.</li> <li>▪ Die Schuldverschreibungen sind nicht besichert und unterliegen nicht dem System der Einlagensicherung.</li> <li>▪ Risiken im Zusammenhang mit dem Erwerb von Schuldverschreibungen mit Fremdmitteln.</li> <li>▪ Anleger sind dem Risiko ausgesetzt, dass eine Wiederveranlagung nur zu schlechteren Konditionen erfolgen kann.</li> <li>▪ Transaktionskosten und Spesen können die Rendite der Schuldverschreibungen verringern.</li> <li>▪ Risiken im Zusammenhang mit der Abwicklung von</li> </ul>  |

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|   | <p>Erwerbsvorgängen von Schuldverschreibungen über Clearingsysteme.</p> <ul style="list-style-type: none"> <li>▪ Risiken aufgrund eines inaktiven oder illiquiden Handels der Schuldverschreibungen.</li> <li>▪ Die Emittentin oder die Platzeure können Transaktionen tätigen, die nicht im Interesse der Anleihegläubiger sind, oder es kann aus anderen Gründen zu Interessenkonflikten zwischen der Emittentin, den Platzeuren und den Anleihegläubigern kommen.</li> <li>▪ Anleihegläubiger sind bei Verkauf der Schuldverschreibungen einem Marktpreisrisiko ausgesetzt.</li> <li>▪ Anleihegläubiger sind dem Risiko ausgesetzt, dass die Emittentin weiteres Fremdkapital aufnimmt.</li> <li>▪ Steuerliche Rahmenbedingungen könnten negative Auswirkungen für Anleihegläubiger haben.</li> <li>▪ Risiken bestehen aufgrund einer möglichen strukturellen Nachrangigkeit der Schuldverschreibungen gegenüber anderen von der Emittentin und deren Tochtergesellschaften aufgenommenen Finanzierungen.</li> <li>▪ Anleihegläubiger von Schuldverschreibungen in einer Währung, die eine fremde Währung für einen solchen Anleihegläubiger ist, könnten möglicherweise einer wesentlichen Veränderung des Wechselkurses ausgesetzt sein wodurch die Rendite solcher Schuldverschreibungen wesentlich beeinflusst werden könnte.</li> <li>▪ Anleihegläubiger sind dem Risiko ausgesetzt, dass Inflation die reale Rendite verringert.</li> <li>▪ Risiken im Zusammenhang mit der Bestellung eines Kurators für die Inhaber von Schuldverschreibungen.</li> <li>▪ Die Schuldverschreibungen unterliegen österreichischem Recht und Änderungen in den maßgeblichen geltenden Gesetzen, Verordnungen oder regulatorischen Vorschriften können negative Auswirkungen auf die Emittentin, die Schuldverschreibungen und die Anleihegläubiger haben.</li> <li>▪ Forderungen gegen die Emittentin auf Rückzahlung verjähren, sofern sie nicht binnen dreißig Jahren (hinsichtlich Kapital) und binnen drei Jahren (hinsichtlich Zinsen) geltend gemacht werden.</li> <li>▪ Die Platzeure können unter gewissen Voraussetzungen von einer beabsichtigten Emission der Schuldverschreibungen zurücktreten.</li> </ul> |
| <b>E. Angebot</b>   |  |
| <b>E. 2.B.</b> Gründe für das Angebot und Zweckbestimmung der Erlöse: | <p>[Die Emittentin möchte durch das Angebot der Schuldverschreibungen zusätzliches Fremdkapital aufnehmen. Die Emittentin beabsichtigt den Erlös vom Verkauf der Schuldverschreibungen hauptsächlich zur Optimierung der Finanzierungsstruktur, zum Beispiel durch Rückzahlung von Finanzverbindlichkeiten, aber auch für mögliche Akquisitionen (inklusive die Akquisition der Ainsworth Game Technology Ltd. Aktien oder der Erhöhung bestehender Beteiligungen), zukünftige Investitionen in laufende Tätigkeiten und Sach- und Finanzanlagen, sowie für generelle, gesellschaftliche Zwecke zu verwenden.][●]</p>  |
| <b>E. 3</b> Beschreibung der Angebotskonditionen:                     | <p>[Reoffer Preis einfügen] [Ausgabepreis einfügen] [Festgelegte Stückelung einfügen] [Ort und Medium der Bekanntmachung einfügen] [Die Zeichnungsfrist ist vom [●] bis [●].] [Die Zeichnungsfrist kann verlängert oder verkürzt werden.] [Weitere</p>   |

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|   | Angebotskonditionen sind [●].]   |
| <b>E. 4</b> Für das Angebot wesentliche Interessen, auch Interessenskonflikte:                  | <p>[Die Emittentin möchte durch das Angebot der Schuldverschreibungen zusätzliches Fremdkapital aufnehmen. Nach bestem Wissen der Emittentin bestehen außer den Interessen der Emittentin keinerlei Interessen natürlicher oder juristischer Personen an der Begebung, auch nicht solche Interessen, die im Widerspruch zur Begebung stehen und für diese wesentlich sind.</p> <p>Die Platzeure und deren verbundene Unternehmen erbringen im Rahmen ihres ordentlichen Geschäftsbetriebs verschiedene Bank-, Finanzdienstleistungs- oder ähnliche Dienstleistungen für die Emittentin, oder haben solche Dienstleistungen in der Vergangenheit erbracht, und halten in ihrer Position als Kreditinstitute oder Kreditgeber unter Kreditfazilitäten gewöhnliche Geschäftsbeziehungen mit der Emittentin, wofür sie übliche Vergütungen und Kostenersatz erhalten haben oder erhalten werden, aufrecht. Der Nettoerlös wird voraussichtlich auch (teilweise) zur Rückzahlung von ausstehenden Verpflichtungen gegenüber den Platzeuren oder deren verbundene Unternehmen verwendet werden.] Darüber hinaus erhalten die Dealer eine [[Management- und Übernahmeprovision] [Verkaufsprovision] in einem Umfang wie in den Endgültigen Emissionsbedingungen spezifiziert.][Des Weiteren hat der NOVOMATIC AG-Konzern Verträge zum Erwerb von Anteile von der Leipnik-Lundenburger Invest und der UNIQA Insurance Group im Zusammenhang mit der Casinos Austria Transaktion abgeschlossen. Es gibt direkte und indirekte Aktionäre der Raiffeisen Bank International AG, einem Arranger und Platzeur unter diesem Programm, einschließlich der Raiffeisen Zentralbank Österreich, die auch indirekte Aktionäre der Leipnik-Lundenburger Invest und der UNIQA Insurance Group sind.][gegebenenfalls Erläuterung von Interessenskonflikten.]</p> |
| <b>E. 7</b> Ausgaben, die dem Anleger vom Emittenten oder Anbieter in Rechnung gestellt werden: | [●]  |

## II. RISK FACTORS

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. In addition, factors which may be relevant for the purpose of assessing market risks associated with Notes issued under the Programme are also described below. Prospective purchasers of the Notes should note that the risks described below are not the only risks the Issuer or the NOVOMATIC AG Group may face. The Issuer has described only those risks relating to its business, operations, financial condition or prospects that it considers to be material and of which it is currently aware. There may be additional risks that the Issuer currently considers not to be material or of which it is not currently aware. Should one or several of the following risks materialise, this could lead to a material decline in the price of the Notes or, in the worst-case scenario, to a total loss of interest and the amount invested by investors.*

***Every investor is advised to consult with their own professional advisers regarding investment, legal, tax, and other matters in connection with any subscription of the Issuer's Notes. The information contained in this Prospectus and the risk disclosures below cannot take the place of professional advice.***

*The risk factors set forth below concern both the Issuer and the NOVOMATIC AG Group.*

*Terms that have been defined in the Terms and Conditions or elsewhere in this Prospectus shall have the same meaning in this chapter.*

### 1. Risk Factors regarding the NOVOMATIC AG Group

***The NOVOMATIC AG Group's business depends upon general economic conditions.***

With respect to its business activities, the NOVOMATIC AG Group is exposed to the risk of any deterioration in the general economic conditions as well as to economic fluctuations. In recent years, the global economy was negatively affected by the financial and economic crisis, which led to high volatility in the capital markets and had an adverse effect on the real economy. The worldwide economic outlook remains uncertain.

Some of the markets in which the NOVOMATIC AG Group conducts its business have or are experiencing an economic downturn that is coupled with negative GDP-growth, continuously high unemployment and losses in real income. The persistence of this negative economic climate worldwide and/or the occurrence of similarly negative macroeconomic developments impede growth and stable development in those countries where the NOVOMATIC AG Group is active.

Increased volatility in international capital markets as well as other negative macroeconomic developments may cause a deterioration of the general economic parameters in those countries where the NOVOMATIC AG Group does business and thus may have an adverse effect on demand for gaming and betting industry products and services that the NOVOMATIC AG Group develops and offers.

Any deterioration in the economic environment, further losses in the given population's real income, increasing and/or continued high unemployment rates and the attendant reduction in gamers' gaming and betting expenditures and/or lower investment volumes by customers with respect to purchases of new products or the services of the NOVOMATIC AG Group or other negative macroeconomic developments might have an adverse effect on the Issuer's financial position, cash flows and financial performance.

***The expansion into new markets or into new product or service areas could be unsuccessful and thus the success of the NOVOMATIC AG Group's strategy is uncertain.***

Diversifying its business in terms of both geography and products by entering into markets and segments that offer significant future potential is a central part of the NOVOMATIC AG Group's strategy. As part of its strategic development, the NOVOMATIC AG Group plans to take its business activities to new countries and regions and to further expand in its current markets with existing and newly developed products and services. All of this requires substantial resources, in addition to investments. If the anticipated growth in these countries and regions does not materialize at all or only to a limited extent or if the NOVOMATIC AG Group fails wholly or partly to successfully implement its strategy due to legal requirements, regulatory developments or among other things, any such failure might have an adverse effect on the NOVOMATIC AG Group's financial position, cash flows and financial performance.

In particular, the NOVOMATIC AG Group's activities are subject to antitrust and competition laws and regulations. Competition authorities may prohibit the NOVOMATIC AG Group from acquiring certain target

companies or, alternatively, may require the prior disposition of certain assets or other remedies before approving a particular acquisition. This is, for instance, the case with respect to the NOVOMATIC AG Group's intended acquisition of direct and indirect ownership interests in Casinos Austria. On 26 August 2016, following the review pursuant to the Phase II request, the Cartel Court issued a prohibition decision, which decision was received by NOVOMATIC AG Group on 30 August 2016. In its decision, the Cartel Court did not approve an acquisition of more than 25% of direct and indirect stakes in Casinos Austria and Austrian Lotteries, thereby preventing the completion of the Casinos Austria Transactions. NOVOMATIC AG Group intends to appeal the Cartel Court Decision.

In addition, competition authorities may retroactively scrutinize transactions already concluded by the NOVOMATIC AG Group. Moreover, as the NOVOMATIC AG Group grows, it may become increasingly difficult to meet the requirements of antitrust and competition regulations when pursuing acquisition targets in the future. In addition to antitrust and competition authorities, the NOVOMATIC AG Group is also subject to the decisions of gaming authorities in the various markets in which it operates or plans to operate. Local gaming authorities may, among other things, refuse to grant required gaming licenses or impose restrictions or obligations that make it difficult for the NOVOMATIC AG Group to conduct its business or expand its operations in such markets. Should the NOVOMATIC AG Group, as a consequence of the foregoing, not be able to implement its development plans at all or only to a limited extent in such markets, this could ultimately have an adverse effect on the NOVOMATIC AG Group's financial position, cash flows and financial performance.

***The NOVOMATIC AG Group faces risks in connection with future acquisitions, joint ventures and investments.***

NOVOMATIC AG Group may consider selected acquisition opportunities, enter into joint ventures or undertake investments or disinvestments in a targeted manner. There can be no assurance that NOVOMATIC AG Group will be able to identify suitable targets and consummate an acquisition or enter into joint ventures or investments on favorable terms or at all. It is also possible that not all material risks in connection with acquisitions or the establishment of joint ventures will be identified in the due diligence process and that such risks will not be taken into account in the decision-making process or respective agreements to a sufficient level or at all. As a result, the NOVOMATIC AG Group may expend a significant amount of money for the acquisition of a company whose actual value does not justify such expenditure and whose liabilities and future performance may adversely affect the NOVOMATIC AG Group's financial position, cash flows and financial performance.

The NOVOMATIC AG Group has made numerous investments and acquisitions in the past, and it continually evaluates potential future investments. The success of such investments and acquisitions with respect to achievement of the expected expansion and profitability is uncertain. For instance, suitable target companies may not be available at all for acquisitions in the given markets or only at terms that are not financially viable. Even if such target companies were available, there might be the risk that the NOVOMATIC AG Group cannot raise the required funding for the given acquisition or that the acquired target company cannot be successfully integrated into the NOVOMATIC AG Group. Integration entails various risks regarding employees, processes, IT, logistics and other systems, as well as product offerings, among others. Integration may be a complex, time consuming and expensive process involving a number of uncertainties. These include the costs and expenses associated with unexpected difficulties, the diversion of management's attention from daily operations and/or strategic business decisions, the potential loss of key employees, difficulties in complying with regulatory requirements and the additional demands on management related to the increase in the size and scope of operations following an acquisition. Even if integration is successful, it may not result in the realization of the full synergies, cost savings, revenue and cash flow enhancements, operational efficiencies and other expected benefits. Among other things, the strategy of the NOVOMATIC AG Group is based on a variety of assumptions and expectations that may turn out to be inaccurate and/or do not materialize as anticipated. The occurrence of such risks might have an adverse effect on the Issuer's financial position, cash flows and financial performance.

In particular, as regards intended acquisition of direct and indirect ownership interests in Casinos Austria Group and assuming that such acquisitions are ultimately permitted and completed, the NOVOMATIC AG Group's level of indebtedness may increase which could adversely affect the NOVOMATIC AG Group's financial position, cash flows and financial performance. Furthermore, no member of the Casinos Austria Group, except for its Australian listed subsidiary, Reef Casino Trust, is a publicly listed company with shares trading on a regulated market and, in connection with the acquisition transactions, the NOVOMATIC AG Group was not in a position to conduct a full legal or financial due diligence of either Casinos Austria or its indirect subsidiary Austrian Lotteries. It is therefore also possible that not all material risks in connection with the acquisition of Casinos Austria Group have been identified and that such risks will not be (sufficiently or at all) taken into account in the decision-making process or the respective agreements relating to the share acquisitions. As a

result, the NOVOMATIC AG Group may expend a significant amount of money for the acquisition of a company whose actual value does not justify such expenditure and whose liabilities and future performance may adversely affect the NOVOMATIC AG Group's financial position, cash flows and financial performance.

Moreover, the NOVOMATIC AG Group entered into a term sheet agreement with SAZKA Group A.S. and Austrian Gaming Holding A.S., both of which are Czech companies (the "**SAZKA Group**"), on the terms to be agreed upon in a joint venture agreement relating to the holding of their respective direct and indirect stakes in Casinos Austria and Austrian Lotteries. The joint venture would serve as the holding entity of the joint venture partners' current and future interests in Casinos Austria and Austrian Lotteries. As part of the joint venture, both NOVOMATIC AG Group and SAZKA Group would be equal partners, each holding a 50% stake in the envisaged joint venture. The establishment of the joint venture is subject to various conditions precedents which included, among others, the completion of the Casinos Austria Transactions, the signing of a joint venture agreement, approval by the competition authorities and various domestic and international regulatory bodies, non-exercise of rights of first refusal by shareholders, approval by required shareholders' meetings as well as the non-expiry of the long stop date on 31 December 2018.

Should the NOVOMATIC AG Group be unsuccessful in its appeal of the Cartel Court's prohibition decision and thus unable to complete the Casinos Austria Transactions, claims by the sellers against the NOVOMATIC AG Group cannot be excluded.

Furthermore, NOVOMATIC AG has entered into an agreement for the purchase of approximately 53% of the issued shares of the Australian publicly listed company Ainsworth Game Technology Limited ("**Ainsworth GT Limited**"), a leading producer and provider of gaming solutions with operations in Australasia, South East Asia and North and South America, from Leonard H. Ainsworth for approximately 473 million Australian dollars. In addition to the various acquisition-related risks described above, NOVOMATIC AG would, as majority owner of an Australian publicly listed company, also be subject to Australian securities laws applicable to its dealings with Ainsworth GT Limited, which could make it more difficult to implement its envisioned strategy regarding Ainsworth GT Limited. If NOVOMATIC AG Group cannot successfully implement such strategy, this could have a negative impact on Ainsworth GT Limited's business and, ultimately, could have an adverse effect on the Issuer's financial position, cash flows and financial performance.

#### ***Risks due to shareholder concentration.***

NOVO Invest GmbH, whose sole shareholder is Professor Johann F. Graf, directly owns 89.96% of the Issuer's shares. The remaining 10.04% of the Issuer's shares are held by Gryphon Invest AG, Appenzell, Switzerland, whose sole shareholder is also Professor Johann F. Graf. This majority stake enables NOVO Invest GmbH, and thus indirectly Professor Johann F. Graf, to control the actions of the Issuer including the following, among others: the appointment of the members of the supervisory board and thus indirectly the appointment of the Issuer's management board members; the timing and amount of dividend payments; determination of the annual budget; decisions regarding any increase of the capital stock; or consent to amendments of the Issuer's articles of association. The interests of NOVO Invest GmbH, and indirectly those of Professor Johann F. Graf may contradict those of the Issuer and might have an adverse effect on the Issuer's financial position, cash flows and financial performance.

#### ***The Issuer's ability to service its liabilities is limited on account of its character as a holding company.***

The Issuer is a holding company that has no material assets aside from intangible assets, fixed assets, equity interests in subsidiaries, and/or other companies as well as receivables from subsidiaries and/or other companies. In order to pay its liabilities to creditors, in general, as well as its liabilities to the Noteholders, in particular, the Issuer in its capacity as a holding company depends especially on inflows of liquidity (e.g. dividend payments) and profits from its subsidiaries or from companies in which the NOVOMATIC AG Group has an equity interest. If the subsidiaries' financial condition were to deteriorate, the Issuer might have to make funds available to subsidiaries that are experiencing financial difficulties; this might, in turn, negatively impact the Issuer's own financial strength. Any deterioration in the financial condition of a subsidiary might also mean that it may not be able to pay its liabilities to the Issuer. Moreover, if any subsidiary were to file for insolvency, its creditors, which could include the Issuer, would be entitled to the subsidiary's assets and the Issuer would only be able to avail itself of remaining proceeds, if any, after satisfaction of all of the subsidiary's creditors. Furthermore, under applicable law the Issuer's claims against a subsidiary might be treated as subordinated liabilities in the event of the subsidiary's insolvency. The occurrence of any of these circumstances could have material adverse effects on the NOVOMATIC AG Group's financial position, cash flows and financial performance.



## **2. Risk factors associated with the NOVOMATIC AG Group's business activities**

***The economic success of the NOVOMATIC AG Group is dependent upon its management and key staff.***

The performance of the NOVOMATIC AG Group is dependent on the knowledge and expertise of its non-executive staff and its Management. If one or more of its key employees or members of the Management were to resign, there is the risk that the NOVOMATIC AG Group would be unable to recruit individuals who possess the required and comparable skills and know-how and are qualified to deal with business challenges within a reasonable time and at market conditions. This might have an adverse effect on the NOVOMATIC AG Group's net assets, financial position and results of operations.

***The NOVOMATIC AG Group is dependent upon technology systems and relies on technologies and advanced IT systems that might fail, suffer interferences or become subject to illegal attacks and fraudulent activities.***

The NOVOMATIC AG Group works in a highly technological business environment, where new technologies are developed or utilized in short innovation cycles. There is the risk that the NOVOMATIC AG Group may not identify, develop and/or implement required innovative technologies in time or at all. The integrity, reliability, and operational performance of the NOVOMATIC AG Group's IT systems are indispensable to the Group's business. The IT systems may be damaged, disrupted, or otherwise impaired due to technical or human failures, or natural disasters. However, illegal attacks, fraudulent manipulation—e.g. on account of cyber criminality—or security vulnerabilities (such as “Heartbleed”, the well-known software bug, usually causing huge damage) may also damage, disrupt, or otherwise impair the IT systems (hardware and software). Any interference with the IT systems might result in extensive business problems and force the NOVOMATIC AG Group to utilize considerable financial and expert human resources to correct those problems. This might have an adverse effect on the NOVOMATIC AG Group's financial position, cash flows and financial performance.

***The NOVOMATIC AG Group is subject to bookmaker's risk.***

Bookmakers and totalisators cannot anticipate the outcome of betting events ahead of time. A bookmaker is an individual who determines the odds of a bet based on considerations of probability as well as personal and topical considerations. A totalisator is a person or machine that accepts bets and wagers and retains a commission. The sum of the wagers less the commission is gathered in a pool and distributed to those participants whose bets correspond to the outcome of the given betting event, as a win. In this case, the prize is not determined until the betting on the given event has closed, i.e. until no more bets are accepted for the event. The betting odds are determined based on historical data using statistical methods. This means that losses cannot be precluded. In particular, unforeseen losses may also arise when the outcome of betting events is manipulated by third-party fraud (betting fraud). This might have an adverse effect on the NOVOMATIC AG Group's financial position, cash flows and financial performance.

***Risks in connection with pathological gaming, lawsuits brought by gamers, lawsuits brought by competitors or other legal proceedings.***

The Issuer or its subsidiaries are from time to time sued in the regular course of business for repayment of stakes and bets made in connection with pathological gaming—for example, a behavioral addiction that is classified as gaming under abnormal habits and impulse control disorders—especially if it leads to the given player's incapacity. Furthermore, the NOVOMATIC AG Group is from time to time exposed to litigation in connection with the conclusion of gaming and betting contracts due to alleged noncompliance with gamer protections or other requirements, lawsuits arising from violations of anti-trust rules and regulations or claims for damages by competitors. Moreover, if, under particular circumstances, a gamer successfully sues the NOVOMATIC AG Group, this could lead to a significant number of follow-on suits by a similar class of gamers respectively class action lawsuits by a coordinated group of gamers and/or consumer protection organizations. An increase in the costs or detrimental effects from litigation might have an adverse effect on the NOVOMATIC AG Group's financial position, cash flows and financial performance.

In the context of legal proceeding and/or settlement agreements, including ancillary or related proceedings, a decision in favor of the NOVOMATIC AG Group or any settlement agreement may subsequently be challenged, revoked or proceedings could be reopened. This might have an adverse effect on the NOVOMATIC AG Group's financial position, cash flows and financial performance.

***The NOVOMATIC AG Group might suffer losses due to technical defects, illegal attacks or fraudulent manipulation.***

The performance of the NOVOMATIC AG Group is highly dependent on its ability to identify and prevent fraudulent manipulation or illegal attacks—using technical means among other things—on its products or services and related processes and procedures. Any events that expose products or services as well as related processes and procedures of the NOVOMATIC AG Group to technical defects, fraudulent activities, or illegal attacks might impair the reputation of the NOVOMATIC AG Group and/or cause customers and business partners to give their preference to competitors' products or services; the NOVOMATIC AG Group itself might be affected with respect to its own operating gaming and betting business. This might cause the NOVOMATIC AG Group to incur losses, expose it to claims for damages, or result in the withdrawal of licenses/concessions by the competent authorities. Technical defects, illegal attacks or fraudulent activities might also greatly undermine the ability of the NOVOMATIC AG Group to manufacture its products or offer its services. Any inability of the NOVOMATIC AG Group to achieve its production goals or offer its services and thus serve its customers or render its services would have a substantially negative impact on its reputation and sales.

The NOVOMATIC AG Group is also exposed to the risk of temporary or ongoing business interruptions due to internal manipulations such as employee fraud. Any such wrongdoing might force the NOVOMATIC AG Group to discontinue certain business activities or close certain business premises, temporarily or permanently, pursuant to governmental orders. Insurance policies against wrongdoing by staff members might not be sufficient or available.

Any such events thus might have an adverse effect on the NOVOMATIC AG Group's financial position, cash flows and financial performance.

***The NOVOMATIC AG Group is exposed to the risk of suffering an image loss.***

The reputation of the NOVOMATIC AG Group and its brands is largely determined by the image and perception of the gaming and betting industry, the behavior of all stakeholders involved, as well as the perception of them. To a significant extent, the reputation of the NOVOMATIC AG Group and its brands is also determined by the behavior of the Group's business partners, staff, and competitors. Any wrongdoing by actors in the gaming and betting industry or any negative reports in the press might lead to a loss of reputation, intensified regulatory action, and changed legal parameters; subsequently, this might also entail the loss of funding from banks, which have largely financed the NOVOMATIC AG Group to date, and/or to the loss of licenses/concessions. This might have an adverse effect on the NOVOMATIC AG Group's financial position, cash flows and financial performance.

***Risks due to product liability or product defects.***

Under applicable product liability laws, the NOVOMATIC AG Group might be held liable for damages caused by defective products. There is also the risk that third parties might bring claims against the Issuer or an affiliated company on account of unexpected product defects. This might put financial pressure on the Issuer unless such claims are precluded by contractual means. Any failure to replace defective products in a timely manner or at all might also trigger contractual penalties (e.g. interruptions of gaming platforms) and, as result, a decline in the sales revenues and or earnings of the Issuer or a NOVOMATIC AG Group company. In turn, this might have an adverse effect on the NOVOMATIC AG Group's financial position, cash flows and financial performance.

***The NOVOMATIC AG Group's production is dependent upon the availability of high-quality raw materials and semi-finished products.***

The manufacturing activities of the NOVOMATIC AG Group are dependent on the availability of high quality raw materials and semi-finished products such as flat screens, bank note checkers, ticket printers, microprocessors, and metal casing. Any shortage of stocks or any increase in demand might trigger raw material cost increases as well as manufacturing problems or interruptions, which in turn might cause delivery problems for the NOVOMATIC AG Group and could have an adverse effect on the NOVOMATIC AG Group's financial position, cash flows and financial performance.

***NOVOMATIC AG Group depends on a limited number of suppliers.***

The NOVOMATIC AG Group procures a substantial portion of its raw materials and semi-finished products from a limited number of suppliers. Any inability on the part of these suppliers to deliver their goods on time or

at all might possibly force the NOVOMATIC AG Group to search for more expensive alternatives or dispense production with the given raw materials and goods entirely. This could substantially impair the NOVOMATIC AG Group's production capability. Any occurrence of such risks thus could have an adverse effect on the NOVOMATIC AG Group's financial position, cash flows and financial performance.

***The NOVOMATIC AG Group is exposed to the risk of temporary or permanent interruptions of production or operation caused by external events; in particular, the production facilities of the NOVOMATIC AG Group are exposed to a risk of accidents and failures.***

Some of the NOVOMATIC AG Group's facilities are located in parts of the world where extreme climatic conditions prevail, exposing them to an increased risk of natural disasters; terrorist attacks and political unrest may also occur in these areas. These factors may interfere with the business of the NOVOMATIC AG Group temporarily or permanently, damage its facilities, or lower the number of its customers in an affected area. The NOVOMATIC AG Group cannot guarantee that it can purchase comprehensive insurance against such risks.

For reasons of efficiency, the NOVOMATIC AG Group has shifted a substantial portion of its manufacturing activities to a handful of production facilities all over the world. Manufacturing in these production facilities is exposed to a multitude of operating risks, including equipment failure, labor shortages, internal accidents, natural disasters, power outages, and other risks. The occurrence of any such risks might undermine the operations of the NOVOMATIC AG Group and lead to both financial losses and legal liability. This might have an adverse effect on the NOVOMATIC AG Group's financial position, cash flows and financial performance.

***The NOVOMATIC AG Group does not carry insurance against all risks, and coverage under its insurance policies might be insufficient in case of some losses.***

The NOVOMATIC AG Group's operating business is exposed to multifaceted operating risks such as climatic conditions, political unrest, terrorist attacks, disruption of power supplies, environmental risks, technical failures, fire, explosions, floods and earthquakes, or other accidents in the production facilities of the NOVOMATIC AG Group. Such risks might damage the production facilities of the NOVOMATIC AG Group, cause personal injury or death, environmental damage, operational interruptions, as well as liability on the part of the NOVOMATIC AG Group companies.

The NOVOMATIC AG Group is not insured against all of the aforementioned risks, nor can it be guaranteed that payments, if any, under the NOVOMATIC AG Group's existent insurance policies will be adequate to cover any potential damage. The NOVOMATIC AG Group's net assets, financial position and results of operations might be adversely affected if the Group had to cover substantial costs itself due to inadequate insurance coverage.

***The Issuer's organisation and controlling might fail.***

The multitude of Group companies in different countries requires complex organizational and controlling structures that also serve to ensure compliance with applicable legal requirements in connection with money laundering and sanctions or with securities laws pertaining to listed notes. Given the complexity and international make-up of the NOVOMATIC AG Group, there is the risk that existent controlling tools will not work at all or not flawlessly and that required measures cannot be implemented completely and on time. This may include risks associated with the unlawful behavior of staff or business partners, for example, in connection with corruption and money laundering. Any such events might have adverse effects on the reputation of the NOVOMATIC AG Group or on the Issuer's net assets, financial position and results of operations.

***Risks in connection with changes in customer behaviour.***

Customer behavior is subject to continuous change due to the availability of a diverse range of leisure and entertainment services. This requires continuous adjustments of the NOVOMATIC AG Group's products and services as well as innovations in order to maintain the Group's position in its target markets. There is the risk that customer or consumer requests might not be identified on time or at all. Furthermore, there is a trend toward online gaming and betting, which is displacing gaming and betting in brick-and-mortar gaming and betting operations, as offered by the NOVOMATIC AG Group. Any further intensification of this trend and the resulting decline in the number of visitors to the NOVOMATIC AG Group's brick-and-mortar gaming and betting operations might have an adverse effect on the NOVOMATIC AG Group's financial position, cash flows and financial performance. Furthermore, regarding the NOVOMATIC AG Group's own offerings in the online gaming and betting market, it may be exposed to increased competition from new entrants in such market, may be unable to adequately or timely adjust its product offerings, or may be required to allocate significantly more

resources to its related operations in order to remain competitive. This could, in turn, have an adverse effect on the NOVOMATIC AG Group's financial position, cash flows and financial performance.

***Receivables due from customers and/or business partners may not be collectible and contractual counterparties may not fulfil their payment obligations.***

The NOVOMATIC AG Group is exposed to a credit or default risk on the part of customers, business partners, such as concessionaires, and other counterparties. Such counterparties may be slow to meet their payment obligations to the NOVOMATIC AG Group or may be financially unable to make such payments at all. Such payment delays or defaults, or the loss of, or a need to write down, receivables might have a material adverse effect on the NOVOMATIC AG Group's financial position, cash flows and financial performance.

### **3. Legal risks**

***Risks on account of potential changes in gaming legislation as well as related changes in the tax framework in the countries where the NOVOMATIC AG Group operates.***

The NOVOMATIC AG Group operates on the basis of the currently applicable political, economic, legal, and tax framework in a highly regulated environment that is subject to constant, and sometimes significant, changes and adjustments. The NOVOMATIC AG Group is exposed to the risk of changes in the statutory, governmental and tax framework.

Amendments that have already been enacted (e.g. in connection with the German Interstate Treaty on Gambling (*Deutscher Glücksspielstaatsvertrag*), the Italian budget law (Stability Law), the Albanian gaming laws, the Austrian Gaming Act (*Glücksspielgesetz*) or betting regulations enacted by the Austrian federal states), any change in administrative practices, or even the possible further prohibition of gaming machines and/or additional restrictions with respect to gaming or betting machines, either in parts of Austria or in other jurisdictions where the NOVOMATIC AG Group is active, have long-term effects on the NOVOMATIC AG Group's operating activities. For instance, the German Interstate Treaty on Gambling (*Deutscher Glücksspielstaatsvertrag*) is expected to result in the significant reduction of the total number of gaming machines permitted to operate in Germany and thus in a significant decrease of sales revenues from renting gaming machines. In addition, the recent prohibition of slot machines in Vienna, Austria, required the NOVOMATIC AG Group to decommission all of these gaming machines operated in Vienna as of 1 January 2015. Also, gaming and betting were outlawed in both the Russian Federation (with the exception of specially designated zones) and the Ukraine (entire country) in 2009. In Hungary, a law prohibiting the operation of gaming devices in arcades and pubs was enacted and implemented in 2012. This not only caused the NOVOMATIC AG Group to lose its business, because it was prohibited from operating gaming devices, but also resulted in excess supply and related market distortions in neighbouring countries. Furthermore, amendments to the gaming law in Albania will result in a discontinuation of the operation of electronic casinos of the NOVOMATIC AG Group by the end of 2016.

Any such changes in the legal framework and/or the application and interpretation of laws might have an adverse effect on the NOVOMATIC AG Group's financial position, cash flow and financial performance.

***Risks on account of dependency upon national licences / authorisations for the operation of gaming and betting facilities as well as risks on account of dependency upon production licences, sales licences and product licences.***

In those countries where the NOVOMATIC AG Group conducts its business, the operation of gaming and betting establishments requires a licence, concession, or other kind of governmental permit from the appropriate government agency. Such licences/concessions are usually granted for limited periods or in the form of limited licence or concessions agreements. Unless the respective agreement provides a renewal option and provided that a renewal would be possible at conditions or requirements that are acceptable or reasonable in financial terms, the NOVOMATIC AG Group would have to commence the process of obtaining a new licence or concession. The NOVOMATIC AG Group has applied for licences and/or concessions for operating casinos and gaming halls in Austria, its core market. The NOVOMATIC AG Group cannot guarantee that its participation in such procedures for obtaining licences or concessions will be successful or that a licence or concession, once granted, will not be successfully challenged later. Even if such licence or concession is granted and legally effective, it may remain subject to extraordinary appeals, such as in the case of the recent Highest Administrative Court of Austria's decision to vacate a decision granting a license in Lower Austria and Burgenland for state-licensed machine gaming. Such appeals or challenges may also relate to time periods during which the operation is temporarily permitted, based on law and/or order, following a successful appeal.

In addition, the marketing of gaming and betting devices or other gaming and betting products and services in those countries where the NOVOMATIC AG Group conducts its business requires a permit from a governmental gaming and betting authority. Both manufacturing and marketing licences are generally granted for limited periods, subject to review and certification by the competent authorities. Once granted, licences are usually renewed automatically as long as the requirements governing the given licence have not been violated. It cannot be precluded that the Issuer or subsidiaries or affiliates of the Issuer fail to comply with statutory requirements, technical standards, or licensing requirements, which might cause the given licence to be wholly or partly revoked.

Any occurrence of these events might have an adverse effect on the financial position, cash flow and financial performance of both the Issuer and the NOVOMATIC AG Group.

***Risks on account of a potential tightening of regulatory measures.***

Currently, the gaming and betting business, and particularly the laws governing online gaming and betting, are not harmonised at the level of the European Union (EU). Certain aspects of the EU legal framework remain disputed among legal gaming and betting experts.

In Germany, for instance, a newly enacted Interstate Treaty on Gambling took effect on 1 July 2012. It provides for restrictions such as the prohibition of multiple concessions, minimum distance requirements between gaming/betting premises, restrictions on the hours of business or the expiry within a transitional period of a mere five years of concessions that were granted in perpetuity under the German Industrial Code (*Gewerbeordnung*). The Interstate Treaty on Gambling does not provide rules and regulations that apply on a federal level in Germany; instead, it allows the individual German states to adopt different rules and regulations.

There is, in general, the risk that additional restrictions will be imposed on the gaming and betting industry at the national level in those countries where the NOVOMATIC AG Group is active, particularly in Germany. Furthermore, regulatory authorities may introduce access limitations, strengthen gamer protection measures, statutory protections for non-smokers, expand technical requirements, prohibitions on advertising, or restrictions on locations. Such actions might result in a decline in the number of visitors and in sales revenues. The implementation of one or more of these events might have an adverse effect on the financial position, cash flow and financial performance of both the Issuer and the NOVOMATIC AG Group.

***Evolving legal systems, in particular their tax systems, might have a material adverse effect on the Issuer and / or the NOVOMATIC AG Group.***

Many legal systems in countries or jurisdictions where the NOVOMATIC AG Group does business have been subject to far-reaching changes in recent years. In some of these countries, the legal systems are still in an early stage of development, which leads to the inconsistent application and construction of legal standards. Hence there is a lack of historical data, case law, or other interpretation tools that could bind and guide those who apply the law. In particular, the NOVOMATIC AG Group is exposed to a multitude of tax laws, some of which were enacted just recently, and administrative practices regarding their enforcement that are frequently unpredictable and generally subject to continuous change. Often enough taxpayers such as the NOVOMATIC AG Group must turn to the courts to defend their position against the tax authorities. As a result, there is the risk that the NOVOMATIC AG Group may be subject to unforeseeable and burdensome taxes. In some countries, tax returns and taxable events are not subject to a limitations period, and the authorities may turn their attention to them years later. The tax risk thus is substantially higher in several of the countries where the NOVOMATIC AG Group is active than in other countries whose tax systems have a longer historical development. It may also be impossible in individual jurisdictions to seek recourse in the courts or obtain other kinds of legal protections within a reasonable time. Furthermore, given that parliamentary democracies have only developed recently or not at all in some of the countries where the NOVOMATIC AG Group conducts its business, political or legal paradigm shifts are less foreseeable than in Austria or Western European member states of the European Union. A lack of legal certainty and/or the impossibility of being able to avail oneself of efficient legal remedies within a reasonable time may have an adverse effect on the financial position, cash flow and financial performance of both the Issuer and the NOVOMATIC AG Group.

***The NOVOMATIC AG Group is exposed to risks in connection with intellectual property.***

The NOVOMATIC AG Group develops, manufactures, and markets state-of-the-art gaming and betting devices and systems, most of which are protected by commercial property rights such as trademarks, patents and design patents as well as copyright law. There is the risk that third parties may interfere with the NOVOMATIC AG Group's commercial property rights or copyrights and, conversely, that the NOVOMATIC AG Group will

interfere with third-party commercial property rights or copyrights. There is also the risk that NOVOMATIC AG Group's may not be able to obtain protection as intended for its intellectual property rights.

Some of the products or services of the NOVOMATIC AG Group might infringe upon the intellectual property rights of third parties. The NOVOMATIC AG Group is also exposed to the risk that third-party components, which the Group utilizes in its products, may infringe upon another party's intellectual property rights. In such cases, the NOVOMATIC AG Group might have to desist from using the intellectual property rights in question or pay substantial licence fees to third parties. The NOVOMATIC AG Group is also exposed to the risk that third parties may acquire patents or other intellectual property in a targeted way with the aim of initiating claims for damages based thereon.

The gaming and betting industry is characterised by rapid technological developments, which forces the NOVOMATIC AG Group to continuously develop new products and enter new markets. Hence the NOVOMATIC AG Group's success is dependent on its ability to continually develop its products and systems to integrate new technologies and expand into new markets that may arise as a result of newly developed technologies. The NOVOMATIC AG Group might not be able to develop and offer certain products and expand into certain markets if certain technologies are protected by third-party intellectual property rights, including those of its competitors.

The occurrence of these risks might have an adverse effect on the financial position, cash flow and financial performance of both the Issuer and the NOVOMATIC AG Group.

***The NOVOMATIC AG Group is exposed to the risk of failing to sufficiently protect its customer data.***

In part, the NOVOMATIC AG Group possesses confidential information on its customers (name, address, age, banking information as well as gaming and betting preferences), which it collects in the course of its business and thus must comply with strict data protection and privacy rules applicable in the EU and other jurisdictions. There is the risk that customer data may be accessed and/or utilised unlawfully, either by the NOVOMATIC AG Group's employees or customers, or by third parties. There is the risk, furthermore, that customer data may be deleted, disclosed or processed accidentally and in violation of applicable data protection and privacy rules and regulations. The NOVOMATIC AG Group might be held criminally liable under data protection and privacy laws, which would also damage its reputation, if the Group or one of its external providers were to transmit customer data without adequate protections or if confidential customer data were to be lost in any other way. This or a tightening of regulations in this area might have an adverse effect on the NOVOMATIC AG Group's financial position, cash flow and financial performance.

***Risks on account of the tightening of international money-laundering prevention measures (e.g. Financial Action Task Force-EU) and other regulations to prevent the financing of terrorism.***

In the countries where the NOVOMATIC AG Group maintains operations, the running of gaming and betting establishments, such as live game casinos and electronic slot machine casinos, is governed by numerous and increasingly strict statutory and regulatory requirements regarding money laundering, the prevention and combating of terrorist financing, other sanctions stemming from geopolitical developments (such as those put in place most recently in connection with the events in the Ukraine) or related follow-up measures such as foreign exchange controls and/or restrictions on the disposal of assets. Internationally, organizations such as the Financial Action Task Force continually adapt and tighten requirements and standards applicable to money laundering regulations – not least against the financing of terrorism and in light of the global financial and economic crisis. For instance, the recommendations of the Financial Action Task Force were taken into account in the Fourth EU Anti-Money Laundering Directive, Directive (EU) 2015/849. Since the directive has not yet been implemented into national law, the particular ramifications of such implementation are not yet known. However, any further tightening of the anti-money laundering standards and regulations might cause the NOVOMATIC AG Group to take additional organizational actions and incur additional costs with respect to the operation of its business.

It cannot be precluded that such sanctions and/or measures are directed against individual countries and/or persons with whom the NOVOMATIC AG Group may currently be in a business relationship, particularly if such sanctions and/or measures are continuously modified and expanded. It further cannot be precluded that the tightening of such rules and regulations might limit and/or halt third parties' business relationships with the NOVOMATIC AG Group due to the nature of the latter's business activities.

In turn, this might have an adverse effect on the NOVOMATIC AG Group's financial position, cash flow and financial performance.

#### ***Risks on account of tax audits.***

The NOVOMATIC AG Group might be forced by the competent tax authorities in connection with tax audits to pay back taxes and/or fees. The liquidity of the NOVOMATIC AG Group might be adversely affected if any such tax liabilities and charges add up to a considerable amount, in turn adversely affecting the NOVOMATIC AG Group's net assets, financial position and results of operations.

#### **4. Issuer's financing risks**

##### ***The Issuer is exposed to liquidity risk.***

The liquidity risk encompasses the risk of not being able to possess sufficient liquidity at all times or of not being in a position to draw on required funds (including those that have already been committed) from investors and financial institutions in order to pay liabilities when due. Given the different maturities of the Issuer's liabilities, there is the risk that the Issuer might not be able to satisfy its current or future obligations in full or on time. Furthermore, the need for cash is very high in the gaming and betting industry, especially in the Group's own gaming and betting operations, which requires it to continuously have available a large amount of cash. The occurrence of the liquidity risk might have an adverse effect on the Issuer's financial position, cash flows and financial performance.

##### ***The Issuer is subject to the risk of unfavourable exchange rates.***

The currency risk comprises fluctuations in the value of financial instruments, other balance sheet items (e.g. receivables and liabilities), and/or cash flows due to exchange rate fluctuations. In particular, this risk is prevalent whenever a company's business transactions are made in a currency other than the local currency. The NOVOMATIC AG Group operates its business around the world. It generates a considerable portion of its sales revenues and pays a considerable portion of its operating expenses in currencies other than the Euro—especially the US Dollar, the British Pound and the local currencies of the Group's respective subsidiaries. In addition, the NOVOMATIC AG Group encompasses numerous subsidiaries that are domiciled outside of the European currency union and prepare their annual financial statements in currencies other than the Euro. Their annual financial statements are translated into Euros at the time the Group's audited annual financial report is prepared. The Issuer also funds a considerable portion of its product purchases in US dollars. Any occurrence of the currency risk, especially due to the US Dollar or the British Pound foreign exchange rate, could have adverse effects on the Issuer's financial position, cash flows and financial performance.

##### ***The Issuer is exposed to risks of changing interest rates.***

The Issuer has used borrowings for its funding activities. Any changes in interest rates, in particular any increase in the base interest rate of the European Central Bank or the prime rate of the United States Federal Reserve, may have an adverse effect on the value of financial instruments, but it may also adversely affect the net interest income from the financial instruments and thus may also have a negative impact on the Issuer's financial position, cash flows and financial performance.

#### ***Risks on account of assuming liability.***

As part of their business activities, the Issuer and the NOVOMATIC AG Group companies have assumed liabilities and issued guarantees, sureties, letters of comfort, and purchase price adjustment clauses for NOVOMATIC AG Group and also for companies that do not belong to the NOVOMATIC AG Group such as in connection with the NOVOMATIC AG Group's activities in Romania. Any claims against the NOVOMATIC AG Group thereunder might have an adverse effect on its financial position, cash flows and financial performance.

##### ***The Issuer is exposed to certain market risks in connection with assets and risks associated with investments in companies.***

As part of its business activities, the Issuer holds and/or owns assets, securities, precious metals, derivative financial instruments, and other products that are exposed to market price fluctuations. Any such fluctuations and/or fair value assessments might cause the Issuer and/or the NOVOMATIC AG Group to incur or be faced with losses, the non-occurrence of the envisioned hedging effects, and/or additional costs. This might have an adverse effect on the NOVOMATIC AG Group's financial position, cash flows and financial performance.

***The operative and financial flexibility of the NOVOMATIC AG Group could be compromised on account of restrictive clauses in certain financing tools.***

Restrictive clauses in certain financial instruments might constrain the NOVOMATIC AG Group's funding with respect to its business policies, for example, in connection with asset collateralization and disposals as well as change of control clauses. This is compounded by financial commitments regarding compliance with certain key performance indicators (so-called covenants), noncompliance with which may lead creditors to call their loans before its agreed maturity. Such restraints on disposal, as well as any unforeseen requirement to pay all liabilities from such financial instruments in lump sums, might have substantially negative effects on the NOVOMATIC AG Group's financial position, cash flows and financial performance. Furthermore, the Issuer, directly and indirectly, holds financial assets, including shares in companies. The ability of such companies to pay out dividends depends, in part, on its earnings, levels of statutory reserves and capitalization, and various business considerations. There can be no guarantee that the Issuer will in fact receive dividends on such participations. Even if dividends are paid out, the amount of such dividend payments may vary significantly over time. A significant decline in dividends received might have substantially negative effects on the NOVOMATIC AG Group's financial position, cash flows and financial performance. Moreover, under mandatory accounting principles, the Issuer is required to periodically reassess its financial assets. Accordingly, any significant changes in the valuation of the Group's financial assets may have a material adverse effect on NOVOMATIC AG Group's results of operations and financial condition.

***Risks in connection with financing agreements.***

Among other things, the NOVOMATIC AG Group uses borrowings based on loan agreements and/or borrower's note loans (*Schuldscheindarlehen*) to finance its business activities. These funding agreements provide for customary warranties and/or commitments (so-called covenants), which the NOVOMATIC AG Group has undertaken to comply with. However, noncompliance with any one of these agreements regularly leads to noncompliance with other contracts (under so-called cross-default provisions). Non-compliance with warranties and/or commitments under funding contracts thus might have substantially negative effects on the NOVOMATIC AG Group's financial position, cash flows and financial performance.

**5. Market risks of the NOVOMATIC AG Group**

***The NOVOMATIC AG Group is exposed to a risk of competition.***

Some of the NOVOMATIC AG Group's competitors possess extensive financial, technical, and other resources. There is the risk that the number of competitors or other providers in the leisure and entertainment industry, especially providers of online gaming and betting, whose number has increased in recent years, will continue to rise. This might have an adverse effect on the NOVOMATIC AG Group's financial position, cash flows and financial performance. The Issuer and the NOVOMATIC AG Group companies are also exposed to the risk of increased competition in markets where it had previously been protected. Any failure on the part of the NOVOMATIC AG Group to offer innovative and new competitive products in a timely manner or to obtain required gaming and betting licenses required to this end might have an adverse effect on the Group's financial position, cash flows and financial performance.

***The NOVOMATIC AG Group is dependent upon certain geographical markets.***

Most of the NOVOMATIC AG Group's sales revenues are generated in Germany, Austria, Italy, and Great Britain. In the gaming technology segment, the renting of gaming devices in Germany represents a considerable portion of the NOVOMATIC AG Group's sales revenues. The NOVOMATIC AG Group's financial position, cash flows and financial performance might be adversely affected if the Group fails to maintain its market share in these markets or if these markets develop negatively — for example, due to increasing regulations and restrictions, lower market acceptance of gaming device renting, in general, or the NOVOMATIC AG Group's current rental requirements, in particular — or if a statutory prohibition or any other restrictions on the rental of gaming devices were to be implemented.

**6. Geographic risks**

***The international business of the Issuer gives rise to economic, political, legal and other risks.***

The NOVOMATIC AG Group operates in more than 70 countries. Some of these countries are politically and/or economically unstable, which exposes the NOVOMATIC AG Group to certain risks. The legal framework in some countries, in which the NOVOMATIC AG Group conducts its business, offers international investors



fewer protections or imposes additional restrictions on them, for example, in connection with foreign exchange controls or obligations such as compliance with a sanctions regime. In addition, social unrest or strikes in these countries might force the NOVOMATIC AG Group to interrupt and/or discontinue its business activities. The gaming and betting industry is particularly exposed to frequent and/or sudden legislative changes that substantially impede business or may prohibit it entirely. Inadequate legal or administrative parameters in these countries may also inadequately protect intellectual property, assets, or other rights of the NOVOMATIC AG Group. In some of these countries, crime and/or corruption are rampant, which might adversely affect the NOVOMATIC AG Group's business. The occurrence of such risks might have an adverse effect on the Issuer's financial position, cash flows and financial performance.

## **7. Risks associated with the Notes offered**

### ***Every investor bears the risk inherent in making the investment decision.***

Potential investors are advised to base their decision to subscribe to the Notes on their personal situation and income, their expectations as to the results of their investments, and the long-term commitment of the capital they contribute. Every investor is advised to obtain professional advice regarding the Notes, the risks associated with them, and their structure before making an investment decision. There is the risk that investors may make uninformed investment decisions without taking into account the aforementioned criteria or without availing themselves of appropriate consultancy services – all of which may cause Noteholders to incur losses.

### ***Investors are subject to the credit risk in respect of the Issuer.***

Any person who purchases the Notes is relying on the creditworthiness of the Issuer and has no rights against any other person. Noteholders are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments that the Issuer is obliged to make under the Notes. A materialisation of the credit risk may result in partial or total failure of the Issuer to make interest and/or redemption payments under the Notes.

In addition, even if the likelihood that the Issuer will be in a position to fully perform all obligations under the Notes when they fall due has not actually decreased, market participants could nevertheless be of that opinion. Market participants may in particular be of such opinion, if market participants' assessment of the creditworthiness of corporate debtors in general or debtors operating in the Issuer's sector adversely changes. If any of these risks occur, third parties would only be willing to purchase the Notes for a lower price than before the materialisation of such risk. The market value of the Notes may therefore decrease.

### ***Investors are subject to the interest-rate risk in respect of the Issuer.***

In the case of issued Notes, any change in interest rates leads to changes in the price of the Notes. Rising interest rates thus lead to falling prices of the Notes. As a rule, the interest rates of the money and capital markets change daily and thus bring about a daily change in the value of the Notes. Market rates are substantially affected by a given government's budgetary policies as well as by central banks' strategies, especially the European Central Bank's strategy, general economic developments, inflation rates, foreign interest rates, and exchange rate expectations. The longer the residual maturity of a Note, the greater the price change resulting from interest rate fluctuations. Noteholders that want to sell the Notes prior to maturity are thereby exposed to the risk of price losses due to the increase in interest rates.

### ***Investors in floating rate Notes are subject to the risk of uncertain interest income***

A Noteholder of a floating rate Note is exposed to the risk of fluctuating interest rate levels and uncertain interest income. Fluctuating interest rate levels make it impossible to determine the yield of floating rate Notes in advance. Noteholder of floating rate Notes are thus subject to the risk of uncertain interest income.

### ***Suspensions of trading could have negative effects on the liquidity and price of the Notes.***

The FMA (as well as regulatory authorities in other countries of the European Economic Area (EEA), if the Notes are listed on an unregulated market outside of Austria) are authorised to suspend the trading of the Notes or to ask the respective stock exchange to suspend trading on various grounds (e.g. qualified breach of duty or for the purpose of combating market manipulations and insider trading). A stock exchange must suspend trading in securities of its own volition if the securities no longer fulfil the rules of the regulated market, unless such a step counteracts the investors' interests or the interest in maintaining the market's proper functioning. The FMA (as well as regulatory authorities in other countries of the European Economic Area) must request that trading be

suspended if the stock exchange does not take the initiative itself in such cases, as long as this is in the interest of maintaining a functioning market and does not undermine investors' interests. Any suspension of trading with respect to the Notes may result in a decrease in their price and might cause Noteholders that sell their Notes prior to maturity to incur losses.

***The Issuer's credit rating may change over the term of the Notes (risk of default by the Issuer) or be withdrawn entirely.***

The Issuer's credit rating materially affects the price of the Notes. Any suspension or deterioration in the Issuer's credit rating, for instance resulting from increased indebtedness of the Issuer in connection with acquisitions, or a withdrawal thereof, may lower the price of the issued Notes and, consequently, lead to losses for those investors that sell the Notes prior to maturity. Moreover, ratings of the Issuer may not adequately reflect all risks of an investment in the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Rating agencies may also change their methodology for rating securities with features similar to those of the Notes. If such a change is made in the future and, as a result, the rating of the Notes or the Issuer is lowered, this could have a negative impact on the market price of the Notes.

***The Notes are unsecured and are not subject to the system of deposit protection.***

The Notes are unsecured liabilities of the Issuer, and no collateral has been provided to ensure fulfilment of the given obligations. In addition, the claims against the Issuer under the Notes are not subject to the deposit insurance systems of credit institutions and not guaranteed by the Republic of Austria. As a result, investors are exposed to the Issuer's insolvency risk, and no collateral has been provided for the purpose of satisfying claims under the Notes.

***Risks in connection with the leveraged acquisition of Notes.***

Regular payments on the Notes may be lower than the interest rate on a loan taken out for the acquisition of the Notes. Hence investors should not expect to be able to pay the loan interest using the interest income from the Notes or the proceeds from the sale of the Notes. When Notes are acquired using debt capital, there is, in the event of the Issuer's default or a material drop in the price of the Notes, a risk that the particular Noteholders will not only be required to bear the resulting loss but must also pay the loan liabilities. This materially increases the risk of loss.

***Investors are exposed to the risk that reinvestment may be possible only on less favourable terms.***

In the event of an early sale, redemption at maturity or early termination of the Notes by the Issuer for tax reasons or by the Noteholders if there is a reason for termination or if the right to tender is exercised in case of a change of control, there is no assurance that the Noteholders will find a suitable reinvestment option at conditions that are at least equivalent to those of the respective Notes. The same applies to interest payments received. In the event of early redemption, there is also the risk that the return on the investment will be lower than anticipated by the Noteholder.

***Transaction cost and expenses can diminish the yield of the Notes.***

The purchase, safekeeping, and sale of the Notes may entail commissions, fees, and other transaction costs that may result in costs that are disproportionately high in the case of smaller aggregate amounts. Such costs may materially reduce the income potential of the Notes.

***Risks in connection with the settlement of Note acquisitions through clearing systems.***

A variety of clearing systems are used for settling purchases and sales of the Notes. The Issuer assumes no responsibility for the Notes actually being transferred to the respective investor's securities account. There is the risk that the Notes are not actually transferred to the given investor's securities account. Hence Noteholders must rely on the functioning of the clearing systems and banks' IT-systems.

***Risks on account of the Notes trading inactively or illiquidly.***

The Notes issued pursuant to this Prospectus may be listed for trading on the Second Regulated Market (*Geregelter Freiverkehr*) of the Vienna Stock Exchange or on other, regulated or unregulated markets or not listed on any stock exchange. If the Notes are listed for trading after they are issued, they may trade below their offer price depending on prevailing interest rates, the market environment for comparable securities, general

economic conditions and the Issuer's financial condition. Even though the application for listing in the Second Regulated Market operated by the Vienna Stock Exchange will be filed, there is no guarantee that the application will be granted and, even if it was, that an active market will develop. Hence investors must anticipate that the Notes they hold cannot be sold at all or not at the desired time or the desired price.

***The Issuer or the Dealers may perform transactions that are not in the interest of the Noteholders, or conflicts of interests between the Issuer, the Dealers and the Noteholders may arise on other grounds.***

The interests of the Issuer and the Noteholders may diverge. Additional debt securities issued by the Issuer may have adverse effects on the Notes' price. The Issuer may engage in transactions that affect the Notes directly or indirectly. These transactions may have a negative impact on the price of the Notes. The Issuer is not obliged in all circumstances to notify Noteholders of such transactions. Noteholders are advised to always keep themselves informed of market developments.

As part of the normal course of their business as well as in connection with the execution of funding and securities brokerage transactions, the Dealers and their affiliates may enter into buy and sell positions on behalf of the Issuer or other NOVOMATIC AG Group companies for their own or third-party account, trade securities, or carry out other transactions. This may also affect the Notes. As part of its customary funding activities, the Issuer may also use the proceeds from the issue to wholly or partly repay any outstanding loans from the Dealers.

Each Arranger is in continuous business contact with the Issuer and may grant loans to it that are subject to conditions different from those applicable to the Notes. Such conditions might limit the Issuer's ability to make payments on the Notes. For example, the loan conditions may oblige the Issuer to comply with specific covenants, which would not be necessary under the Terms and Conditions governing the Notes. In their capacity as the Issuer's creditors, the Arrangers thus may have a conflict of interest with the Noteholders.

***Noteholders are exposed to a market risk upon selling the Notes.***

The development of the Notes' price depends on a number of Issuer related factors (e.g. Issuer rating) and external factors such as fluctuations in market interest rates, central bank policies, tax laws, general economic developments, developments in the stock markets, inflation rates, or a lack of or excessive demand for such type of notes. Rumours, market distortions, and price manipulations may adversely affect the Notes as well. While Noteholders are exposed to the risk that the price of the Notes may take an unfavourable turn, the risk only takes effect if a Noteholder sells its Notes prior to maturity.

***Noteholders are exposed to the risk of the Issuer raising further debt capital.***

The Issuer might decide to take on additional debt capital. The Issuer has not entered into any restrictive covenants in connection with the issuance of the Notes regarding its ability to incur additional indebtedness ranking *pari passu* or senior to the obligations under or in connection with the Notes, but has only entered into restrictive covenants with respect to the granting of security. Incurring such additional indebtedness might hinder additional payments on the Notes or impair the value of the Notes. Taking on additional liabilities might cause the Issuer to be unable to fulfil its payment obligations under the Notes.

***Tax conditions could have an adverse effect on Noteholders.***

Interest payments on Notes and/or profits that a Noteholder realizes when selling or upon redemption of the Notes may be taxable in the Noteholder's home country or in other countries. The general tax consequences for investors are described in the chapters entitled "Taxation in Austria" and "Taxation in Germany". However, the actual tax consequences for individual Noteholders may be different from those described for Noteholders in general. Hence potential Noteholders are advised to turn to their tax consultant regarding the tax consequences of an investment in the Notes. Moreover, applicable tax rules and regulations may change to the detriment of the Noteholders in the future. Failure to observe the tax consequences or unfavourable tax laws might have adverse effects on investments in the Notes.

***There are risks on account of a potential structural subordination of the Notes to other financing raised by the Issuer and its subsidiaries.***

Noteholders are unsecured creditors of the Issuer. In particular, Noteholders are advised not only that the Issuer might issue financial instruments in the future to which the Notes would be subordinated in structural terms, but also that the contractual provisions of such financial instruments might impose requirements on the Issuer that

are stricter than the Terms and Conditions governing the Notes. As a result, this may give rise to a scenario where the Issuer's creditors might claim termination grounds under such financial instruments in certain circumstances and might call outstanding amounts, while the Noteholders might not be able to do so, or one where collateral is provided for third-party creditors of the Issuer and/or its subsidiaries with assets of the Issuer or its subsidiaries, while the Noteholders are excluded from participating in the proceeds of any disposal thereof. In such a case, the Noteholders would be exposed to the risk that, following (partial) satisfaction of its creditors' claims under these other financial instruments, the Issuer would no longer have any funds available to service the Notes. The Noteholders thus might incur a total loss.

Structural subordination also applies with respect to secured and unsecured creditors of subsidiaries (if and to the extent that the Issuer itself is not a creditor) because, if the given subsidiary were to file for insolvency, its creditors, which could include the Issuer, would be entitled to the subsidiary's assets and the Issuer would only be able to avail itself of remaining proceeds, if any, after satisfaction of all of the subsidiary's creditors. Furthermore, under applicable law the Issuer's claims against a subsidiary might be treated as subordinated liabilities in the event of the subsidiary's insolvency. These facts might have an adverse effect on the Issuer's financial position, cash flow and financial performance.

***A Noteholder of Notes denominated in a currency being a foreign currency to such investor may be exposed to adverse changes in currency exchange rates which may affect the yield of such Notes.***

A Noteholder of Notes denominated in a currency being a foreign currency to such investor is exposed to the risk of changes in currency exchange rates which may affect the yield of such Notes. Changes in currency exchange rates result from various factors such as macroeconomic factors, speculative transactions and interventions by central banks and governments. A change in the value of any foreign currency against the Euro, for example, will result in a corresponding change in the Euro value of Notes denominated in a currency other than Euro. This will further lead to a corresponding change in the Euro value of interest and principal payments made in a currency other than in Euro in accordance with the terms of such Notes. If the underlying exchange rate falls and the value of the Euro correspondingly rises, the price of the Notes and the value of interest and principal payments made thereunder expressed in Euro falls.

Furthermore, there is a risk that authorities with jurisdiction over the currency in which an investor's financial activities are denominated principally may impose or modify exchange controls. Such exchange controls could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

***Noteholders are exposed to the risk of inflation diminishing the real yield.***

The inflation risk refers to the risk that the value of financial assets such as the Notes or the income from them declines if the purchasing power of a currency diminishes due to inflation. Noteholders are exposed to the risk that any increase in the inflation rate lowers the actual value of the interest payments on the Notes. In such a case, the real yield on the Notes may be substantially less than expected.

***Risks in connection with the appointment of a trustee for the holders of Notes.***

A receiver may be appointed by an Austrian court to safeguard the joint interests of the Noteholders under the law regarding the joint representation of the rights of the owners of bearer notes or notes that may be transferred by endorsement and regarding the accounting treatment of mortgagee rights granted with respect to such notes (Austrian Law Gazette 1874/49). If such a receiver is appointed, it will represent the joint rights and interests of the Noteholders and is authorised to take legal steps in this regard, which are binding on all Noteholders being represented and may conflict with the individual interests of some or all those being represented or may interfere with such interests. It is possible, therefore, that Noteholders may not be able to bring separate claims.

***The Notes are governed by Austrian law, and changes in the relevant applicable laws, regulations or regulatory provisions may have negative effects on the Issuer, on the Notes and on the Noteholders.***

The Terms and Conditions are subject to Austrian law. Hence Noteholders are advised to bear in mind that, in certain circumstances, the applicable law may not be the law of their home country and that, in certain circumstances, the laws applicable to the Notes may not offer them protections that are equivalent to, or as adequate as, their own laws. In addition, no assurance can be given or statement made with respect to the consequences of any court ruling or amendment of Austrian law (or the laws applicable in Austria) and/or customary administrative practices after the date of this Prospectus.

***Rights to claim repayment from the Issuer shall become time-barred unless they are asserted within thirty years (in respect of principal) and within three years (in respect of interest).***

Claims against the Issuer for repayment in connection with the Notes are time-barred and expire unless they are brought within thirty years (with respect to principal) and within three years (with respect to interest). There is the risk that, following the expiry of these deadlines, Noteholders will no longer be able to successfully pursue their claims for repayment in connection with the Notes.

***Subject to certain conditions being met, the Dealers could withdraw from a contemplated issuance of Notes.***

Any offer to invest in the Notes is subject to the caveat that the Dealers may withdraw from a planned issue of Notes up until the value date of the Notes in the event of changes in national or international, financial, political, legal, or tax parameters or in the event of a catastrophe or emergency, such that in the Dealers' view it is not possible to issue the Notes under the desired conditions. Potential Noteholders might for these reasons be unable in the short-term to pursue an investment in the Notes as planned.

### III. SELECTED FINANCIAL INFORMATION

The following tables presented within this section have been derived, unless otherwise stated, from the Consolidated Financial Statements and the Interim Financial Statements, prepared in accordance with IFRS.

This selected financial information should be read in conjunction with the Consolidated Financial Statements and the Interim Financial Statements incorporated in this Prospectus by reference, as well as in conjunction with Section IV.3 (Selected financial information and discussion), and Section II (Risk Factors).

#### 1. Income Statement Data

| NOVOMATIC AG GROUP (in mEUR)   | 6 months<br>ended<br>30.6.2016<br>(unaudited) | 6 months<br>ended<br>30.6.2015<br>(unaudited) | 12 months<br>ended<br>31.12.2015<br>(audited) | 12 months<br>ended<br>31.12.2014<br>(audited) |
|--|---|---|---|---|
| <b>Revenues .....</b>  | <b>1,094.9</b>                                | <b>988.2</b>                                  | <b>2,086.3</b>                                | <b>1,977.6</b>                                |
| <i>Segment Gaming Technology external revenue<sup>(1)</sup></i> .....  | 453.0   | 418.6   | 860.3   | 805.2   |
| <i>Segment Gaming Operations external revenue<sup>(1)</sup></i> .....  | 631.9   | 562.1   | 1,204.0                                       | 1,155.4                                       |
| <i>Other (external revenue)</i> .....  | 9.9   | 7.5   | 22.0  | 17.1  |
| Changes in inventories of finished goods and work in progress .....  | 9.9   | 15.9  | 8.2   | 11.4  |
| Own work capitalized .....   | 90.8  | 69.9  | 147.6   | 111.9   |
| Other operating income .....   | 48.3  | 55.7  | 124.6   | 111.2   |
| Cost of material and other purchased services .....  | -174.4  | -138.7  | -282.8  | -252.8  |
| Personnel costs .....  | -316.2  | -274.3  | -567.8  | -512.4  |
| Amortization and impairment of intangible assets, property, plant and<br>equipment and investment property ..... | -145.8  | -129.0  | -291.3  | -284.1  |
| Gaming taxes and betting fees .....  | -104.6  | -89.0   | -191.4  | -178.0  |
| Other operating expenses .....   | -361.5  | -336.9  | -707.9  | -621.5  |
| EBITDA <sup>(2)*</sup> .....   | 287.2   | 290.8   | 616.7   | 647.4   |
| <b>Operating profit .....</b>  | <b>141.4</b>                                  | <b>161.8</b>                                  | <b>325.4</b>                                  | <b>363.3</b>                                  |
| <i>Segment Gaming Technology</i> .....   | 72.5  | 107.4   | 169.5   | 204.3   |
| <i>Segment Gaming Operations</i> .....   | 80.2  | 56.3  | 176.3   | 171.7   |
| <i>Other</i> .....   | -4.5  | 1.8   | 0.1   | 9.7   |
| <i>Reconciliation</i> .....  | -6.7  | -3.6  | -20.5   | -22.3   |
| Share of profit/loss of associated companies .....   | 0.0   | 0.0   | 0.0   | 2.0   |
| Interest income .....  | 4.1   | 4.2   | 8.4   | 8.1   |
| Other financial income .....   | 0.3   | 0.3   | 24.4  | 46.1  |
| Interest expense .....   | -17.0   | -14.9   | -32.1   | -38.3   |
| Other financial expenses .....   | -3.9  | -5.1  | -13.4   | -13.5   |
| Currency exchange gains / losses from intra-group financing .....  | -6.1  | 4.7   | 5.8   | 0.6   |
| <b>Financial result .....</b>  | <b>-22.6</b>                                  | <b>-10.8</b>                                  | <b>-7.0</b>                                   | <b>5.1</b>                                    |
| <b>Earnings before taxes .....</b>   | <b>118.8</b>                                  | <b>151.1</b>                                  | <b>318.5</b>                                  | <b>368.4</b>                                  |
| Income taxes .....   | -39.2   | -47.6   | -97.8   | -91.4   |
| <b>Profit for the period .....</b>   | <b>79.6</b>                                   | <b>103.4</b>                                  | <b>220.7</b>                                  | <b>276.9</b>                                  |
| <i>thereof attributable to non-controlling interests</i> .....   | 4.2   | 1.3   | 4.5   | 5.0   |
| <i>thereof attributable to shareholders of the parent (net profit)</i> .....                                     | 75.5  | 102.2   | 216.2   | 272.0   |
| Total comprehensive income .....   | 43.1  | 131.7   | 227.9   | 267.8   |

<sup>(1)</sup> Segment revenues net of inter-segment revenues.

<sup>(2)</sup> EBITDA means the operating profit plus amortization and impairment and reversal of impairment for intangible assets, property, plant and equipment and investment property of the NOVOMATIC AG Group.

(Source: Consolidated Financial Statements and Interim Financial Statements except for the line item marked with an asterisk (\*), which is not included in the Consolidated Financial Statements or the Interim Financial Statements, was therefore in any case not audited by an auditor and determined by the Issuer itself.)

## 2. Balance Sheet Data

| NOVOMATIC AG GROUP (in mEUR)                         | 30.6.2016<br>(unaudited) | 31.12.2015<br>(audited) | 31.12.2014<br>(audited) |
|--|--------------------------|-------------------------|-------------------------|
| <b>ASSETS</b>  |                          |                         |                         |
| Intangible Assets .....                              | 635.7                    | 507.5                   | 438.6 <sup>(1)</sup>    |
| Property, plant and equipment.....                   | 911.1                    | 861.7                   | 799.0                   |
| Investment property.....                             | 18.3                     | 18.7                    | 18.8                    |
| Investments in associated companies .....            | 0.2                      | 0.2                     | 0.2                     |
| Financial Assets .....                               | 217.6                    | 204.1                   | 15.1                    |
| Deferred tax assets .....                            | 105.3                    | 94.3                    | 96.5                    |
| Other non-current assets .....                       | 107.8                    | 111.3                   | 111.1                   |
| <b>Non-current assets .....</b>                      | <b>1,996.1</b>           | <b>1,797.8</b>          | <b>1,479.4</b>          |
| Inventories.....                                     | 208.0                    | 191.9                   | 179.4                   |
| Trade receivables, other receivables and assets..... | 362.8                    | 359.2                   | 289.4 <sup>(1)</sup>    |
| Current tax receivables .....                        | 34.5                     | 30.5                    | 27.9                    |
| Current financial assets .....                       | 31.5                     | 32.3                    | 29.0                    |
| Cash and cash equivalents.....                       | 625.4                    | 585.4                   | 627.7                   |
| Assets held for sale.....                            | 0.2                      | 0.2                     | 2.2                     |
| <b>Current assets .....</b>                          | <b>1,262.4</b>           | <b>1,199.5</b>          | <b>1,155.0</b>          |
| <b>TOTAL ASSETS .....</b>                            | <b>3,258.5</b>           | <b>2,997.2</b>          | <b>2,634.4</b>          |
| <b>EQUITY AND LIABILITIES</b>                        |                          |                         |                         |
| Share capital .....                                  | 26.6                     | 26.0                    | 26.0                    |
| Capital reserves .....                               | 85.4                     | 1.0                     | 1.0                     |
| Retained earnings .....                              | 1,199.8                  | 1,180.5                 | 1,139.9 <sup>(1)</sup>  |
| Revaluation reserve .....                            | -14.9                    | -8.6                    | -9.4                    |
| Currency translation adjustment.....                 | -54.1                    | -23.9                   | -30.9                   |
|  | <b>1,242.8</b>           | <b>1,175.1</b>          | <b>1,126.5</b>          |
| Non-controlling interests.....                       | 58.9                     | 49.9                    | 47.8 <sup>(1)</sup>     |
| <b>Equity .....</b>                                  | <b>1,301.7</b>           | <b>1,224.9</b>          | <b>1,174.3</b>          |
| Non-current financial liabilities.....               | 1,204.9                  | 1,043.7                 | 636.5                   |
| Non-current provisions.....                          | 56.1                     | 52.1                    | 53.3                    |
| Non-current tax liabilities.....                     | 18.2                     | 18.3                    | 19.3                    |
| Deferred tax liabilities .....                       | 74.7                     | 70.4                    | 58.6 <sup>(1)</sup>     |
| Other non-current liabilities .....                  | 29.4                     | 24.8                    | 21.2                    |
| <b>Non-current liabilities .....</b>                 | <b>1,383.4</b>           | <b>1,209.2</b>          | <b>788.9</b>            |
| Current financial liabilities.....                   | 33.1                     | 36.9                    | 270.1                   |
| Current provisions.....                              | 48.1                     | 48.1                    | 42.9                    |
| Current tax liabilities.....                         | 34.7                     | 27.8                    | 40.6                    |
| Trade payables and other liabilities .....           | 457.5                    | 450.4                   | 317.6                   |
| <b>Current liabilities .....</b>                     | <b>573.4</b>             | <b>563.1</b>            | <b>671.2</b>            |
| <b>TOTAL EQUITY AND LIABILITIES .....</b>            | <b>3,258.5</b>           | <b>2,997.2</b>          | <b>2,634.4</b>          |

<sup>(1)</sup> Adjustment compared to the number presented in the 2014 Consolidated Financial Statements according to IFRS 3 "Business combinations".

(Source: Consolidated Financial Statements as well as Interim Financial Statements.)

### 3. Cash Flow Statement Data

| NOVOMATIC AG GROUP (in mEUR)  | 6 months<br>ended<br>30.6.2016<br>(unaudited) | 6 months<br>ended<br>30.6.2015<br>(unaudited) | 12 months<br>ended<br>31.12.2015<br>(audited) | 12 months<br>ended<br>31.12.2014<br>(audited) |
|---|---|---|---|---|
| <b>Operating profit .....</b>   | <b>141.4</b>                                  | <b>161.8</b>                                  | <b>325.4</b>                                  | <b>363.3</b>                                  |
| Loss (+) / Gain (-) from the disposal of fixed assets .....                             | -7.3  | -4.4  | -13.1   | -5.1  |
| Depreciation (+) / Appreciation (-) of fixed assets .....                               | 145.8   | 128.9   | 291.3   | 284.5   |
| Other non-cash income and expenses .....  | -14.8   | -19.2   | -44.4   | -41.3   |
| Interest received and interest-related income .....                                     | 4.4   | 4.5   | 10.3  | 8.8   |
| Taxes paid .....  | -42.8   | -63.4   | -125.9  | -104.0  |
|   | 226.7   | 208.2   | <b>443.7</b>                                  | <b>506.3</b>                                  |
| Increase (-) / Decrease (+) in inventories .....  | -14.3   | -13.5   | -9.8  | -4.6  |
| Increase (-) / Decrease (+) in receivables .....  | -22.0   | -23.6   | -38.8   | -1.3  |
| Increase (+) / Decrease (-) in provisions .....   | 1.5   | 3.4   | 0.3   | -53.0   |
| Increase (+) / Decrease (-) in liabilities .....  | 2.4   | 24.5  | 22.0  | -2.9  |
| <b>Cash flows from operating activities .....</b>                                       | <b>194.2</b>                                  | <b>199.1</b>                                  | <b>417.4</b>                                  | <b>444.5</b>                                  |
| Proceeds from the disposal of fixed assets (excluding financial assets) .....           | 33.7  | 25.7  | 63.6  | 46.9  |
| Proceeds from the disposal / repayment of financial assets .....                        | 0.4   | 2.7   | 6.2   | 9.3   |
| Proceeds from the sale of consolidated companies, net of cash .....                     | 33.7  | 29.6  | 54.8  | 37.2  |
| Acquisition of intangible assets, property, plant and equipment .....                   | -195.1  | -144.6  | -308.0  | -251.9  |
| Acquisition of financial assets and other financial investments .....                   | -42.0   | -56.3   | -176.3  | -5.0  |
| Acquisition of consolidated companies, net of cash .....                                | -132.2  | -23.8   | -89.5   | -134.0  |
| Proceeds from the disposal of associated companies .....                                | 0.0   | 0.0   | 0.0   | 101.7   |
| Investment income from other investments .....  | 0.0   | 0.0   | 9.3   | 0.0   |
| <b>Cash flows from investing activities .....</b>                                       | <b>-301.5</b>                                 | <b>-166.7</b>                                 | <b>-439.9</b>                                 | <b>-195.7</b>                                 |
| Proceeds from capital increase .....  | 85.0  | 0.0   | 0.0   | 0.0   |
| Dividend payments .....   | -50.0   | -155.2  | -161.3  | -41.6   |
| Expenditures from change in interests in subsidiaries (without change of control) ..... | 0.0   | -0.2  | -18.2   | -9.6  |
| Proceeds from issuance of a bond .....  | 0.0   | -189.4  | 0.0   | 198.9   |
| Expenditures from the redemption of bonds .....   | 162.8   | 173.1   | -189.4  | -9.9  |
| Expenditures / Proceeds from bank loans and financial liabilities .....                 | -19.6   | -6.2  | 310.4   | -149.3  |
| Interest paid and interest-related expenses .....                                       | -20.6   | -29.1   | -46.7   | -36.3   |
| <b>Cash flows from financing activities .....</b>                                       | <b>157.6</b>                                  | <b>-207.1</b>                                 | <b>-105.2</b>                                 | <b>-47.8</b>                                  |
| <b>Net change in cash and cash equivalents .....</b>                                    | <b>50.3</b>                                   | <b>-174.7</b>                                 | <b>-127.7</b>                                 | <b>201.0</b>                                  |
| Currency translation adjustments .....  | -10.3   | 1.9   | 2.5   | 8.8   |
| Changes in cash and cash equivalents due to changes in scope of consolidation .....     | 0.0   | 0.1   | 0.5   | -0.2  |
| <b>Net change in cash and cash equivalents .....</b>                                    | <b>40.0</b>                                   | <b>-172.7</b>                                 | <b>-124.7</b>                                 | <b>209.6</b>                                  |
| Cash and cash equivalents at the beginning of the period .....                          | 502.5 <sup>(1)</sup>                          | 627.2   | 627.2   | 417.6   |
| Cash and cash equivalents at the end of the period .....                                | 542.5   | 454.5   | 502.5 <sup>(1)</sup>                          | 627.2   |
| <b>Net change in cash and cash equivalents .....</b>                                    | <b>40.0</b>                                   | <b>-172.7</b>                                 | <b>-124.7</b>                                 | <b>209.6</b>                                  |

<sup>(1)</sup> The cash and cash equivalents shown as of the respective balance-sheet date amount to EUR 625.4 million (as of 30 June 2016) and EUR 585.4 (as of 31 December 2015). The deviation of EUR 82.9 million against the cash and cash equivalents disclosed in the cash flow statement are the result of funds tied up for tax liabilities.

(Source: Consolidated Financial Statements as well as Interim Financial Statements.)



#### 4. Additional Key Figures

| NOVOMATIC AG GROUP  | 6 months ended<br>30.6.2016<br>(unaudited) | 6 months ended<br>30.6.2015<br>(unaudited) | 12 months<br>ended<br>31.12.2015<br>(unaudited) | 12 months<br>ended<br>31.12.2014<br>(unaudited) |
|---|--|--|---|---|
| EBITDA margin <sup>(1)*</sup> .....                             | 26.2%                                      | 29.4%                                      | 29.6%   | 32.7%   |
| Net debt/EBITDA * .....   | 1.00x <sup>(2)</sup>                       | 0.67x <sup>(2)</sup>                       | 0.8x <sup>(3)</sup>                             | 0.43x <sup>(3)</sup>                            |
| Equity ratio <sup>(4)*</sup> .....                              | 39.9%                                      | 43.3%                                      | 40.9%   | 44.6%   |
| Interest coverage ratio <sup>(5)*</sup> .....                   | 8.3x                                       | 10.9x                                      | 10.1x   | 9.5x  |
| Employees (average for period)(annual figures<br>audited) ..... | 22,373                                     | 18,594                                     | 19,955  | 17,984  |

<sup>(1)</sup> EBITDA margin means EBITDA divided by the total revenues over the past 12, respectively 6 months, in per cent.

<sup>(2)</sup> Net debt / EBITDA means the net debt, calculated from the non-current and current financial liabilities minus cash and cash equivalents as of 30 June 2016 and 2015, respectively, divided by EBITDA over the past 12 months from 1 July 2015 to 30 June 2016 and from 1 July 2014 to 30 June 2015, respectively, based on information in the Consolidated Financial Statements as well as the Interim Financial Statements.

<sup>(3)</sup> Net debt / EBITDA means the net debt, calculated from the non-current and current financial liabilities minus cash and cash equivalents as of 31 December 2015 and 2014, respectively, divided by EBITDA over the past 12 months, based on information in the Consolidated Financial Statements.

<sup>(4)</sup> Equity ratio means the ratio of equity to total assets.

<sup>(5)</sup> Interest coverage ratio means the ratio of EBIT to interest expense.

(Source: Consolidated Financial Statements and Interim Financial Statements except for the line items marked with an asterisk (\*), which are not included in the Consolidated Financial Statements or the Interim Financial Statements, were therefore in any case not audited by an auditor and were determined by the Issuer itself.)

## **IV. INFORMATION REGARDING THE ISSUER AND THE GROUP**

### **1. History and development**

#### ***Issuer's name***

The name of the Issuer is NOVOMATIC AG. It also uses the commercial name NOVOMATIC. The Issuer is registered with the Company Register of the Wiener Neustadt Commercial Court under the number 69548 b. The Issuer was founded on 30 May 1990 pursuant to its articles of association. Pursuant to article 2 (2) of these articles of association, the company has been set up for an indefinite period.

The Issuer's registered office is in the municipality of Gumpoldskirchen, Austria. The Issuer is a joint stock company that both was established and operates under Austrian law. The business address of the Issuer is Wiener Straße 158, 2352 Gumpoldskirchen. The phone number of the Issuer's head office is +43 2252 606 0, and the fax number is +43 2252 607 001. The Issuer's website is <http://www.novomatic.com>, and it may be contacted by email under [ir@novomatic.com](mailto:ir@novomatic.com).

#### ***History***

- 1980 – Establishment of NOVOMATIC Automatenhandelsgesellschaft m.b.H.
- 1989 – Market entry in Central Eastern and Southern Europe
- 1990 – Incorporation of the Issuer
- 1991 – Establishment of sports betting company ADMIRAL Sportwetten GmbH, Austria
- 1996 – Establishment of NOVOMATIC Gaming Industries GmbH, Austria (formerly Austrian Gaming Industries GmbH)
- 2003 – Acquisition of LÖWEN Entertainment GmbH, Germany
- 2004 – Acquisition of the majority share in Astra Games Ltd. (now Novomatic UK Ltd.), Great Britain
- 2006 – LÖWEN Entertainment GmbH introduced its new multi-game concept NOVOLINE
- 2007 – Acquisition of Crown Technologies GmbH, Germany
- 2010 – NOVOMATIC started to penetrate the Italian Market
- 2010 – Acquisition of Greentube Group, Austria, an online gaming provider
- 2011 – Acquisition of Spielbank Berlin, Germany, and G. Matica (now Admiral Gaming Networks S.r.l.), Italy
- 2012 – Acquisition of substantial assets of the Danoptra Gaming Group (Bell-Fruit Group and Gamestec Leisure Ltd.), Great Britain
- 2013 – Market entry in the Netherlands
- 2013 – Entry in the lottery market with acquisition of Betware Group, Iceland
- 2014 – Acquisition of Luxury Leisure Ultd., Great Britain, and GIGames S.L., Spain
- 2015 – Acquisition of Austrian Lotteries (appr. 23%), Austria
- 2015 – Acquisition of Playnation Ltd., Great Britain
- 2015 – Conclusion of several purchase agreements for direct and indirect interests in Casinos Austria, Austria
- 2015 – Acquisition of Overlord Gaming S.L., Spain
- 2016 – Acquisition of Electro Systems S. p. A., Italy
- 2016 – Conclusion of a purchase agreement for direct interests in Ainsworth Game Technology (appr. 53%), Australia
- 2016 – Acquisition of 100% of Talarius Ltd., Great Britain

### **2. Business overview**

#### ***Main areas of operations***

The Issuer is the parent company of the NOVOMATIC AG Group. As a holding company, the Issuer has no business operations as such but is responsible for the management of and for support functions for the Group. The Issuer is thus, to a certain degree, dependent upon dividend payments to be made by its subsidiaries.

The NOVOMATIC AG Group develops, manufactures, sells and rents gaming products and operates approximately 1,600 gaming and betting facilities and 60,000 gaming machines (as of 30 June 2016, compared to 1,400 gaming and betting facilities and 47,000 gaming machines as of 31 December 2015). It exports its products to approximately 80 countries all over the world.

Besides developing gaming, betting and lottery equipment, the NOVOMATIC AG Group has also established itself as a provider of casino management systems and online monitoring systems, local or central game result determination including direct interface to state authorities, content provider of games for licensed online and offline providers as well as an operator of online gaming platforms.

The Group's dual market strategy as a manufacturer of state-of-the-art gaming equipment, for one, and as an operator of gaming and betting facilities, for another, has substantially contributed to its success. This integrative approach enables the NOVOMATIC AG Group to bring newly developed products to the market, analyse their potential success, and subsequently work on the development of new products in targeted ways.

As part of its strategic positioning, the NOVOMATIC AG Group both continually reviews potential acquisitions and evaluates companies and/or equity investments of the NOVOMATIC AG Group, especially against the backdrop of the current economic, legal, and strategic framework. In each case, this is an evaluation process where the outcome is not predetermined. Aside from maintaining the status quo, it may also result in the expansion of an existing equity interest as well as in the complete and/or partial sale of equity interests.

### ***Business Strategy***

NOVOMATIC AG has a clear focus on the gaming industry with a high vertical integration along the value chain within the gaming sector both land-based and online. Further, NOVOMATIC AG has a full horizontal integration by offering products in all material gaming segments: casino and slot arcade products, lottery and sports betting solutions, online & mobile games as well as casino management and business intelligence systems.

Through ongoing monitoring of regulatory developments, NOVOMATIC AG aims to capitalize on early-mover advantages and to develop markets with complex technical and regulatory environments. This tends to strengthen regional diversification, which increases the resilience to crises and avoids cluster risks. NOVOMATIC AG focuses its expansion on Europe, with particular focus on key markets such as Austria, UK, Germany, Italy, Spain or the Netherlands and, in the Gaming Technology segment, also on Australia, North and South America.

NOVOMATIC AG continues to develop markets with both operations and technology businesses, which generates synergies on the cost and revenue side. NOVOMATIC AG uses operations to showcase products and integrates feedback from operations into product development.

NOVOMATIC AG positions itself as a premium provider of high quality gaming equipment and continuously develops new gaming segments and game content, invests in existing research and development competence centres and enhances R&D capacities and plurality with selective acquisitions.

NOVOMATIC AG seeks to diversify its creditor and debt investor base with a focus on capital market-based funding. It also pursues a moderate dividend policy and seeks to maintain a long-term funding basis with relationship banks, a minimum level of undrawn credit facilities, modest debt ratios and a healthy capital structure.

### ***Functional Segments***

#### **Gaming Technology**

The NOVOMATIC AG Group operates ten production facilities in eight countries and, in combination with its 18 technology centres in eleven countries, the NOVOMATIC AG Group is a pioneer in the development of innovative products and system solutions in the area of gaming. The Group's development activities focus on gaming equipment, gaming content and application software. The developed software system solutions include management information systems, ticketing and smartcard systems, access systems, video lottery systems, biometric player recognition, links to government regulators, player protection programs, online and mobile gaming system solutions, jackpot systems, as well as multiplayer and community gaming systems, among many others.

The NOVOMATIC AG Group sells and rents gaming equipment to its customers and it rented approximately 243,000 gaming machines (as 30 June 2016, compared to approximately 246,000 as of 31 December 2015).

The NOVOMATIC AG Group's online specialist, Greentube Internet Entertainment Solutions GmbH ("**Greentube**"), is a leading B2B provider for online gaming solutions. Its comprehensive portfolio focuses in particular on casino games, poker, games of skill and bingo, as well as multi-player 3D download games.

Greentube's multi-channel strategy combines online, mobile and server-based gaming, offering customers a comprehensive and networked gaming portfolio. In addition, Greentube is also able to provide a comprehensive range of games of skill that include market-specific content and are also available on mobile platforms.

The NOVOMATIC AG Group is continuously expanding its competence in regard to lottery services. Through its subsidiary, Novomatic Lottery Solutions GmbH (NLS), which was established in 2013, the Group offers any lottery operator a full-spectrum solution for all sales channels, including online, mobile and terrestrial solutions.

#### Gaming operations

The NOVOMATIC AG Group operates approximately 1,600 gaming and betting facilities and 15 casinos with live gaming activities (as of 30 June 2016, compared to 1,400 gaming and betting facilities and 11 casinos with live gaming activities as of 31 December 2015). Electronic casinos are licensed gaming venues with no live games but gaming machines whereas casinos are duly authorised gaming establishments with live games offer e.g. table or card games. Betting facilities offer betting services on sports events (e.g. soccer games) with fixed or variable odds. The Gaming Operations segment also encompasses the sales channel "Online", insofar as this refers to the B2C segment.

#### **Key markets**

The most important geographic markets in which the NOVOMATIC AG Group does business are described below. The NOVOMATIC AG Group is focused on the European market. The NOVOMATIC AG Group's revenues are mostly generated in Europe, with annual revenues for the 2015 financial year amounting to EUR 1,996.1 million for Europe and EUR 90.2 million generated outside of Europe. Within Europe, the largest amount of revenue is attributable to the NOVOMATIC AG Group's business operations in Germany, in Austria, Italy, Great Britain, Central Eastern Europe (CEE) and South Eastern Europe (SEE), The Netherlands and Spain. Germany, Austria, Italy, Latvia, Great Britain, Croatia, Romania, Macedonia, Spain and the Netherlands are among the target markets in the Gaming Operations segment. In all core-markets, the NOVOMATIC AG Group is active in both the gaming operations and gaming technology segment.

More generally, the global gaming market's aggregate gross revenues in 2015 amounted to approximately USD 447.4 billion (with approximately 34% from lotteries/bingo, 20% from arcades and street markets (e.g. pubs), 14% from betting and 32% from casinos). Thereof, the region Europe and Africa accounted for approximately USD 129.1 billion (with approximately 38% from lotteries/bingo, 25% from arcades and street markets, e.g. pubs, 20% from betting and 17% from casinos), North America accounted for approximately USD 124.3 billion (with approximately 56% from casinos, 29% from lotteries/bingo, 11% from arcades and street markets and 3% from betting), Asia, Middle East and Oceania accounted for approximately USD 163.0 billion (with approximately 28% from casinos, 31% from lotteries/bingo, 17% from betting and 23% from arcades and street markets) and Central and South America and the Caribbean together accounted for approximately USD 31.0 billion (with approximately 43% from lotteries/bingo, 22% from arcades and street markets, 22% from casinos and 13% from betting). (Source: Issuer information derived from independent industry reports)

For a summary overview of the regulatory environment within which the NOVOMATIC AG Group operates, please see Section IV.4 (*Regulatory Environment*) below.

#### Germany

In Germany, the NOVOMATIC AG Group owns casinos, operates slot arcades and rents out gaming machines.

The NOVOMATIC AG Group entered the German Market in 2003 with the acquisition of Löwen Entertainment GmbH. In 2007, NOVOMATIC AG Group acquired Crown Technologies GmbH, which has been active in R&D and the manufacturing of gaming equipment for 65 years. With the brands "LÖWEN", "CROWN", "NOVOLINE" and "ADMIRAL", the focus of the NOVOMATIC AG Group's German companies in the Gaming Technology segment is on the area of gaming machine rental. In Germany, the NOVOMATIC AG Group has a market share of more than 50 percent as regards the rental of gaming machines outside of casinos. However, due to a stricter regulatory framework, the number of rented gaming devices has decreased during the course of 2015 and the first half of 2016.

Furthermore, the NOVOMATIC AG Group, with its subsidiaries Extra Games Entertainment GmbH, Admiral Play GmbH and BPA Freizeit- und Unterhaltungsbetriebe GmbH operates approximately 390 gaming operations as of 30 June 2016 in Germany. In addition, the NOVOMATIC AG Group's Gaming Operations segment operates seven casinos in Germany, including Spielbank Berlin, one of the largest casinos in Germany.

### Austria

In Austria, the NOVOMATIC AG Group has been active in the market for more than 35 years. Aside from NOVOMATIC AG (headquartered in Gumpoldskirchen), the NOVOMATIC AG Group's companies in Austria are, among others, NOVOMATIC Gaming Industries GmbH, the main manufacturing subsidiary, ADMIRAL Casinos & Entertainment AG, which is responsible for the operation of 151 gaming facilities in Lower Austria, Upper Austria, Carinthia, Styria and Burgenland, HTM Hotel und Tourismus Management GmbH, Novomatic Lottery Solutions GmbH, the online specialist Greentube Internet Entertainment Solutions GmbH and ADMIRAL Sportwetten GmbH, the Austrian sports betting operator of the NOVOMATIC AG Group. For a description of the regulatory environment in Austria within which the NOVOMATIC AG Group operates, please see "*Regulatory Environment*" below.

### Italy

With more than 400,000 gaming devices in operation as of the end of 2015, Italy is Europe's largest gaming market. The NOVOMATIC AG Group established its first Italian subsidiary, NOVOMATIC Italia S. p. A., in 2007. Over the years, Italy has become one of the NOVOMATIC AG Group's most important core markets.

In Italy, the NOVOMATIC AG Group provides as market leader one of the most widely used Video Lottery Systems (NOVOLINE), with a market share of approximately 24,000 Video Lottery Terminals as of the end of 2015.

In addition, the NOVOMATIC AG Group operates approximately 140 gaming venues in Italy as of 30 June 2016 under the registered ADMIRAL brand and also offers online gaming and online betting.

### Great Britain

The British gaming market is one of the largest and most developed markets in Europe. The British market includes approximately 250,000 gaming devices, which are mostly located in pubs, licensed betting offices, gaming facilities and bingo centres. Due to the highly mature nature of the market, the potential for a further increase in the number of gaming devices operated is limited. The market is rather moving towards a state of consolidation. The NOVOMATIC AG Group first entered the British gaming market in 2004 with the acquisition of Astra Games Ltd. (now Novomatic UK Ltd.). In Great Britain, the NOVOMATIC AG Group employs a total workforce of more than 2,000 people, rents out more than 20,500 gaming machines and operates approximately 18,500 (excluding amusement machines, e.g. in family entertainment centers) and also operates, among others, the following companies:

- Manufacturing group companies Astra Games Ltd., Bell-Fruit Group Ltd. and Empire Games Ltd..
- Gamestec Leisure Ltd., which is one of the largest gaming and amusement machine operators in the UK and provides services for over 12,700 gaming machines as of 30 June 2016.
- Luxury Leisure Ultd., which operates 83 adult gaming centres.
- Playnation Ltd., which was acquired by the NOVOMATIC AG Group in 2015 and is a provider of family entertainment solutions to the British leisure industry and operates approximately 4,000 gaming machines as of 30 June 2016.
- Talarius Ltd, which was acquired by the NOVOMATIC AG Group in June 2016 and which is an operator of more than 7,500 gaming terminals in appr. 160 gaming operations and employs about 1,000 staff. With the acquisition of Talarius Ltd., Novomatic UK Ltd. is one of the largest gaming operator in the segment "Adult Gaming Centers" in the UK. The acquisition remains subject to merger control clearance by the competent competition authority in the United Kingdom.

For the NOVOMATIC AG Group, Great Britain represents an important future market that offers significant opportunities.

### The Netherlands

In 2013, the NOVOMATIC AG Group entered the Dutch gaming market with several acquisitions of well-established Dutch gaming companies (e.g. JVH exploitative products B.V., JVH gaming products B.V.). In

recent years NOVOMATIC AG Group has emerged to one of the most important operators of gaming devices in the Dutch single site market (i.e. the operation of gaming devices at third-party locations).

In The Netherlands, the NOVOMATIC AG Group is active in both the Gaming Technology (sale of machines) and Gaming Operations segment through its Novo Gaming Netherlands subgroup with several affiliated companies. As of 30 June 2016, NOVOMATIC AG Group operated approximately 4,000 gaming machines in the Dutch market.

#### Spain

The Spanish gaming market is one of Europe's largest gaming markets and thus represents an important target market for the NOVOMATIC AG Group. A strategically important acquisition was completed in December 2014 with the purchase of GIGAMES S.L. as well as three further subsidiaries. GIGAMES S.L. is Spain's third-largest production and sales company for gaming machines.

In 2015, the NOVOMATIC AG Group won a bid to supply the Loteria de Catalunya with 2,300 Online-Lottery Terminals and was awarded with a license for the operation of a casino in San Roque (Andalusia) .

In December 2015, 100 percent of the shares of Admiral Operations Spain S.L. (previously Overlord Gaming S.L.), were acquired by NOVOMATIC AG Group. The acquired company is the parent company of five further subsidiaries in which it holds a majority interest. The business activities of this Spanish group of companies focus on the operation of 46 gaming facilities with approximately 900 gaming machines in Madrid as of 30 June 2016.

In July 2016, NOVOMATIC AG Group opened the new Casino Admiral in San Roque. Within an area of approximately 4,650 m<sup>2</sup>, the casino offers 125 state-of-the-art gaming-terminals and 8 gaming tables. Also in July 2016, NOVOMATIC AG Group acquired the Gran Casino Aljarafe, SA, a gaming facility in Seville.

#### CEE/SEE

The activities of the NOVOMATIC AG Group in Central Eastern Europe (CEE) and South Eastern Europe (SEE) are mainly in the Gaming Operations segment.

The NOVOMATIC AG Group runs approximately 600 gaming operations in CEE/SEE as of 30 June 2016, with a particular focus on the markets in Latvia, with 125 gaming operations, Romania, with 76 gaming operations, and Croatia, with 78 gaming operations.

In 2015, the companies belonging to the Gaming Operations segment within the regions of CEE and SEE were able to increase both the total number of locations as well as the number of gaming machines operated. In 2013, the Group acquired Casino FlaminGo, located in Macedonia. As of the end of 2015, this casino complex includes approximately 470 gaming machines and 30 gaming tables, as well as an integrated five-star hotel.

The Group's Romanian companies, which are part of the Gaming Operations segment, were able to increase the number of facilities operated. Moreover, a 15-year partnership was entered into with Loteria Romana by the end of 2013. Under this contract the NOVOMATIC AG Group had already installed approximately 5,000 Video Lottery Terminals (VLTs) in Romania as of 30 June 2016.

In Latvia, the most important market within the CEE region, the two subsidiaries Admiral Klubs SIA and Alfor SIA with a total of 125 gaming facilities and approximately 3,600 gaming machines as of 30 June 2016 succeeded in defending their strong market position.

#### ***Basis of the disclosures regarding the Group's competitive position***

Statements on market shares and market positioning in this section are based on the Issuer's internal estimates, because there are no sufficient published statistics for the business areas affected by these statements.

### **3. Selected financial information and discussion**

#### ***Introduction***

NOVOMATIC AG Group's segment reporting follows the Group's dual market strategy. The Gaming Technology segment comprises those operating units that concern the development, production and distribution of gaming and betting equipment, but this segment also contains the online marketing channel, to the extent that

it concerns B2B transactions. The Gaming Operations segment comprises the gaming operations including the betting business as well as the online marketing channel, to the extent that it concerns B2C transactions. In addition, the “Other” segment includes all activities not included in the Group’s core business areas. This segment consists mainly of I-New Unified Mobile Solutions AG and its subsidiaries, as well as smaller holding companies.

Please see the Consolidated Financial Statements as of 31 December 2015 and 31 December 2014, as well as the Interim Financial Statements, for the accounting policies used.

### ***Review / audit of the historical annual financial data***

The Issuer’s Consolidated Financial Statements were prepared by its management board in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, for the 2014 financial year ending 31 December 2014 and for 2015 financial year ending 31 December 2015, and were audited by the auditor in accordance with the International Standards on Auditing issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants as well as the statutory requirements applicable in Austria; unqualified audit opinions dated, respectively, 17 April 2015 and 19 April 2016 were issued. Aside from the foregoing, no other data contained in this Prospectus was audited or reviewed by an auditor.

### ***Material changes in the Issuer’s financial and trading position***

There has been no material adverse change in the prospects of the Issuer since the date of its last published Consolidated Financial Statements. There have been no significant changes in the Issuer's financial or trading position subsequent to the period covered by the historical financial information.

### ***Overview***

The financial data summarised below should be read in conjunction with the documents incorporated in this Prospectus by reference, the Consolidated Financial Statements as well as the Interim Financial Statements. See Section X (*Documents Incorporated by Reference*).

The key performance indicators marked by an asterisk (\*) below are not included in Consolidated Financial Statements and Interim Financial Statements, were therefore in any case not audited by an auditor and were determined by the Issuer itself.

### **Sales revenue**

During the 2015 financial year, revenues surpassed EUR 2 billion for the first time in the company’s corporate history, reaching a total of EUR 2,086.3 million. This is an increase of 5.5% over the previous financial year.

### ***External revenues of the NOVOMATIC AG Group by segment (in EUR m)***

|                         | <b>6 months<br/>ended<br/>30.6.2016<br/>(unaudited)</b> | <b>6 months<br/>ended<br/>30.6.2015<br/>(unaudited)</b> | <b>12 months<br/>ended<br/>31.12.2015<br/>(audited)</b> | <b>12 months<br/>ended<br/>31.12.2014<br/>(audited)</b> |
|-------------------------|---|---|---|---|
| Gaming technology ..... | 453.0   | 418.6   | 860.3   | 805.2   |
| Gaming operations ..... | 631.9   | 562.1   | 1,204.0   | 1,155.4   |
| Other .....             | 9.9   | 7.5   | 22.0  | 17.1  |
| <b>Total .....</b>      | <b>1,094.9</b>  | <b>988.2</b>  | <b>2,086.3</b>  | <b>1,977.6</b>  |

The largest absolute increase was achieved in the area of rental and management services revenues, which rose by 7.9% to EUR 594.7 million. Apart from the successful acquisition of Playnation in the United Kingdom completed in 2015, the established companies in Italy and Germany also contributed to this positive development.

In the 2015 financial year, revenue growth came in slightly lower in the areas of betting revenues (up EUR 19.3 million) revenues from the operation of slot machines (up EUR 18.7 million) and sales revenues (up EUR 13.1 million). Compared to the previous financial year, revenues from the operation of slot machines, underperformed due to the discontinuation of state-regulated gaming in Vienna. E-business revenues also increased by only EUR 10.4 million, showing signs of a weakening momentum compared to previous years.

In the first half of 2016, the NOVOMATIC Group's sales revenue was EUR 1,094.9 million, compared to EUR 988.2 million in the same period during 2015. The largest increase in sales, in absolute figures, was achieved in the area of gaming machine revenue, which increased by 11.8%. Major contributions to this development were made primarily by acquiring numerous gaming hall operators in Germany, Italy and Spain. Significant revenue increases were also achieved regarding betting, sales and rental revenues.

### Earnings

Compared to the previous period, in the 2015 financial year, the operating result plus depreciation, amortization, and impairment on intangible assets, property, plant, and equipment, as well as investment property of the NOVOMATIC AG Group (EBITDA) decreased by about 4.7%\* to EUR 616.7 million\*. The EBITDA margin was 29.6%\* (32.7%\* the previous year).

#### *Earnings performance of the NOVOMATIC AG Group (in EUR m)*

|   | <b>6 months<br/>ended<br/>30.6.2016<br/>(unaudited)</b> | <b>6 months<br/>ended<br/>30.6.2015<br/>(unaudited)</b> | <b>12 months<br/>ended<br/>31.12.2015<br/>(audited)</b> | <b>12 months<br/>ended<br/>31.12.2014<br/>(audited)</b> |
|---|---|---|---|---|
| EBITDA <sup>(1)*</sup> .....                    | 287.2   | 290.8   | 616.7   | 647.4   |
| Operating profit .....                          | 141.4   | 161.8   | 325.4   | 363.3   |
| <i>of which gaming technology segment</i> ..... | 72.5  | 107.4   | 169.5   | 204.3   |
| <i>of which gaming operations segment</i> ..... | 80.2  | 56.3  | 176.3   | 171.7   |
| <i>of which other</i> .....                     | -4.5  | 1.8   | 0.1   | 9.7   |
| <i>of which reconciliation</i> .....            | -6.7  | -3.6  | -20.5   | -22.3   |
| Total comprehensive income.....                 | 43.1  | 131.7   | 227.9   | 267.8   |

<sup>(1)</sup> For the definition of EBITDA, please see XII. Glossary below.

At EUR 325.4 million, the operating profit for the 2015 financial year decreased from EUR 363.3 million the previous financial year. The most important reason for the decline of 10.4% is the discontinuation of state-regulated gaming in Vienna.

Earnings before interest, taxes, and depreciations and amortizations (EBITDA) for the first half of 2016 came in at EUR 287.2\* million, which is EUR 3.6\* million below the result achieved in the first half of 2015. The operating profit (EBIT) declined by EUR 20.4 million, due to higher planned and unplanned depreciations and amortizations relating to acquisitions and the repeal of the concession for the location in Vienna, and amounted to EUR 141.4 million.

EBITDA and EBIT represent business indicators that are not defined in the International Financial Reporting Standards (IFRS). They serve the management of the NOVOMATIC AG Group as measurement and control levers for the economic success and the profitability of the Group. The EBIT figure corresponds to the operating profit as represented in the consolidated income statement for the NOVOMATIC AG Group. The EBITDA figure is calculated as the operating profit (EBIT) adjusted with scheduled and unscheduled depreciation and revaluation on intangible assets and tangible assets.

### Cash flows

Compared to the previous period, the NOVOMATIC AG Group's cash flows from operating activities decreased in the 2015 financial year to EUR 417.4 million from EUR 444.5 million in the 2014 financial year. This decrease was largely due to lower operating profit, higher tax payments and an increase in receivables.

#### *Cash flows (in EUR m)*

|  | <b>6 months<br/>ended<br/>30.6.2016<br/>(unaudited)</b> | <b>6 months<br/>ended<br/>30.6.2015<br/>(unaudited)</b> | <b>12 months<br/>ended<br/>31.12.2015<br/>(audited)</b> | <b>12 months<br/>ended<br/>31.12.2014<br/>(audited)</b> |
|--|---|---|---|---|
| Cash flows from operating activities ..... | 194.2   | 199.1   | 417.4   | 444.5   |
| Cash flows from investing activities ..... | -301.5  | -166.7  | -439.9  | -195.7  |
| Cash flows from financing activities ..... | 157.6   | -207.1  | -105.2  | -47.8   |
| Change in cash and cash equivalents.....   | 40.0  | -172.7  | -124.7  | 209.6   |



In the 2015 financial year, cash flow from investment activities amounted to EUR -439.9 million, while the comparative figure for the 2014 financial year amounted to EUR -195.7 million. Apart from an increase in cash outflows for investments in gaming devices produced in-house against the previous year, this significant change was in particular due to the transactions for the purchase of an indirect interest of approximately 23.1% in Austrian Lotteries.

In the 2015 financial year, cash flow from financing activities amounted to EUR -105.2 million, a decline against the previous financial year's value of EUR -47.8 million. While in the previous financial year the issuance of a new bond (volume of EUR 200 million) resulted in a positive cash inflow, the cash flow from financing activities decreased in 2015 due to the repayment of a bond which had reached maturity (volume of EUR 200 million). The interest and dividend payments increased against the previous financial year, resulting in a further negative impact on cash flow from financing activities. The issue of a promissory note bond and an increase in bank liabilities were not enough to compensate for the above-mentioned effects during the 2015 financial year.

At EUR -22.5\* million, the free cash flow (the sum of the cash flow from operating activities and the cash flow from investment activities) for the 2015 financial year was considerably lower than the EUR 248.8\* million achieved the previous year.

Across the Group, in the first half of 2016, cash flow from operating activities decreased slightly to EUR 194.2 million compared to EUR 199.1 million in 2015. In comparison to the previous year, higher depreciation and less cash flow for income tax were able to compensate only partially for lesser operating profit during the current reporting period.

In the first half of 2016, the cash flow from investment activities increased from EUR -166.7 million in the corresponding period of the previous year to EUR -301.5 million during the reporting period. The position "acquisition of consolidated companies, net of cash" deviated significantly from the previous year, due to the acquisition of Talarius. There were also increases in the areas of investments in intangible assets and tangible assets.

In the first half of 2016, the cash flow from financing activity underwent a notable positive development in comparison to the previous year period (EUR -207.1 million) and amounted to EUR 157.6 million. Besides a negative cash flow effect in the first half of 2015 from the redemption of a bond and the capital increase performed by Gryphon Invest AG in April 2016, lower dividend payments led to the increase in the current reporting period.

In the first half of 2016, the free cash flow decreased from EUR 32.4\* million in the corresponding period of the previous year to EUR -107.3\* million. The Free Cash Flow (FCF) represents a business indicator that is not defined in the International Financial Reporting Standards (IFRS). The FCF is calculated as sum of the cash flow from operating activities and investing activities (which are both illustrated in the Group cash flow statement). Free cash flow serves as an indicator for the Group's internal financing capability, measuring the Group's ability of using continuous inflow to pay out dividends, reduce debts and finance further investments.

#### Non-current and current liabilities

The non-current liabilities as of 31 December 2015 were EUR 1,209.2 million (31 December 2014: EUR 788.9 million) and the current liabilities were EUR 563.1 million (31 December 2014: EUR 671.2 million).

The maturity profile of material liabilities as of the date of this Prospectus in EUR million is broken down as follows:

| <b>Maturity</b>  | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>2021</b> | <b>2022</b> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Bond, 2010-2017, EUR 150m, 7 years .....   |             | 150.0       |             |             |             |             |             |
| Bond, 2013-2019, EUR 250m, 6 years .....   |             |             |             | 250.0       |             |             |             |
| Bond, 2014-2021, EUR 200m, 7 years .....   |             |             |             |             |             | 200.0       |             |
| Syndicated loan, 2012-2018,<br>EUR 140m, 6 years<br>(current utilization: EUR 0m).....         |             |             |             |             |             |             |             |
| Syndicated loan, 2014-2020,<br>EUR 250m, 6 years<br>(current utilization: EUR 90m).....        |             |             |             |             | 90.0        |             |             |
| Bilateral facility, LBBW, 2012-2018, EUR<br>50m, 6 years (current utilization: EUR 50.0m) .... |             |             | 50.0        |             |             |             |             |
| Schuldscheindarlehen, 2011-2016, EUR 10m,  | 5.0         |             |             |             |             |             |             |

|  |              |               |              |               |               |               |              |
|--|--------------|---------------|--------------|---------------|---------------|---------------|--------------|
| 5 years (partly repaid) .....  |              |               |              |               |               |               |              |
| Schuldscheindarlehen, 2011-2018, EUR 32m,<br>7 years (partly repaid) .....   |              |               | 2.0          |               |               |               |              |
| Schuldscheindarlehen 2015-2020, EUR 250m,<br>5 years   |              |               |              |               | 250.0         |               |              |
| Schuldscheindarlehen 2015-2025, EUR 25m,<br>10 years   |              |               |              |               |               |               |              |
| Export financing from Oesterreichische<br>Kontrollbank (OeKB) , 2012-2020, EUR 20m,<br>8 years (partly repaid) ..... |              | 5.0           |              |               | 6.0           |               |              |
| Export financing from Oesterreichische<br>Kontrollbank (OeKB), 2015-2023, EUR 50m,<br>8 years (partly repaid)        | 3.125        | 6.25          | 6.25         | 6.25          | 6.25          | 6.25          | 6.25         |
| Export financing from Oesterreichische<br>Kontrollbank (OeKB), 2016-2026, EUR 120m,<br>10 years                      | 3.0          | 12.0          | 12.0         | 12.0          | 12.0          | 12.0          | 12.0         |
| Instalment loan, Raiffeisenbank Neunkirchen,<br>2004-2019, EUR 3m, 15 years (partly repaid)                          | 0.06         | 0.23          | 0.23         | 0.10          |               |               |              |
| <b>Total</b>   | <b>11.19</b> | <b>173.48</b> | <b>70.48</b> | <b>268.35</b> | <b>364.25</b> | <b>218.25</b> | <b>18.25</b> |

(Source: NOVOMATIC AG, as of the date of this Prospectus)

### **Investments**

The NOVOMATIC AG Group has made the following investments since the date of the most recently published Consolidated Financial Statements:

The NOVOMATIC AG Group's management has approved and initiated the following investments since the date of the most recently published Consolidated Financial Statements, with the proceeds from the sale of the Notes to be used to fund in part such investments:

- Investments in gaming equipment for the period between 1 January 2016 until 30 June 2016 in an amount of approximately EUR 106.4 million.
- Investment in land and buildings of approximately EUR 17.4 million for the period between 1 January 2016 until 30 June 2016.
- Investment in factory and office equipment of approximately EUR 26 million for the period between 1 January 2016 until 30 June 2016.
- *Ainsworth Game Technology Limited: Ainsworth Game Technology Limited:* On 22 February 2016, NOVOMATIC AG Group's management approved the purchase of approximately 53% of the outstanding shares of Ainsworth GT Limited from Leonhard H. Ainsworth for approximately 473 million Australian dollars, which acquisitions is subject to various conditions precedent. (see subsection 4 (*Ainsworth Game Technology Limited*) below).
- *Italy:* Since the date of its last published Consolidated Financial Statements, the NOVOMATIC AG Group completed various acquisitions in Italy in the Gaming Operations segment totalling approximately EUR 55 million in aggregate, including most notably the acquisition of Electro System S.p.A. on 1 January 2016 with a total investment of approximately EUR 18 million.
- *Spain:* Since the date of its last published Consolidated Financial Statements, the NOVOMATIC AG Group closed various acquisitions in Spain for a total consideration of approximately EUR 28.5 million, including most notably the acquisition of Gran Casino Aljarafe S.A. (Sevilla). Additional NOVOMATIC AG Group's management approved further transactions in the Gaming Operations segment in Spain with a total value of approximately EUR 34 million.
- *Peru:* NOVOMATIC AG Group acquired the remaining 35% in the Peruvian company Crown Gaming S.A.C., a distributor of slot machines and related equipment, for approximately USD 17.7 million.
- *Albania:* NOVOMATIC AG Group's management approved the acquisition of 100% shares of Albanisch Österreichische Lotterien Holding Gesellschaft m.b.H, Wien, and Lotaria Kombetare Sh.p.k, Tirane (Albanian Lottery) for a total consideration of slightly less than EUR 7 million. The closing of

the transaction remains subject to certain conditions precedent, including the approval of the Albanian ministry of finance.

- *Germany*: Since the date of its last published Consolidated Financial Statements, the NOVOMATIC AG Group completed various acquisitions in Germany in the Gaming Operations segment for a total consideration of approximately EUR 20 million.
- *United Kingdom*: NOVOMATIC AG Group's management approved the acquisition of 100% of the share capital in the British company Talarius Ltd, an operator of 160 adult gaming centres across the United Kingdom, for a total consideration of GBP 98 million. The acquisition was signed and closed simultaneously on 24 June 2016, and remains subject to clearance by the competent competition authorities in the United Kingdom.

#### **4. Regulatory Environment**

The NOVOMATIC AG Group operates on the basis of the currently applicable political, economic, legal, and tax framework that is subject to constant change, adjustment and application as well as interpretation by competent courts and agencies. In general, gaming rules and regulations are regarded as a subject matter of public interest, often times subject to state monopolies and/or licensing requirements and, hence, a highly regulated environment. Moreover, unlike in many other industries, the gaming and betting industries are not regulated on an EU level. Consequently, the NOVOMATIC AG Group is subject to ample layers of legal requirements at a federal and local level in the jurisdictions in which it operates.

A change of regulatory environment, for instance, occurred 2009 when gaming and betting was outlawed in both the Russian Federation (with the exception of specially designated zones) and the Ukraine (entire country). In Hungary, a law prohibiting the operation of gaming devices in arcades and pubs was enacted and implemented in 2012. In Germany, a newly enacted Interstate Treaty on Gambling (*Deutscher Glücksspielstaatsvertrag*) took effect on 1 July 2012. It provides for restrictions such as the prohibition of multiple concessions, minimum distance requirements between gaming/betting premises, restrictions on the hours of business or the expiry within a transitional period of a mere five years of concessions that were granted in perpetuity under the German Industrial Code (*Gewerbeordnung*). Furthermore, amendments to the gaming law in Albania will result in a discontinuation of the operation of electronic casinos by the end of 2016.

All gaming operators active in Italy, among them the NOVOMATIC AG Group, are affected by the repeated and significant increases in gaming-related taxes during the past years. As of January 2015, the taxes on amusement with prize gaming devices were once again increased. In addition to this, the "Legge di Stabilità" was passed at the end of December 2014. This budget law provides for the levying of an additional amount of EUR 500 million. The total amount was split between all networked gaming devices, resulting in an annual amount of approximately EUR 1,200 per device. Apart from the national laws, the gaming market is also negatively impacted by local regulations which – depending on the region – may prescribe shorter hours of operation or a minimum distance to public institutions.

Furthermore, in Vienna, Austria, as a precautionary measure, all gaming machines operated by subsidiaries of the NOVOMATIC AG Group under valid licences were decommissioned on 31 December 2014 due to an ambiguity in the state laws on gaming in Vienna. The relevant Group companies were forced to implement this step, as local authorities, contrary to the opinion of leading experts on constitutional law, threatened to strictly enforce certain new legal provisions regarding the operation of the relevant gaming machines. The NOVOMATIC AG Group's companies with concessions in Vienna submitted an individual request to the Austrian Constitutional Court (*Verfassungsgerichtshof*) in order to review the constitutionality of the new legal provisions regarding state-regulated gaming in Vienna. With its decision dated 12 March 2015, the Austrian Constitutional Court rejected this request and confirmed that the provisions of the Gaming Act are not unconstitutional. Thus since 1 January 2015 the NOVOMATIC AG Group does not operate gaming machines in Vienna.

As of the end of June 2016, the NOVOMATIC AG Group operated 151 gaming halls and 2,370 gaming machines in the Austrian federal states Lower Austria, Upper Austria, Styria, Carinthia and Burgenland.

ADMIRAL Casinos & Entertainment AG, a wholly owned subsidiary of NOVOMATIC AG, was able to obtain the relevant licenses for state-licensed machine gaming (*Landesausspielungen*) in the federal states of Lower Austria, Upper Austria, Burgenland, Styria and Carinthia. The licenses for Carinthia and Styria are not subject to any legal challenges, while the license for Upper Austria is legally effective although it still remains subject to extraordinary appeals pending before the Highest Administrative Court of Austria (*Verwaltungsgerichtshof*).

In the federal states of Lower Austria, Styria, Upper Austria and Burgenland, the roll-out of the gaming machines took place on schedule, while in Carinthia, the final roll out is going to be carried out in autumn 2016.

In May 2016 and in June 2016, the Highest Administrative Court of Austria rendered a decision on the extraordinary appeal relating to the granting of the license in Lower Austria and Burgenland pursuant to which the decision to grant the license was vacated due to formal errors of the relevant authorities and the case remanded for new licensing decisions. However, according to a provision in the relevant state law of Lower Austria, continued operation is permitted for the next 18 months and with regards to Burgenland for 12 months based on state law of Burgenland and a specific order issued by the relevant authority.

Currently, proceedings are pending before the Supreme Court of Austria (*Oberster Gerichtshof*) reviewing the conformity of the Austrian Gaming Act with the European principle of free movement of services in the context of unfair competition. In this respect, the Supreme Court of Austria argues that (i) the Gaming Act allegedly infringes the European principle of free movement of services and (ii) several provisions of the Gaming Act are allegedly discriminating and unconstitutional. Hence, the Supreme Court of Austria suspended the proceedings in March 2016 and requested the Austrian Constitutional Court to confirm the constitutionality. The proceedings are pending before the Austrian Constitutional Court. In unrelated proceedings the Highest Administrative Court of Austria held in March 2016 that the Austrian Gaming Act complies with European Law.

With respect to the operation of casinos, in June 2014, the Austrian Federal Ministry of Finance granted its approval for the three remaining individual licenses for the operation of casinos according to § 21 of the Austrian Gaming Act. As part of this, ADMIRAL Casinos & Entertainment AG ("**ACE**"), a wholly owned subsidiary of NOVOMATIC AG, was awarded concessions for the locations Vienna North-East (Prater) and Lower Austria (Bruck an der Leitha). The concession decisions were successfully challenged by a competitor (CASINOS Austria AG, which holds the other 12 casino licenses in Austria): The Highest Administrative Court of Austria rendered the decision in respect of this challenge, confirming that the sub-criteria used by the Austrian Federal Ministry of Finance, should have been published from the beginning of the tender procedure. Consequently, the gaming licenses issued by the Austrian Federal Ministry of Finance were repealed. NOVOMATIC AG is not aware whether the Austrian Federal Ministry of Finance will proceed with a new tender process.

For a description of the legal risks associated with NOVOMATIC AG Group's business, please see Section II.3 (*Legal risks*) above.

## **5. Material Contracts**

The NOVOMATIC AG Group has entered into various agreements material for its business operations.

### ***Joint Venture in relation to Compania Nationala Loteria Romana***

In October 2013, the NOVOMATIC AG Group concluded an agreement with Compania Nationala Loteria Romana (CNLR), Romania's state-owned lottery company, regarding the country-wide delivery and installation of up to 10,000 video lottery terminals (VLTs) and the video lottery system required to this end. By the end of 2013, NOVOMATIC AG Group had already installed approximately 5,000 VLTs.

The agreement has a term of 15 years and provides for a 50:50 division of the income generated. NOVOMATIC AG Group committed to issuing a limited guarantee for up to EUR 75m as part of the agreement and in favour of Compania Nationala Loteria Romana, which serves to secure the income of Compania Nationala Loteria Romana and will begin to run for 12 months once all video lottery terminals have been delivered in accordance with the agreement.

### ***Transactions and proceedings relating to Casinos Austria***

NOVOMATIC AG Group has entered into a series of transactions relating to Casinos Austria and Austrian Lotteries, which transactions have been subject to proceedings before the competition authorities, as hereafter described in greater detail. In addition, NOVOMATIC AG Group has entered into a term sheet agreement with SAZKA Group A.S. and Austrian Gaming Holding A.S., both of which are Czech companies (the "**SAZKA Group**"), aimed at establishing a target structure relating to Casinos Austria.

#### **Casinos Austria Transactions**

In July 2015, the NOVOMATIC AG signed agreements to acquire separate stakes in Casinos Austria held by each of MTB Privatstiftung, Leipnik-Lundenburger Invest and the UNIQA Insurance Group, where the stakes

held by MTB Privatstiftung are direct stakes in Casinos Austria while the stakes held by each of Leipnik-Lundenburger Invest and the UNIQA Insurance Group are stakes in Medial Beteiligungs-Gesellschaft m.b.H., a direct shareholder of Casinos Austria. There are direct and indirect shareholders of Raiffeisen Bank International AG, an Arranger and Dealer under the Programme, including Raiffeisen Zentralbank Österreich, which are also indirect shareholders of Leipnik-Lundenburger Invest as well as of UNIQA Insurance Group. Assuming successful closing of such transactions, the NOVOMATIC AG's aggregate holdings of capital in Casinos Austria would amount to 39.5%, giving it the largest stake in Casinos Austria, even larger than the 33.24% stake held indirectly by the Republic of Austria through Österreichische Bundes- und Industriebeteiligungen GmbH (ÖBIB). The above mentioned transactions are subject to long-stop dates ranging from the end of September 2016 to the end of September 2017.

Furthermore, the NOVOMATIC AG entered into agreements for call options and share voting agreements, and finalized agreements for put options, regarding direct and indirect stakes in Casinos Austria of, in aggregate, less than 20%, in parts subject to various regulatory approvals, both domestic and international, including merger control clearances and subject to rights of first refusal by shareholders and approval by the shareholders' meeting and partially long stop dates (the aforementioned transactions and negotiations together hereinafter referred to as the "**Casinos Austria Transactions**").

In addition to the Casinos Austria Transactions, the NOVOMATIC AG Group may enter into additional discussions and agreements aimed at obtaining further, or disposing of, interests in Casinos Austria or, depending on the circumstances, re-evaluate its interests and restructure the Casinos Austria Transactions, including in connection with the term sheet agreement on the establishment of a target structure relating to Casinos Austria (see below, "*Term sheet agreement on the establishment of a target structure relating to Casinos Austria*").

Importantly, however, while approval by the shareholders' meeting has been partially granted, the Casinos Austria Transactions remain subject to various regulatory approvals, both domestic and international, including merger control clearance. Moreover, the Casinos Austria Transactions are subject to rights of first refusal by shareholders. Any sale of stakes by a shareholder can be challenged by other shareholders if such sale does not conform to the requirements under such rights of first refusal. Accordingly, the NOVOMATIC AG Group may not be in a position to acquire all stakes it contemplates acquiring as a result of such challenges.

#### Proceedings before the competition authorities

On 23 December 2015, the NOVOMATIC AG filed for approval of the Casinos Austria Transactions as well as its acquisitions relating to Austrian Lotteries described below with the Austrian Federal Competition Authority. The Austrian Federal Competition Authority and the Austrian Federal Cartel Prosecutor (the "**Statutory Parties**") then had a period of six weeks from submission of the merger filing to apply for an in-depth review of the matter. On 3 February 2016, on the final day of such six week period, the Statutory Parties requested an in-depth review of the matter by the Austrian Cartel Court ("**Phase II request**") due to competition concerns regarding the Casinos Austria Transactions and also questioned whether the proposed transaction was advanced enough to be filed as a concentration.

On 26 August 2016, following the review pursuant to the Phase II request, the Cartel Court issued a prohibition decision, which decision was received by NOVOMATIC AG on 30 August 2016. In its decision, the Cartel Court did not approve an acquisition of more than 25% of direct and indirect stakes in Casinos Austria and Austrian Lotteries, thereby preventing the completion of the Casinos Austria Transactions (the "**Cartel Court Decision**"). The Cartel Court, based on an assessment of the court-appointed expert, held that the combined entity would have a dominant position on certain markets in which the NOVOMATIC AG Group operates. The competition authorities and NOVOMATIC AG were engaged in remedy discussions during the Cartel Court's review. The remedies offered by NOVOMATIC AG were rejected by the Cartel Court and the remedy discussions failed on account of the assessment by NOVOMATIC AG that the conditions demanded by the Austrian Federal Competition Authority were, in the view of NOVOMATIC AG, economically untenable and would therefore not be implemented. The Cartel Court Decision is subject to appeal, which appeal may be filed within four weeks upon receipt of the Cartel Court Decision. NOVOMATIC AG intends to appeal the Cartel Court Decision.

#### Austrian Lotteries

Through a series of transactions, the Issuer acquired an indirect aggregate holding of approximately 23% in Austrian Lotteries. Austrian Lotteries is an indirect subsidiary of Casinos Austria. The Issuer entered into several

transactions to acquire the above-referenced holding in Austrian Lotteries, signing separate share purchase agreements with various sellers with each agreement including customary representations and warranties. The Issuer now holds directly the holding companies RSV Beteiligungs GmbH, LTB Beteiligungs GmbH and a two-thirds stake in CLS Beteiligungs GmbH, which each hold stakes in Lotto-Toto Holding GmbH, which itself holds a 32% stake in Austrian Lotteries, with the remaining 68% stake therein being held, directly and indirectly, by Casinos Austria.

Furthermore, NOVOMATIC AG has entered into certain put option and/or share voting agreements with other indirect shareholders of Austrian Lotteries pursuant to which NOVOMATIC AG will control the voting rights of the shares in CLS Beteiligungs GmbH held by such shareholders subject to merger control approval. In addition, and in consideration of the Cartel Court Decision, NOVOMATIC AG may enter into additional discussions aimed at obtaining and/or divesting interests in Austrian Lotteries.

#### *Term sheet agreement on the establishment of the target structure relating to Casinos Austria*

Moreover, NOVOMATIC AG entered into a term sheet agreement with the SAZKA Group, on the terms to be agreed upon in a joint venture agreement relating to the holding of their respective direct and indirect stakes in Casinos Austria and Austrian Lotteries. The joint venture shall serve as the holding entity of the joint venture partners' current and future interests in Casinos Austria and Austrian Lotteries. Both NOVOMATIC AG and SAZKA Group shall be equal partners, each holding a 50% stake in the envisaged joint venture. Furthermore, NOVOMATIC AG and the SAZKA Group intend to increase the joint venture's stake in Casinos Austria by completing further transactions and have, to that end, signed a memorandum of understanding with another shareholder of Casinos Austria, which memorandum of understanding also addresses governance issues relating to Casinos Austria.

The establishment of the joint venture is subject to various conditions precedents which include, among others, the completion of the Casinos Austria Transactions, which completion would, in particular, require a successful appeal of the Cartel Court Decision (assuming such appeal would lead directly or indirectly to a clearance of the merger without remedies or under such remedies as acceptable to NOVOMATIC AG), the signing of a joint venture agreement, approval by the competition authorities and various domestic and international regulatory bodies, non-exercise of rights of first refusal by shareholders, approval by required shareholders' meetings as well as the non-expiry of the long stop date on 31 December 2018.

#### ***Ainsworth Game Technology Limited***

On 23 February 2016, NOVOMATIC AG entered into an agreement to purchase approximately 53% of the issued shares of Ainsworth GT Limited from Leonard H. Ainsworth for approximately 473 million Australian dollars. Ainsworth GT Limited is an Australian publicly listed company trading on the Australian Securities Exchange and a leading producer and provider of gaming solutions with operations in Australasia, South East Asia and North and South America.

The acquisition agreement is subject to various conditions precedent. These include receipt of the necessary approvals of international gaming authorities, receipt of any required merger control clearance, receipt of foreign investment approval by the Treasurer of the Commonwealth of Australia and the granting of all material and required change of control waivers by contractual counterparties, in particular in connection with an existing financing agreement, as well as the approval of the minority shareholders, which approval was granted on 27 June 2016. Apart from approvals of numerous international gaming authorities, all other conditions precedent have been fulfilled. However, since such approvals by gaming authorities are required, the closing date of this transaction remains uncertain. The long-stop date for completion of the transaction is 31 December 2017.

## **6. Litigation and Arbitration**

NOVOMATIC AG and/or the NOVOMATIC AG Group are involved in various litigation proceedings and claims incidental to the normal conduct of their business. Although it is impossible to predict the outcome of any ongoing litigation proceedings, the Issuer believes that such litigation proceedings and claims will not have a material adverse effect on its business or consolidated financial results. The Issuer notes, however, that the outcome of litigation proceedings can be extremely difficult to predict with certainty and the Issuer therefore offers no assurances in this regard.

There are no, nor have there been any governmental, legal or arbitration proceedings involving the Issuer or any of its subsidiaries (including any such proceedings which are pending or threatened of which the Issuer is aware)

which may have, or have had during the twelve months prior to the date of this document, individually or in the aggregate, a significant effect on the financial position or profitability of the Issuer and/or the NOVOMATIC AG Group.

## **7. Recent Developments**

The following provides an overview of the most significant recent developments affecting the NOVOMATIC AG Group:

- In May 2016 and June 2016, the Highest Administrative Court of Austria rendered a decision on the extraordinary appeal relating to the granting of the license in Lower Austria and Burgenland pursuant to which the decision to grant the license was vacated and the case remanded for new licensing proceedings (please see Section IV.4 (*Regulatory Environment*) above).
- For a description of the recent investments, see IV.3 (*Selected financial information and discussion – Investments*) above.
- In relation to the Casinos Austria Transactions, the Austrian Cartel Court issued a prohibiting decision on account of the assessment by NOVOMATIC AG Group that the remedies required by the competition authority respectively the Cartel Court were economically untenable and would therefore not be accepted. NOVOMATIC AG Group intends to appeal the Cartel Court's decision (please see Section IV.5 (*Material Contracts*) above).

## **8. Organizational structure**

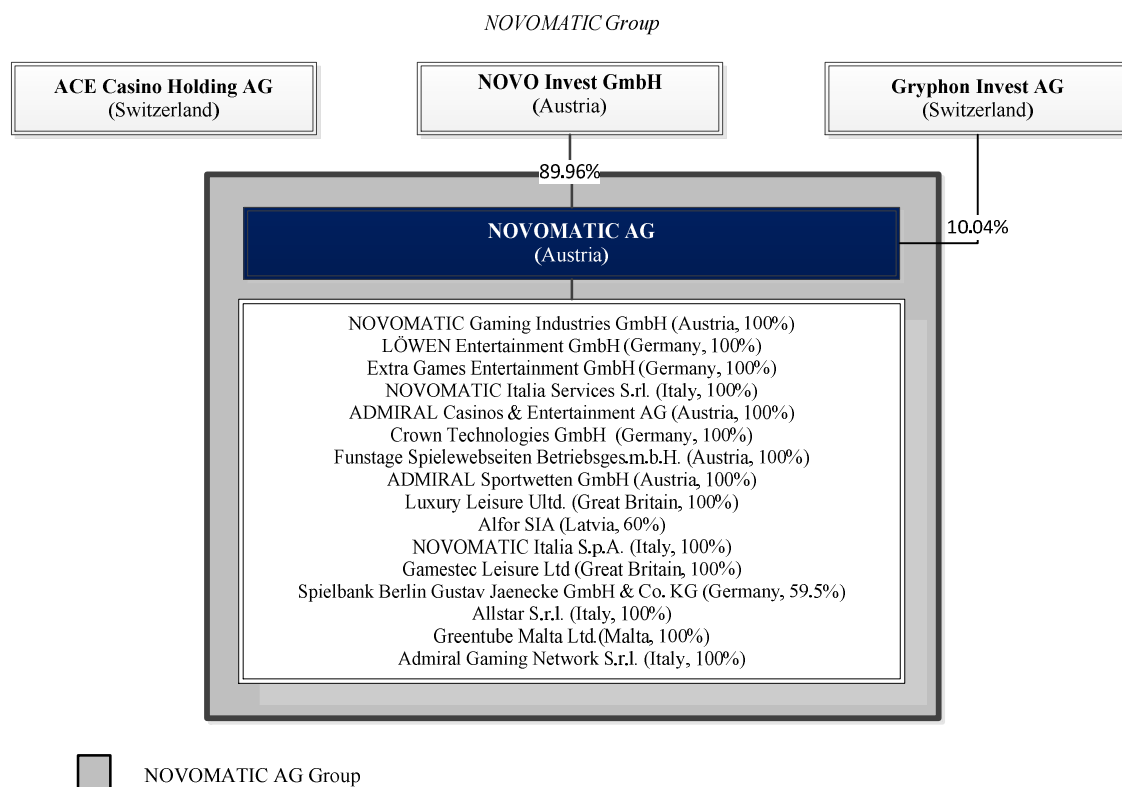
As the Group parent of the NOVOMATIC AG Group, the Issuer holds many direct and indirect equity interests in companies both in Austria and abroad. In its capacity as a holding company, the Issuer does not engage in any actual operating business; instead, it is responsible for managing the Group and for supporting functions. Due to its operational structure, the Issuer relies to a certain extent on its subsidiaries' dividend payments.

Among others, its main functions include group strategy and group development, group treasury (e.g. group funding and investor relations); group compliance, real estate, group licensing (gaming licenses) and IP rights (trademarks, patents, copyrights, designs, utility models and know-how/trade secrets and management and licensing thereof).

As of 30 June 2016, the NOVOMATIC AG Group comprises of 198 fully consolidated companies (compared to 188 fully consolidated companies as of 31 December 2015).

The NOVOMATIC AG Group, the Issuer, and the position of the Issuer within the NOVOMATIC AG Group are shown in the following summary organisational chart, which shows the significant companies of the NOVOMATIC AG Group, along with the three parent companies of the NOVOMATIC Group.

The following organisational chart shows subsidiaries of NOVOMATIC AG which contributed revenues in excess of 2% to the NOVOMATIC Group's consolidated revenue as reported on 30 June 2016 and which remain subsidiaries of the Issuer as of the date of this Prospectus.



*Source: NOVOMATIC AG*

### ***Capital stock, number and class of shares***

The Issuer's capital stock is EUR 26,590,000, has been contributed in full, and is divided into 26,590,000 no-par value registered shares.

### ***Articles of association and by-laws of the Issuer***

The Issuer is registered with the Company Register of the Wiener Neustadt Commercial Court under the number 69548 b. The Issuer's business purpose is set out in article 3 of its articles of association and reads as follows:

The purpose of the Issuer's business is:

- the acquisition, management, and disposal of equity interests in other companies (also if they are personally liable partners or shareholders), the takeover of the companies' management and representation, as well as the establishment of subsidiaries at home and abroad;
- the acquisition, management, and disposal of real estate;
- the rendering of services, whatever their nature, that are suitable for supporting and promoting the Group companies in connection with their respective lines of business, including but not limited to the following areas:
  - the marketing, leasing, installation, start-up & maintenance, trading, industrial production, and repair of vending machines of whatsoever nature (including electronic slot machines for entertainment purposes), especially with respect to slot machines in brick-and-mortar casinos both in Austria and abroad;
  - the taking and closing of bets, whatever their nature, in particular, the commercial taking and closing of bets in connection with sporting events, to the extent that such activity does not violate the gaming and betting monopoly and other statutory requirements, especially gaming



and betting laws, laws regarding fees from totalisator and bookmaker bets as well as actions aimed at suppressing illegal betting;

- all activities associated with hotels, catering, and tourism;
- the acquisition, management, and disposal of intellectual property rights; research & development with respect to gaming and betting as well as casinos; analyses of the findings of these research & development activities, nationally and internationally, including by means of licensing;
- all other transactions that are required or suitable for achieving the preceding business purposes.

## 9. Management of the Issuer

### *Board of directors*

The following are members of the Issuer's management board:

| <b>Name</b>                | <b>Position</b>          | <b>Additional activities<sup>(1)</sup> / functions</b>  |
|----------------------------|--------------------------|---|
| Mag. Harald Neumann.....   | Chairman                 | –   |
| Mag. Peter Stein .....     | Chief financial officer  | –   |
| Mag. Thomas Graf.....      | Chief technology officer | Advanced Technology System International S.A. (Poland) / Supervisory board***<br>Amutron Sales & Services V.V. (The Netherlands) / Foreign Director<br>Arcadia Invest (Switzerland) / President of the Supervisory Board  |
| DI Ryszard Presch .....    | Chief operating officer  | ACE Casino Holding AG / Member of the Administrative Board<br>NOVO Invest GmbH / Managing director**<br>Gryphon Invest AG (Switzerland) / Non-executive Vice-chairman*<br>European Data Project s.r.o. (Czech Republic) / Managing director***<br>Novo Poland Sp. z.o.o. (Poland) / Managing director***<br>Advanced Technology Trust S.A. (Poland) / Supervisory board***<br>Advanced Technology System International S.A. (Poland) / Supervisory board***<br>PRU Filmotechnika Sp.z.o.o. (Poland) / Supervisory board***<br>Fortress Gaming Technologies S.A. (Poland) / Supervisory board*** |
| Dr. Christian Widhalm..... | Chief investment officer | Estrada Polska Sp.z.o.o. (Poland) / Supervisory board***<br>Tax consultant<br>ACE Casino Holding AG / Member of the Administrative Board<br>NOVO Invest GmbH / Managing director**<br>Gryphon Invest AG (Switzerland) / Non-executive chairman*<br>Casinò Admiral AG (Lichtenstein) / Board Member<br>Casinò Locarno S.A. (Switzerland) / Board Member<br>Casinò Admiral SA (Switzerland) / Board Member  |

<sup>(1)</sup> Activities outside of the Issuer that are significant to it.

\* Position in Gryphon Invest AG, which has an 10.04% stake in the Issuer.

\*\* Position within NOVO Invest GmbH, an entity that has a 89.96% stake in the Issuer.

\*\*\* A group company of Gryphon Invest AG, which has an 10.04% stake in the Issuer.

The Issuer's business address is the service address for the members of its management board.

### *Supervisory board*

The following are members of the Issuer's supervisory board:

| <b>Name</b>                | <b>Position</b> | <b>Additional activities<sup>(1)</sup> / functions</b> |
|----------------------------|-----------------|--|
| KR Herbert Lugmayr.....    | Chairman        | –  |
| Mag. Martina Flitsch ..... | Vice-Chairman   | Jarolim/Flitsch Rechtsanwälte GmbH / Partner           |

| <b>Name</b>                 | <b>Position</b> | <b>Additional activities<sup>(1)</sup> / functions</b> |
|-----------------------------|-----------------|--|
| Mag. Barbara Feldmann ..... | Member          | –  |
| Mag. Martina Kurz .....     | Member          | Park Invest GmbH / Employee                            |

<sup>(1)</sup> Activities outside of the Issuer that are significant to it.

The Issuer's business address is the service address for the members of its supervisory board.

### ***Conflicts of interest***

There are no conflicts of interest between the private interests or other obligations of the members of the management board and supervisory board and their obligations towards the Issuer.

## **10. Corporate governance**

An audit committee has been established for the Issuer in accordance with section 92 (4a) Austrian Stock Corporation Act (*Aktiengesetz*, AktG). The members of the committee are Kommerzialrat Herbert Lugmayr and Mag. Martina Flitsch and Mag. Martina Kurz. Among other things, the audit committee is responsible for reviews and preparations ahead of the adoption of the Consolidated Financial Statements pursuant to section 92 (4a) AktG.

The Issuer's shares are not listed for trading in a regulated market, and the Issuer thus is not obliged to comply with the provisions of the Austrian Corporate Governance Code.

## **11. Major shareholders**

The Issuer is part of the *NOVOMATIC Group*. The *NOVOMATIC Group* is the joint designation for the three separate groups whose parent companies are NOVO Invest GmbH (which holds 89.96% of the Issuer), ACE Casino Holding AG, and Gryphon Invest AG (which holds 10.04% of the Issuer); in each of such three parent companies, Professor Johann F. Graf is the direct sole shareholder. In April 2016, the General Assembly agreed the payment of a dividend totalling EUR 50.0 million (EUR 152.0 million in the previous financial year) to the shareholders. The payment of the agreed dividend was made in May 2016.

Given the concentration of shareholdings and the shareholder representatives on the supervisory board, the owner of the majority shareholder is in a position, taking into account provisions of the law and of the articles of association, to determine the basic principles of the Issuer's business policies and to control key corporate decisions.

In the Issuer's view, the NOVOMATIC AG Group's internal corporate governance structure together with the provisions of Austrian corporate law offer adequate protections against any abuse by NOVO Invest GmbH and Professor Johann F. Graf of their controlling stake.

### ***Agreements regarding the control of the Issuer***

The Issuer is unaware of any agreements that might lead to a change of control with respect to the Issuer at a later date if executed.

## V. GENERAL DESCRIPTION OF THE PROGRAMME

### 1. General

Under the Programme, the Issuer may issue Notes from time to time through one or more of the following Dealers: Erste Group Bank AG, Raiffeisen Bank International AG and UniCredit Bank Austria AG and additional Dealers appointed by the Issuer under this Programme, where the appointment may be either for a particular issuance or permanent, in any currency agreed between the Issuer and the Dealer(s). The maximum principal amount of Notes outstanding under the Programme shall at no time exceed EUR 2,000,000,000 (or nearly equivalent in another currency). The Issuer can at any time increase the volume of the Programme in accordance with the conditions of the Programme Agreement. An increase of the volume of the Programme by more than 15% constitutes a material circumstance and therefore requires the publication of a supplement to the present Prospectus pursuant to § 6 KMG, which shall be prepared, published and filed, and approved by the FMA, all in the same manner as this Prospectus.

Notes can be issued on an ongoing basis through one or more Dealers. Notes can be issued by way of public or non-public offer and in each case on a non-syndicated or a syndicated basis. The method of distribution of each Tranche will be stated in the relevant Final Terms.

Notes are issued at their nominal amount (which equals the denomination specified in the Final Terms).

The Notes may be offered at the issue price and/or at the reoffer price as specified in the Final Terms. If specified in the Final Terms, the issue price at which retail investors may buy the Notes during the subscription period is determined on the basis of the reoffer price for institutional investors plus selling fee of up to 1.5 percentage points or such other selling fee as specified in the Final Terms.

The Issuer will apply for the admission of the Programme to the Second Regulated Market (*Geregelter Freiverkehr*) of the Vienna Stock Exchange. This Prospectus applies with respect to the issuance of Notes to be listed on the Vienna Stock Exchange within a period of 12 months from the date of approval of this Prospectus. The Programme also allows the issuance of Notes listed on other regulated (subject to the prior notification of the Prospectus in accordance with Article 18 of the Prospectus Directive, and approval for listing) and unregulated markets within the European Economic Area or not listed on any stock exchange, as indicated in the respective Final Terms.

The Notes shall be cleared through one or more clearing systems, as specified in the Final Terms. These clearing systems include, among others, those operated by OeKB CSD GmbH, Clearstream Banking AG, Clearstream Banking société anonyme, Luxemburg und Euroclear.

Erste Group Bank AG will serve as listing agent and will, together with the Issuer, submit an application for admission of the Programme to the Second Regulated Market (*Geregelter Freiverkehr*) of the Vienna Stock Exchange.

Erste Group Bank AG will serve as initial principal paying agent under the Programme.

### 2. Issuance procedure

#### *General*

The Issuer and the respective Dealer(s) agree on the conditions that shall apply to a particular issuance of Notes (the "**Issuance Conditions**"). These Issuance Conditions derive from the Terms and Conditions included under Section VI.1 (*Information Regarding the Notes*) of this Prospectus, which are completed by the information included in the Final Terms applicable to the Notes. The Issuance Conditions are thus prepared as follows:

- blanks in the Terms and Conditions are deemed completed by the information included in the Final Terms as though in fact having been prepared with such information included;
- to the extent the Final Terms contemplate the completion of certain Terms and Conditions, the respective provisions of the Terms and Conditions are considered completed accordingly thereby;
- alternative or selectable provisions of the Terms and Conditions whose application is not provided for in the Final Terms or that are deleted are deemed not included in the Terms and Conditions; and

- all instructions and explanations in the Terms and Conditions that are in square brackets are deemed not included in the Terms and Conditions.

The Terms and Conditions and Final Terms will be annexed to each global note documenting the Notes of a particular series.

## VI. INFORMATION REGARDING THE NOTES

### 1. Terms and Conditions

*Die englische Übersetzung der Anleihebedingungen betreffend die Schuldverschreibungen ist selbst nicht Teil dieses Prospekts und wurde nicht von der FMA gebilligt. Auch die Übereinstimmung mit den Anleihebedingungen wurde von der FMA nicht geprüft*

*Diese Anleihebedingungen sind in deutscher Sprache abgefasst und mit einer Übersetzung in die englische Sprache versehen. Der deutsche Wortlaut ist rechtsverbindlich. Die englische Übersetzung dient nur zur Information.*

#### § 1

##### EMITTENTIN, GESAMTNENNBETRAG, STÜCKELUNG UND WÄHRUNG

Diese Serie von Schuldverschreibungen (die *Schuldverschreibungen*) der NOVOMATIC AG (die *Emittentin*) wird in [Währung einfügen] (die *Währung*) im Gesamtnennbetrag von [Gesamtnennbetrag einfügen] (in Worten: [Gesamtnennbetrag in Worten einfügen]) in einer Stückelung von je [festgelegte Stückelung einfügen] (die *Schuldverschreibungen*) gemäß diesen Anleihebedingungen (die *Anleihebedingungen*) begeben.

#### § 2

##### FORM, VERBRIEFUNG, CLEARINGSYSTEM UND ISIN

- (1) *Inhaberschuldverschreibungen.* Die Schuldverschreibungen lauten auf den Inhaber.
- (2) *Globalurkunde.* Die Schuldverschreibungen werden zur Gänze durch eine veränderbare Globalurkunde (Sammelurkunde gemäß § 24 lit b Depotgesetz) (die *Globalurkunde*) verbrieft. Die Globalurkunde ist von den Vertretern der Emittentin firmenmäßig gezeichnet und ist von der gemäß diesen Anleihebedingungen bestellten Zahlstelle mit einer Kontrollunterschrift versehen. Der Anspruch auf Ausfolgung einzelner Schuldverschreibungen oder einzelner Zinsscheine ist ausgeschlossen.
- (3) *Clearingsystem.* Die Globalurkunde wird solange von einem oder im Namen eines Clearingsystems verwahrt, bis sämtliche Verbindlichkeiten der Emittentin aus den Schuldverschreibungen erfüllt sind. *Clearingsystem* bedeutet [bei mehr als einem Clearingsystem einfügen: jeweils] folgendes: [Clearstream Banking AG, Frankfurt am Main] [Clearstream Banking, société anonyme, Luxemburg] [Euroclear

*The English translation of the terms and conditions relating to the notes does not form part of the Prospectus itself and has not been approved by the FMA. Further, the FMA did not review its consistency with the original terms and condition.*

*These terms and conditions are written in the German language and contain an English translation. The German text shall be the legally binding version. The English translation is provided for convenience only.*

#### § 1

##### ISSUER, AGGREGATE PRINCIPAL AMOUNT, DENOMINATION AND CURRENCY

This series of notes (this *Series*) of NOVOMATIC AG (the *Issuer*) will be issued in [insert currency] (the *Currency*) in an aggregate principal amount of [insert aggregate principal amount] ([insert aggregate principal amount in words]) with a denomination per note of [insert specified denomination] (the *Notes*) in accordance with these terms and conditions (the *Terms and Conditions*).

#### § 2

##### FORM, PHYSICAL REPRESENTATION, CLEARING SYSTEM AND ISIN

- (1) *Bearer notes.* The Notes are made out to the bearer.
- (2) *Global note.* The Notes are physically represented in their entirety by a modifiable global security (collective instrument (*Sammelurkunde*) pursuant to sec. 24 lit b of the Austrian Securities Deposit Act (*Depotgesetz*)) (the *Global Note*). The Global Note bears the official corporate signature of the representatives of the Issuer and is authenticated by the Paying Agent appointed in accordance with these Terms and Conditions. There is no claim to the surrender of individual Notes or individual interest coupons.
- (3) *Clearing system.* The Global Note shall be held in custody by or in the name of a clearing system until any and all liabilities of the Issuer arising from the Notes have been met. *Clearing System* shall mean [if there is more than one Clearing System, insert: each of] the following: [Clearstream Banking AG, Frankfurt am Main] [Clearstream Banking, société anonyme, Luxembourg] [Euroclear Bank S.A./ N.V.

Bank S.A./ N.V. Brüssel, als Betreiberin des Euroclear Systems (**Euroclear**) [OeKB CSD GmbH (**OeKB CSD**)] [,] [und] [anderes Clearingsystem angeben] sowie jeder Funktionsnachfolger.

- (4) *Anleihegläubiger.* Den Inhabern der Schuldverschreibungen (die **Anleihegläubiger**) stehen Miteigentumsanteile an der Globalurkunde zu, die gemäß den Allgemeinen Geschäftsbedingungen der OeKB CSD und außerhalb der Republik Österreich ausschließlich gemäß den Vorschriften des Clearingsystems übertragen werden können.
- (5) *ISIN.* Die International Securities Identification Number oder ISIN lautet [ISIN einfügen].

### § 3 STATUS

Die Schuldverschreibungen begründen nicht besicherte, unbedingte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen gegenwärtigen oder künftigen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, mit Ausnahme von Verbindlichkeiten, die nach geltendem zwingenden Recht vorrangig sind.

### § 4 NEGATIVVERPFLICHTUNG

- (1) Die Emittentin verpflichtet sich für die Laufzeit der gegenständlichen Anleihe, längstens jedoch bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen für die Schuldverschreibungen der gemäß diesen Anleihebedingungen bestellten Zahlstelle vollständig zur Verfügung gestellt worden sind:
- (a) für andere Kapitalmarktverbindlichkeiten sowie für Verbindlichkeiten unter Garantien oder Haftungen für andere Kapitalmarktverbindlichkeiten
  - (i) keine Sicherheiten zu bestellen, oder
  - (ii) Dritte zu veranlassen, zur Besicherung der von der Emittentin oder ihren Tochtergesellschaften aufgenommenen Kapitalmarktverbindlichkeiten und Verbindlichkeiten der Emittentin oder ihrer Tochtergesellschaften unter Garantien oder Haftungen für Kapitalmarktverbindlichkeiten

Brussels, as the operator of the Euroclear System (**Euroclear**) [OeKB CSD GmbH (**OeKB CSD**)] [,] [and] [**specify other Clearing System**] as well as any successor in function.

- (4) *Noteholders.* The holders of the Notes (the **Noteholders**) will receive co-ownership participations in the Global Note that are transferable in accordance with the general business conditions of OeKB CSD and, outside the Republic of Austria, exclusively in accordance with the rules of the Clearing System.
- (5) *ISIN.* The International Securities Identification Number or ISIN is [insert ISIN].

### § 3 STATUS

The Notes constitute unsecured, unconditional and unsubordinated obligations of the Issuer ranking *pari passu* among themselves and with all other present or future unsecured and unsubordinated obligations of the Issuer, with the exception of any obligations having priority according to applicable mandatory law.

### § 4 NEGATIVE COVENANT

- (1) For the term of the Notes, but only up to the time all amounts of principal and interest for the Notes have in full been placed at the disposal of the Paying Agent appointed in accordance with these Terms and Conditions, the Issuer undertakes:
- (a) in respect of any other Capital Market Indebtedness as well as in respect of any indebtedness under any guarantees or liabilities taken on in respect of any other Capital Market Indebtedness,
  - (i) to not provide any Security or
  - (ii) to not cause third parties to provide any Security by creating rights in the assets of such third parties in order to furnish security for Capital Market Indebtedness incurred by the Issuer or its Subsidiaries and for obligations of the Issuer or its Subsidiaries under any guarantees or liabilities taken on in respect of Capital Market

keine Sicherheiten am Vermögen dieser Dritten zu bestellen,

ohne jeweils unverzüglich sicherzustellen, dass die Anleihegläubiger zur gleichen Zeit und im gleichen Rang an solchen Sicherheiten oder an anderen Sicherheiten, die von einem vom bestehenden Abschlussprüfer der Emittentin oder ihrer Tochterunternehmen unabhängigen, international anerkannten Wirtschaftsprüfer als gleichwertige Sicherheit anerkannt werden, teilnehmen; und

- (b) dafür Sorge zu tragen, dass ihre Tochtergesellschaften für andere Kapitalmarktverbindlichkeiten sowie für Verbindlichkeiten unter Garantien oder Haftungen für andere Kapitalmarktverbindlichkeiten

(i) keine Sicherheiten bestellen, oder

(ii) Dritte veranlassen, zur Besicherung der von der Emittentin oder ihren Tochtergesellschaften aufgenommenen Kapitalmarktverbindlichkeiten und den Verbindlichkeiten der Emittentin oder ihrer Tochtergesellschaften unter Garantien oder Haftungen für Kapitalmarktverbindlichkeiten keine Sicherheiten am Vermögen dieser Dritten zu bestellen,

ohne jeweils unverzüglich sicherzustellen, dass die Anleihegläubiger zur gleichen Zeit und im gleichen Rang an solchen Sicherheiten oder an anderen Sicherheiten, die von einem vom bestehenden Abschlussprüfer der Emittentin oder ihrer Tochterunternehmen unabhängigen, international anerkannten Wirtschaftsprüfer als gleichwertige Sicherheit anerkannt werden, teilnehmen.

**Kapitalmarktverbindlichkeiten** im Sinne dieses § 4 sind alle Verbindlichkeiten aus Geldaufnahmen am Kapitalmarkt, die durch Schuldverschreibungen oder sonstige Wertpapiere oder in Form von Schuldscheindarlehen verbriefte sind.

Indebtedness,

without ensuring in each case without delay that the Noteholders will, at the same time and with the same priority, share in such Security or in any other Security as is recognised as equivalent Security by an internationally renowned certified public accountant that is independent of the auditor appointed for auditing the annual financial statements of the Issuer or its subsidiary enterprises; and

- (b) to see to it that in respect of any other Capital Market Indebtedness as well as in respect of any indebtedness under any guarantees or liabilities taken on in respect of any other Capital Market Indebtedness, its Subsidiaries will

(i) not provide any Security or

(ii) not cause third parties to provide any Security by creating rights in the assets of such third parties in order to furnish security for Capital Market Indebtedness incurred by the Issuer or its Subsidiaries and for obligations of the Issuer or its Subsidiaries under any guarantees or liabilities taken on in respect of Capital Market Indebtedness,

without ensuring in each case without delay that the Noteholders will, at the same time and with the same priority, share in such Security or in any other Security as is recognised as equivalent Security by an internationally renowned certified public accountant that is independent of the auditor appointed for auditing the annual financial statements of the Issuer or its subsidiary enterprises.

**Capital Market Indebtedness** within the meaning of this § 4 shall mean any indebtedness, incurred by borrowing money on the capital markets, that is represented by Notes or by other securities or in the form of loans against a borrower's note

**Sicherheiten** sind Hypotheken, Pfandrechte, Zurückbehaltungsrechte oder sonstige Belastungen und Sicherungsrechte an den gegenwärtigen oder zukünftigen Vermögenswerten oder Einkünften der Emittentin.

**Tochtergesellschaft** im Sinne dieser Anleihebedingungen ist jede Kapital- oder Personengesellschaft, an der die Emittentin und / oder ihre Tochtergesellschaften im Sinne dieser Bestimmung mehr als 50% des Kapitals oder der stimmberechtigten Anteile hält oder halten oder die sonst unmittelbar oder mittelbar unter dem beherrschenden Einfluss der Emittentin und / oder ihrer Tochtergesellschaften im Sinne dieser Bestimmung steht.

## **§ 5 ZINSEN**

**[Falls Schuldverschreibungen mit einem fixen Zinssatz begeben werden; einfügen:**

- (1) **Zinssatz und Zinszahlungstage.** Die Schuldverschreibungen werden bezogen auf ihren Nennbetrag verzinst, und zwar vom **[Verzinsungsbeginn einfügen]** (einschließlich) bis zum Fälligkeitstag (wie in § 6(1) definiert) (ausschließlich) mit jährlich **[Zinssatz einfügen]**. Die Zinsen sind nachträglich am **[Fixzinstermin(e) einfügen]** eines jeden Jahres zahlbar (jeweils ein Zinszahlungstag). Die erste Zinszahlung erfolgt am **[ersten Zinszahlungstag einfügen]** **[sofern der erste Zinszahlungstag nicht der erste Jahrestag des Verzinsungsbeginns ist, einfügen: und beläuft sich auf [die anfänglichen Bruchteilzinsbeträge je festgelegte Stückelung einfügen].]** **[Sofern der Fälligkeitstag kein Fixzinstermin ist, einfügen: Die Zinsen für den Zeitraum vom [den letzten dem Fälligkeitstag vorausgehenden Fixzinstermin einfügen] (einschließlich) bis zum Fälligkeitstag (ausschließlich) belaufen sich auf [die abschließenden Bruchteilzinsbeträge je festgelegte Stückelung einfügen].]**
- (2) **Auflaufende Zinsen.** Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht zurückzahlt, endet die Verzinsung der Schuldverschreibungen nicht am Tag der Fälligkeit, sondern erst zu dem Zeitpunkt, an dem Kapital und Zinsen aus oder im Zusammenhang mit den Schuldverschreibungen dem Clearingsystem zur Verfügung gestellt worden sind. Die Verzinsung des ausstehenden Nennbetrages vom Tag der Fälligkeit an (einschließlich) bis zum Tag der Rückzahlung der

(Schuldscheindarlehen).

**Security** means mortgages, pledges, liens and any other encumbrances and security interests created in the present or future assets or income of the Issuer.

**Subsidiary** within the meaning of these Terms and Conditions means any company or any partnership in which the Issuer and / or its Subsidiaries within the meaning of this provision hold(s) more than 50% of the capital or of the voting shares or which otherwise is directly or indirectly under the controlling influence of the Issuer and / or its Subsidiaries within the meaning of this provision.

## **§ 5 INTEREST**

**[In case of an issuance of Notes with a fixed interest rate, include:**

- (1) **Interest rate and interest payment dates.** The Notes shall bear interest in relation to their principal amount, from (and including) **[insert Interest Commencement Date]** and up to (but excluding) the Redemption Date (as defined in § 6(1)) at a rate of **[insert interest rate]** per annum. Interest shall be payable in arrears on **[insert fixed interest date(s)]** of each year (each an Interest Payment Date). The first payment of interest shall be made on **[insert first Interest Payment Date]** **[if the first Interest Payment Date is not the first anniversary of the Interest Commencement Date, insert: and it shall amount to [insert the initial broken interest amounts per specified denomination].]** **[If the Redemption Date is not a fixed interest date, insert: Interest for the period from (and including) [insert the last fixed interest date preceding the Redemption Date] and up to (but excluding) the Redemption Date shall amount to [insert the final broken interest amounts per specified denomination].]**
- (2) **Accrued interest.** If the Issuer fails to redeem the Notes when due, interest on the Notes shall continue to accrue beyond the due date until the date when principal and interest arising out of or in connection with the Notes have been placed at the disposal of the Clearing System. The interest accruing on the outstanding principal amount from (and including) the due date and up to (but excluding) the date of redemption of the Notes shall accrue at the default interest rate specified by law



Schuldverschreibungen (ausschließlich) erfolgt zum gesetzlich gemäß § 1000 ABGB festgelegten Satz für Verzugszinsen.

- (3) *Berechnung der Zinsen für Teile von Zeiträumen.* Sofern Zinsen für einen Zeitraum von weniger als einem Jahr zu berechnen sind, erfolgt die Berechnung auf der Grundlage des Zinstagequotienten (wie nachfolgend definiert).
- (4) *Zinstagequotient.* **Zinstagequotient** bedeutet die tatsächliche Anzahl der Tage im relevanten Zeitraum ab dem letztvorangegangenen Zinszahlungstag (oder, wenn es keinen solchen gibt, dem Emissionstag) (jeweils einschließlich) bis zum relevanten Zahltag (ausschließlich) [geteilt durch die Anzahl der Tage (365 bzw. 366) im Zeitraum vom letzten Zinszahlungstag (oder, wenn es keinen solchen gibt, dem Emissionstag) (jeweils einschließlich) bis zum nächstfolgenden Zinszahlungstag (ausschließlich) (Actual/Actual (ICMA)).][geteilt durch 365 Tage (Actual/365 (Fixed)).][geteilt durch 360 Tage (Actual/360).]

**[Falls Schuldverschreibungen mit einem variablen Zinssatz begeben werden sollen, einfügen:**

- (1) *Zinssatz und Zinszahlungstage:* Die Schuldverschreibungen werden bezogen auf ihren Nennbetrag verzinst, und zwar vom [Verzinsungsbeginn einfügen] (der *Verzinsungsbeginn*) (einschließlich) bis zum Fälligkeitstag (wie in § 6(1) definiert) (ausschließlich) mit dem von der Berechnungsstelle berechneten variablen Zinssatz. Die Zinsen sind nachträglich jeweils am Variabelzinszahlungstag zu zahlen, die erste solche Zahlung ist am [ersten Variabelzinszahlungstag einfügen] (der *Erste Variabelzinszahlungstag*) zu zahlen.

*Variabelzinszahlungstag* bedeutet [Variabelzinszahlungstag(e) einfügen] in jedem Jahr. Jede Periode von dem und einschließlich des Verzinsungsbeginns bis zum, aber ausschließlich des Ersten Variabelzinszahlungstag und danach vom und einschließlich des Variabelzinszahlungstag bis zum, aber ausschließlich des nächsten folgenden Variabelzinszahlungstag beziehungsweise des Fälligkeitstag, ist eine *Variabelzinsperiode*.

Der *variable Zinssatz* für jede Variabelzinsperiode wird entweder:

- (i) der Angebotssatz; oder

pursuant to sec.1000 of the Austrian General Civil Code (ABGB).

- (3) *Calculation of interest for fractions of periods.* If interest has to be calculated for a period of less than one year, the calculation shall be made on the basis of the Day Count Fraction (as defined below).
- (4) *Day Count Fraction.* **Day Count Fraction** means the actual number of days in the relevant period from (and including) the most recent Interest Payment Date (or, in the absence of such date, from (and including) the Issue Date) and up to (but excluding) the relevant Payment Day [divided by the number of days (365 or 366, as the case may be) in the period from (and including) the last Interest Payment Date (or, in the absence of such date, from (and including) the Issue Date) and up to (but excluding) the next following Interest Payment Date (Actual/Actual (ICMA)).][divided by 365 days (Actual/365 (Fixed)).][divided by 360 days (Actual/360).]

**[In case of an issuance of Notes with a variable interest rate, include:**

- (1) *Interest rate and interest payment dates.* The Notes shall bear interest in relation to their principal amount, from (and including) [insert Interest Commencement Date] (the *Interest Commencement Date*) and up to (but excluding) the Redemption Date (as defined in § 6(1)) at the Floating Interest Rate calculated by the Calculation Agent. Interest shall be payable in arrears on each Floating Interest Payment Date, the first such payment to be made on [insert First Floating Interest Payment Date] (the *First Floating Interest Payment Date*).

*Floating Interest Payment Date* means [insert variable interest payment date(s)] in each year. Each period from and including the Interest Commencement Date to but excluding the First Floating Interest Payment Date and thereafter from and including each Floating Interest Payment Date to but excluding the next following Floating Interest Payment Date or the Redemption Date, as the case may be, is a *Floating Interest Period*.

*Floating Interest Rate* for each Floating Interest Period will be either:

- (i) the offered quotation; or

(ii) das arithmetische Mittel (sofern notwendig auf die fünfte Dezimalstelle gerundet, wobei 0.000005 und, im Fall von EURIBOR, 0,0005 aufgerundet werden) der Angebotssätze,

(ausgedrückt als Prozentsatz *per annum*) für den Referenzzinssatz, der am jeweiligen Zinsfeststellungstag gegen 11:00 Uhr (London Zeit im Fall von LIBOR, oder Brüssel Zeit im Fall von EURIBOR) auf der Bildschirmseite angezeigt wird zuzüglich der Marge, wobei alle Festlegungen durch die Berechnungsstelle erfolgen. Sofern fünf oder mehr solche Angebotszinssätze verfügbar sind, sollen der höchste (oder, falls mehr als einer der höchste Angebotszinssatz ist, einer solcher Sätze) und der niedrigste (oder, falls mehr als einer der niedrigste Angebotszinssatz ist, einer solcher Sätze bei der Feststellung des arithmetischen Mittels der Angebotszinssätze (gerundet wie oben beschrieben) von der Berechnungsstelle nicht miteinbezogen werden.

**Referenzzinssatz** bedeutet [anwendbaren EURIBOR oder LIBOR Referenzzinssatz einfügen].

**Bildschirmseite** bedeutet die Reuters Bildschirmseite [Bildschirmseite einfügen] oder eine solche andere Bildschirmseite von Reuters oder eines Informationsservices der als Nachfolger der Bildschirmseite zum Zweck der Darstellung solcher Zinssätze bestimmt wurde.

**Marge** bedeutet [Marge einfügen]% per annum.

**Zinsfeststellungstag** ist der zweite Geschäftstag vor dem Beginn der relevanten Variabelzinsperiode.

Sollte die Bildschirmseite nicht zur Verfügung stehen, wird die Berechnungsstelle von fünf von ihr ausgewählten Referenzbanken die Angebotszinssätze (jeweils als Prozentsatz per annum ausgedrückt) für eine Periode, die der betreffenden Variabelzinsperiode gegenüber führenden Banken im Interbanken-Markt um etwa 11:00 Uhr des Zinsfeststellungstags entspricht, anfordern. Falls zwei oder mehr solcher Referenzbanken der Berechnungsstelle solche Angebotszinssätze nennen, soll der variable Zinssatz für eine solche Variabelzinsperiode das arithmetische Mittel der Angebotszinssätze (sofern notwendig auf die fünfte Dezimalstelle gerundet, wobei 0.000005 und, im Fall von

(ii) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 and, in case of EURIBOR, 0.0005, being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears on the Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus the Margin, all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

**Reference Rate** means the [insert applicable EURIBOR or LIBOR reference rate].

**Screen Page** means page [insert screen page] on the Reuters Monitor or such other screen page of Reuters or such other information service as has been designated the successor to the Screen Page for the purpose of displaying such rates.

**Margin** means [insert margin]% per annum.

**Interest Determination Date** means the second Business Day prior to the commencement of the relevant Floating Interest Period.

If the Screen Page is not available, the Calculation Agent shall request the five Reference Banks selected by it to provide the Calculation Agent with an offered quotation (expressed as a percentage rate per annum) for a period equal to the relevant Floating Interest Period to leading banks in the interbank market at approximately 11.00 a.m. on the Interest Determination Date. If two or more of the selected Reference Banks provide the Calculation Agent with such offered quotations, the Floating Interest Rate for such Floating Interest Period shall be the arithmetic mean of such offered quotations (rounded if necessary to the fifth decimal place, with 0.000005 and, in case of EURIBOR, 0.0005, being rounded upwards)

EURIBOR, 0,0005 aufgerundet werden) zuzüglich Marge sein. Für den Fall, dass der variable Zinssatz nicht gemäß den vorstehenden Bestimmungen ermittelt werden kann, ist der variable Zinssatz der Angebotsszinssatz oder das arithmetische Mittel des Angebotszinssätze der Bildschirmseite an dem letzten Tag vor dem Zinsfeststellungstag, an dem Angebotszinssätze angezeigt wurden zuzüglich der Marge.

**Referenzbanken** bezeichnet, im Fall einer Festlegung durch LIBOR, die Hauptniederlassung in London von fünf führenden Banken in dem Londoner Interbanken-Markt und, im Fall einer Festlegung durch EURIBOR, die Hauptniederlassung in der Eurozone von fünf führenden Banken in dem Interbanken-Markt der Eurozone, jeweils von der Berechnungsstelle festgelegt.

- (2) Die Berechnungsstelle soll den variablen Zinssatz an, oder so bald als praktisch möglich nach jedem Zeitpunkt, zu dem der variable Zinssatz festgestellt werden soll, feststellen und den Zinsbetrag (der **Zinsbetrag**) berechnen, der für die relevante Variabelzinsperiode für die Schuldverschreibungen zahlbar ist. Der Zinsbetrag ist durch Multiplikation des variablen Zinssatzes und dem Zinstagequotient mit dem Nennbetrag jeder Schuldverschreibung zu berechnen und das Ergebnis ist auf den nächsten Cent zu runden, wobei ab einem Anteil von 0.5 oder mehr von einem Cent aufzurunden ist.
- (3) Die Berechnungsstelle wird veranlassen, dass der variable Zinssatz, jeder Zinsbetrag, jede Variabelzinsperiode und der relevante Zinszahlungstag der Emittentin und, sofern von den Regelungen irgendeiner Börse vorgesehen, an der die Schuldverschreibungen notieren, dieser Börse und den Gläubigern gemäß § 14 baldmöglichst nach deren Feststellung, aber keinesfalls später als zu Beginn der unmittelbar folgenden Variabelzinsperiode, mitgeteilt werden. Im Fall einer Verlängerung oder Verkürzung der Variabelzinsperiode kann jeder Zinsbetrag und jeder Variabelzinsszahlungstag, der so mitgeteilt wurde nachträglich ohne Vorankündigung angepasst (oder andere geeignete Anpassungsregelungen getroffen) werden. Jede solche Anpassung wird umgehend allen Börsen, an denen die Schuldverschreibungen notieren, sowie den Gläubigern gemäß § 14 mitgeteilt.

plus the Margin. If the Floating Interest Rate cannot be determined in accordance with the foregoing provisions, the Floating Interest Rate shall be the offered quotation or the arithmetic mean of the offered quotations on the Screen Page on the last day preceding the Interest Determination Date on which such quotations were offered, plus the Margin.

**Reference Banks** means, in the case of a determination of LIBOR, the principal London office of five major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of five major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent.

- (2) The Calculation Agent shall, on or as soon as practicable after each time at which the Floating Interest Rate is to be determined, determine the Floating Interest Rate and calculate the amount of interest (the **Interest Amount**) payable on the Notes for the relevant Floating Interest Period. The Interest Amount shall be calculated by multiplying the Floating Interest Rate and the Day Count Fraction with the principal amount of each Note and rounding the resulting figure to the nearest cent, with 0.5 or more of a cent being rounded upwards.
- (3) The Calculation Agent will cause the Floating Interest Rate, each Interest Amount for each Floating Interest Period, each Floating Interest Period and the relevant Floating Interest Payment Date to be notified to the Issuer and, if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange, and to the Noteholders by notice in accordance with § 14 as soon as possible after their determination, but in no event later than at the beginning of the immediately following Floating Interest Period. Each Interest Amount and Floating Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements may be made by way of adjustment) without notice in the event of an extension or shortening of the Floating Interest Period. Any such amendment will be promptly notified to any stock exchange on which the Notes are then listed and to the Noteholders in accordance

(4) Alle Bescheinigungen, Mitteilungen, Gutachten, Festsetzungen, Berechnungen, Quotierungen und Entscheidungen, die von der Berechnungsstelle für die Zwecke dieses § 5 gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern nicht ein offensichtlicher Irrtum vorliegt) für die Emittentin, die Zahlstelle und die Gläubiger bindend.

(5) *Auflaufende Zinsen.* Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht zurückzahlt, endet die Verzinsung der Schuldverschreibungen nicht am Tag der Fälligkeit, sondern erst zu dem Zeitpunkt, an dem Kapital und Zinsen aus oder im Zusammenhang mit den Schuldverschreibungen dem Clearingsystem zur Verfügung gestellt worden sind. Die Verzinsung des ausstehenden Nennbetrages vom Tag der Fälligkeit an (einschließlich) bis zum Tag der Rückzahlung der Schuldverschreibungen (ausschließlich) erfolgt zum gesetzlich gemäß § 1000 ABGB festgelegten Satz für Verzugszinsen.

(6) *Zinstagequotient.* **Zinstagequotient** bedeutet die tatsächliche Anzahl der Tage im relevanten Zeitraum ab dem letztvorangegangenen Variabelzinszahlungstag (oder, wenn es keinen solchen gibt, dem Emissionstag) (jeweils einschließlich) bis zum relevanten Zahltag (ausschließlich) [geteilt durch die Anzahl der Tage (365 bzw. 366) im Zeitraum vom letzten Variabelzinszahlungstag (oder, wenn es keinen solchen gibt, dem Emissionstag) (jeweils einschließlich) bis zum nächstfolgenden Variabelzinszahlungstag (ausschließlich) (Actual/Actual (ICMA)).][geteilt durch 365 Tage (Actual/365 (Fixed)).][geteilt durch 360 Tage (Actual/360).]]

## § 6 RÜCKZAHLUNG

(1) *Rückzahlung bei Endfälligkeit.* Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zu ihrem Rückzahlungsbetrag am **[Festgelegten Fälligkeitstag einfügen]** (der *Fälligkeitstag*) zurückgezahlt. Der Rückzahlungsbetrag entspricht der festgelegten Stückelung. Mit Ausnahme der Bestimmung des § 6(2) [und § 6(5)] ist die Emittentin nicht berechtigt, die Schuldverschreibungen vor dem

with § 14.

(4) All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 5 by the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, the Paying Agent and the Noteholders.

(5) *Accrued interest.* If the Issuer fails to redeem the Notes when due, interest on the Notes shall continue to accrue beyond the due date until the date when principal and interest arising out of or in connection with the Notes have been placed at the disposal of the Clearing System. The interest accruing on the outstanding principal amount from (and including) the due date and up to (but excluding) the date of redemption of the Notes shall accrue at the default interest rate specified by law pursuant to sec. 1000 of the Austrian General Civil Code (ABGB).

(6) *Day Count Fraction.* **Day Count Fraction** means the actual number of days in the relevant period from (and including) the most recent Floating Interest Payment Date (or, in the absence of such date, from (and including) the Issue Date) and up to (but excluding) the relevant Payment Day [divided by the number of days (365 or 366, as the case may be) in the period from (and including) the last Floating Interest Payment Date (or, in the absence of such date, from (and including) the Issue Date) and up to (but excluding) the next following Floating Interest Payment Date (Actual/Actual (ICMA)).][divided by 365 days (Actual/365 (Fixed)).][divided by 360 days (Actual/360).]]

## § 6 REDEMPTION

(1) *Final Redemption.* To the extent they have not already been redeemed or purchased and cancelled, in whole or in part, before, the Notes will be redeemed at their redemption amount on **[insert the specified Redemption Date]** (the *Redemption Date*). The redemption amount shall be equal to the specified denomination. Except as provided for in § 6(2) [and § 6(5)], the Issuer is not entitled to redeem the Notes before the due

Fälligkeitstermin zurückzuzahlen.

- (2) *Vorzeitige Rückzahlung aus steuerlichen Gründen.* Falls die Emittentin als Folge einer Änderung oder Ergänzung der steuerrechtlichen Vorschriften von oder in der Republik Österreich oder als Folge einer Änderung oder Ergänzung der Anwendung oder der offiziellen Auslegung dieser Vorschriften am nächstfolgenden Zinszahlungstag zur Zahlung von zusätzlichen Beträgen (wie in § 9(1) definiert) verpflichtet ist und die Emittentin diese Verpflichtung nicht durch ihr zumutbare Maßnahmen vermeiden kann, ist die Emittentin berechtigt, die Schuldverschreibungen insgesamt, jedoch nicht teilweise, vorzeitig zu kündigen und zum Nennwert zuzüglich allfälliger bis zum für die Rückzahlung festgesetzten Tag aufgelaufener Zinsen zurückzuzahlen.
- (3) Eine solche vorzeitige Kündigung darf allerdings nicht (i) mit Wirkung früher als 90 Tage vor dem frühest möglichen Termin erfolgen, an dem die Emittentin verpflichtet wäre, solche zusätzlichen Beträge zu zahlen, falls eine Zahlung auf die Schuldverschreibungen dann fällig sein würde, oder (ii) erfolgen, wenn zu dem Zeitpunkt, zu dem die Kündigung erfolgt, die Verpflichtung zur Zahlung von zusätzlichen Beträgen oder zum Einbehalt oder Abzug nicht mehr wirksam ist.
- (4) Eine solche vorzeitige Kündigung ist durch die Emittentin mit einer Kündigungsfrist von mindestens 30 Tagen gegenüber der Zahlstelle mittels eingeschriebenem Brief mitzuteilen, wobei eine solche Kündigung zum Zeitpunkt des Zugangs der Kündigung bei der Zahlstelle wirksam wird, sofern die Kündigung gegenüber den Anleihegläubigern gemäß § 14 bekannt gemacht wird. Sie ist unwiderruflich, muss den für die Rückzahlung festgelegten Termin nennen und eine zusammenfassende Erklärung enthalten, welche die das Rückzahlungsrecht der Emittentin begründenden Umstände darlegt.

**[Falls ein Kündigungsrecht der Emittentin drei Monate vor dem Fälligkeitstag (Maturity Par Call) in den Endgültigen Bedingungen festgelegt ist, einfügen:]**

- (5) Die Emittentin ist berechtigt durch Kündigung an die Anleihegläubiger gemäß § 14 unter Einhaltung einer Kündigungsfrist von nicht weniger als 15 und nicht mehr als 30 Tagen die Schuldverschreibungen zur Gänze, aber nicht nur teilweise, zu jeder Zeit während der Periode beginnend an (und inklusive) dem Tag, der 90 Tage vor dem

date.

- (2) *Early redemption for tax reasons.* If the Issuer, as a consequence of any modification or amendment of the tax-law provisions of, or in force in, the Republic of Austria or as a consequence of any modification or amendment of the application or official interpretation of such provisions, is obligated to pay Additional Amounts (as defined in § 9(1)) on the next following Interest Payment Date and the Issuer is unable to avoid such obligation by taking measures it can reasonably be expected to take, the Issuer may terminate the Notes early, in whole but not in part, and redeem them at par plus any interest that may have been accrued up to the date specified for such redemption.
- (3) However, such notice of early termination may not be given (i) so as to take effect earlier than 90 days before the earliest possible date at which the Issuer would be obligated to pay such Additional Amounts if a payment on the Notes were then due, or (ii) if at the time when notice of termination is given the obligation to pay Additional Amounts or to withhold or deduct such amounts is no longer effective.
- (4) Such notice of early termination has to be given by the Issuer to the Paying Agent by means of a registered letter subject to a notice period of at least 30 days, and such termination shall take effect as of the notice being received by the Paying Agent, provided that termination is disclosed to the Noteholders in accordance with § 14. The notice of termination is irrevocable and must contain the date specified for redemption as well as a summary explanation describing the circumstances that justify the Issuer's right of redemption.

**[In case an Issuer call prior to maturity (Maturity Par Call) is specified in the applicable Final Terms, include:]**

- (5) The Issuer may, having given not less than 15 nor more than 30 days' notice to the Noteholders in accordance with § 14, redeem the Notes in whole, but not in part, at any time during the period commencing on (and including) the day that is 90 days prior to the Redemption Date to (but excluding) the Redemption Date, at par plus

Fälligkeitstag ist, bis zu (und exklusive) dem Fälligkeitstag, zum Nennbetrag zurückzuzahlen, zuzüglich allfälliger Zinsen, die bis zu (aber exklusive) dem Fälligkeitstag aufgelaufen sind (das **Kündigungsrecht der Emittentin vor dem Fälligkeitstag**).]

## § 7

### ZAHLSTELLE [UND BERECHNUNGSSTELLE]

- (1) *Bestellung.* Die anfänglich bestellte Zahlstelle und deren Kontaktdaten lauten wie folgt:

[Erste Group Bank AG  
Am Belvedere 1  
1100 Wien  
Österreich]

**[Falls eine andere Stelle bestellt ist, Name und Kontaktdaten einfügen.]**

[*Berechnungsstelle.* Die anfänglich bestellte Berechnungsstelle (die **Berechnungsstelle**) und deren Kontaktdaten lauten wie folgt: **[Name und Adresse der Berechnungsstelle einfügen]**]

- (2) *Änderung der Bestellung oder Abberufung.* Die Emittentin behält sich das Recht vor, jederzeit die Bestellung der Zahlstelle [oder der Berechnungsstelle] zu ändern oder zu beenden und eine andere Zahlstelle [oder Berechnungsstelle] zu bestellen. Dabei wird es sich stets um ein dem BWG (oder – soweit anwendbar – anderer auf Kreditinstitute anwendbarer gesetzlicher Regelungen der Mitglieder des Europäischen Wirtschaftsraums) unterliegendes Kreditinstitut handeln. Die Emittentin wird zu jedem Zeitpunkt eine Zahlstelle [und eine Berechnungsstelle] unterhalten **[im Fall von Schuldverschreibungen, die an der Wiener Börse notiert sind, einfügen: [und] solange die Schuldverschreibungen an der Wiener Börse notiert sind, eine Zahlstelle [und eine Berechnungsstelle] mit bezeichneter Geschäftsstelle in der Republik Österreich und / oder an solchen anderen Orten unterhalten, die die Regeln dieser Börse verlangen].** Eine Änderung, Abberufung, Bestellung oder ein sonstiger Wechsel der Zahlstelle [oder der Berechnungsstelle] wird nur wirksam (außer im Insolvenzfall, in dem eine solche Änderung sofort wirksam wird), sofern die Gläubiger hierüber gemäß § 14 vorab unter Einhaltung einer Frist von mindestens 30 und nicht mehr als 45 Tagen informiert wurden.

- (3) *Beauftragte der Emittentin.* Die Zahlstelle [und die Berechnungsstelle] handelt ausschließlich als Beauftragte der Emittentin und übernimmt [jeweils] keinerlei Verpflichtungen gegenüber den

any interest accrued to (but excluding) the date of redemption (the ***Issuer Call Prior to the Redemption Date***).]

## § 7

### PAYING AGENT [AND CALCULATION AGENT]

- (1) *Appointment.* The initial paying agent and its contact details shall be:

[Erste Group Bank AG  
Am Belvedere 1  
1100 Vienna  
Austria]

**[In the case of the appointment of paying agents, insert name and contact details]**

[*Calculation Agent.* The initial calculation agent (**Calculation Agent**) and its contact details shall be: **[insert name and address of Calculation Agent]**]

- (2) *Variation or revocation of the appointment.* The Issuer reserves the right to, at any time, modify or terminate the appointment of the Paying Agent [or Calculation Agent] and appoint a different paying agent [or calculation agent]. Such new Paying Agent [or Calculation Agent] shall always be a credit institution that is subject to the Austrian Banking Act (BWG) (or – where applicable – is subject to other statutory regulations of the member states of the European Economic Area that are applicable to credit institutions). The Issuer shall maintain a Paying Agent [and Calculation Agent] at all times **[in the case of Notes listed on the Vienna Stock Exchange, insert: [and] as long as the Notes are listed on the Vienna Stock Exchange (Wiener Börse) shall maintain a Paying Agent [and Calculation Agent] with a designated office in the Republic of Austria and / or at such other places as are required under the rules of that stock exchange].** Any variation, revocation of appointment, appointment of or other change regarding the Paying Agent [or Calculation Agent] shall (except in the event of insolvency where such change shall take effect immediately) take effect only if the creditors were informed thereof pursuant to § 14 in advance by observing a period of at least 30 and not more than 45 days.

- (3) *Agent of the Issuer.* The Paying Agent [and the Calculation Agent] acts solely as agent of the Issuer and does not assume any obligations towards or relationship of contract, agency or trust for or with any of

Anleihegläubigern. Es wird kein Auftrags- oder Treuhandverhältnis zwischen ihr und den Anleihegläubigern begründet.

## **§ 8 ZAHLUNGEN**

- (1) *Zahlung von Kapital.* Zahlungen von Kapital auf die Schuldverschreibungen erfolgen nach Maßgabe des nachstehenden Absatzes (6) (Zahltag) an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems.
- (2) *Zahlung von Zinsen.* Die Zahlung von Zinsen auf Schuldverschreibungen erfolgt nach Maßgabe von Absatz (6) (Zahltag) an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems.
- (3) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen auf die Schuldverschreibungen in der Währung.
- (4) *Erfüllung.* Zahlungen der Emittentin aus Kapital und Zinsen erfolgen über die Zahlstelle an das Clearingsystem oder an dessen Order zur Gutschrift für den jeweiligen Anleihegläubiger. Eine Zahlung aus den Schuldverschreibungen gilt als rechtzeitig, wenn sie am Fälligkeitstag nicht später als 9.00 Uhr auf dem Konto der bestellten Zahlstelle einlangt. Die Emittentin wird mit Zahlung an die Anleihegläubiger von ihrer entsprechenden Zahlungspflicht gegenüber den Anleihegläubigern befreit.
- (5) *Depotführende Stelle.* Die Gutschrift der Zins- und Tilgungszahlungen erfolgt über die jeweilige für den Inhaber der Schuldverschreibungen depotführende Stelle.
- (6) *Zahltag.* Fällt der Fälligkeitstag einer Zahlung in Bezug auf eine Schuldverschreibung auf einen Tag, der kein Zahltag ist, dann hat der Anleihegläubiger keinen Anspruch auf Zahlung vor dem nächsten Zahltag am jeweiligen Geschäftsort. Der Anleihegläubiger ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen (*unadjusted following*).

Für diese Zwecke bezeichnet **Zahltag**

- (a) in Bezug zu einer Summe, die in einer anderen Währung als EUR zahlbar ist, ein Tag ist

the Noteholders.

## **§ 8 PAYMENTS**

- (1) *Payment of principal.* Payments of principal on the Notes shall, subject to paragraph (6) (Payment Day) below, be made to the Clearing System or to its order for being credited to the accounts of the respective account holders of the Clearing System.
- (2) *Payment of interest.* The payment of interest on the Notes shall, subject to paragraph (6) (Payment Day) below, be made to the Clearing System or to its order for being credited to the accounts of the respective account holders of the Clearing System.
- (3) *Mode of payment.* Subject to applicable tax regulations and other statutory rules and regulations, any payments to be made on the Notes shall be made in the Currency.
- (4) *Performance.* Payments by the Issuer of principal and interest are made via the Paying Agent to the Clearing System or to its order for being credited to the account of the respective Noteholder. A payment under the Notes is deemed to have been made in due time if it is received on the account of the appointed Paying Agent not later than at 9.00 a.m. on the due date. By making payments to the Noteholders, the Issuer shall be released from its corresponding payment obligation with respect to the Noteholders.
- (5) *Custodian maintaining the securities account.* Payments of interest and repayments of principal shall be credited by way of the respective custodian maintaining the securities account for the holder of the Notes.
- (6) *Payment Day.* If the due date for a payment to be made in respect of a Note falls on a day that is not a Payment Day, the creditor cannot claim payment before the next day that is a Payment Day at the respective business location. The creditor may not demand additional interest or any other payments on account of such delay (*unadjusted following*).

For the purposes hereof, **Payment Day** means

- (a) in relation to any sum payable in a currency other than Euro, a day (other than a Saturday or Sunday) on

(ausgenommen Samstag und Sonntag) an dem die Geschäftsbanken und Devisenmärkte im Hauptfinanzzentrum des Landes der relevanten Währung Zahlungen abwickeln; oder

- (b) einen Tag (außer einem Samstag oder Sonntag) an dem das Clearingsystem sowie alle betroffenen Bereiche des *Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET2)* betriebsbereit sind, um die betreffende Zahlung abzuwickeln.

## **§ 9 STEUERN**

- (1) Sämtliche auf die Schuldverschreibungen zu zahlenden Beträge sind ohne Einbehalt oder Abzug an der Quelle von gegenwärtigen oder zukünftigen Steuern oder sonstigen Abgaben gleich welcher Art zu leisten, die von oder in der Republik Österreich oder für deren Rechnung oder von oder für Rechnung einer Gebietskörperschaft oder Steuerbehörde der oder in der Republik Österreich auferlegt oder erhoben werden, es sei denn, ein solcher Einbehalt oder Abzug ist gesetzlich vorgeschrieben. In diesem Fall wird die Emittentin diejenigen zusätzlichen Beträge (die zusätzlichen Beträge) zahlen, die erforderlich sind, damit die den Anleihegläubigern zufließenden Nettobeträge nach einem solchen Einbehalt oder Abzug jeweils den Beträgen von Kapital und Zinsen entsprechen, die ohne einen solchen Einbehalt oder Abzug von den Anleihegläubigern empfangen worden wären.
- (2) Die Verpflichtung zur Zahlung solcher zusätzlichen Beträge besteht jedoch nicht für solche Steuern und Abgaben, die:
- (a) anders als durch Einbehalt oder Abzug an der Quelle auf Zahlungen von Kapital und Zinsen aus den Schuldverschreibungen zu entrichten sind; oder
- (b) zahlbar sind, weil der Anleihegläubiger
- (i) zur Republik Österreich eine aus steuerlicher Sicht andere relevante Verbindung hat als den bloßen Umstand, dass er Inhaber der Schuldverschreibungen ist, oder
- (ii) eine Zahlung von Kapital oder Zinsen aus den

which commercial banks and foreign exchange markets settle payments in the principal financial center of the country of the relevant currency; or

- (b) a day (other than a Saturday or Sunday) on which the Clearing System and all relevant areas of the Trans-European Automated Real-Time Gross Settlement Express Transfer System (**TARGET2**) are operational to settle the payment concerned.

## **§ 9 TAXES**

- (1) All amounts to be paid in respect of the Notes have to be paid without any withholding or deduction at the source for any taxes or other duties, present or future, of whatever nature as are imposed or levied by or in or for the account of the Republic of Austria, or by or for the account of any political subdivision or any tax authority of or in the Republic of Austria, unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts (the Additional Amounts) as are required to ensure that the net amounts received by the Noteholders after such withholding or deduction will in each case correspond to the amounts of principal and interest the Noteholders would have received if no such withholding or deduction had been made.
- (2) However, there shall be no obligation to pay such Additional Amounts with respect to those taxes and duties:
- (a) which have to be paid on any payments of principal and interest made under the Notes in a way different from withholding or deduction at the source; or
- (b) which are payable because the Noteholder,
- (i) from the tax perspective, has a relevant relationship with the Republic of Austria other than the mere circumstance of him being the holder of the Notes; or
- (ii) receives a payment of principal or interest under the Notes from



|     |  |  |
|-----|--|--|
|     | Schuldverschreibungen von einer in der Republik Österreich befindlichen kuponanzahlenden Stelle (im Sinne des § 95 Abs 2 EStG 1988 idgF oder einer allfälligen entsprechenden Nachfolgebestimmung) erhält; oder  | a coupon paying agent ( <i>kuponanzahlende Stelle</i> ) (within the meaning of sec. 95 para. 2 of the Austrian Income Tax Act of 1988 (EStG 1988) as amended or an equivalent successor provision, if any) located in the Republic of Austria; or  |
| (c) | von einer Zahlstelle einbehalten oder abgezogen werden, wenn die Zahlung von einer anderen Zahlstelle ohne den Einbehalt oder Abzug hätte vorgenommen werden können; oder  | (c) which are withheld or deducted by a Paying Agent if payment could have been made by another Paying Agent without such deduction or withholding; or   |
| (d) | nach Zahlung durch die Emittentin im Rahmen des Transfers an den Anleihegläubiger abgezogen oder einbehalten werden; oder  | (d) which after payment by the Issuer are withheld or deducted in the course of the transfer to the Noteholder; or   |
| (e) | nicht zahlbar wären, wenn der Anleihegläubiger den Anspruch auf die betreffende Zahlung von Kapital oder Zinsen ordnungsgemäß innerhalb von 30 Tagen nach dem jeweiligen Fälligkeitstag geltend gemacht hätte; oder  | (e) which would not have to be paid if the Noteholder had duly raised the claim for the payment of principal or interest in question within 30 days after the respective due date; or  |
| (f) | aufgrund eines Doppelbesteuerungsabkommens oder der Steuergesetze der Republik Österreich rückerstattbar wären oder aufgrund gemeinschaftsrechtlicher Bestimmungen an der Quelle entlastbar wären; oder  | (f) which could be reclaimed pursuant to a double taxation treaty or the tax laws of the Republic of Austria or would be dischargeable at the source due to Community law provisions; or   |
| (g) | aufgrund oder infolge  | (g) which are imposed or levied due to or as a result of   |
|     | (i) eines internationalen Vertrages, dessen Partei die Republik Österreich ist oder  | (i) an international treaty to which the Republic of Austria is a party or   |
|     | (ii) einer Verordnung oder Richtlinie aufgrund oder infolge eines solchen internationalen Vertrages auferlegt oder erhoben werden; oder  | (ii) any regulation or directive on account of or as a result of such international treaty; or   |
| (h) | wegen einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung oder - wenn die Zahlung später erfolgt - nach ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß § 14 wirksam wird; oder | (h) which have to be paid because of a change of law that takes effect later than 30 days after the respective payment falling due or - if payment is made later - after all due amounts have been properly committed and disclosure in this respect has been made in accordance with § 14; or |
| (i) | von einer Zahlstelle auf Grund der Richtlinie 2003/48/EG, auf Grund des EU-QuStG BGBl I Nr 33/2004 idgF oder aufgrund anderer Rechts-  | (i) which are withheld or deducted by a Paying Agent pursuant to European Council Directive 2003/48/EC, pursuant to the Austrian EU Source   |

und Verwaltungsvorschriften, welche zur Umsetzung der Richtlinie 2003/48/EG erlassen wurden, einbehalten oder abgezogen wurden; oder

- (j) von einem Anleihegläubiger nicht zu leisten wären, soweit er in zumutbarer Weise Steuerfreiheit oder eine Steuererstattung oder eine Steuervergütung hätte erlangen können.

## § 10

### KÜNDIGUNGSRECHT DER ANLEIHEGLÄUBIGER

- (1) *Kündigungsrecht.* Ein ordentliches Kündigungsrecht der Anleihegläubiger besteht nicht. Ein Recht zur außerordentlichen Kündigung der Anleihegläubiger aus wichtigem Grund, insbesondere bei Eintritt der in § 10 Absatz 2 der Anleihebedingungen beschriebenen Ereignisse, bleibt hierdurch unberührt.
- (2) *Außerordentliche Kündigung.* Jeder Anleihegläubiger ist berechtigt, seine Schuldverschreibungen aus wichtigem Grund zu kündigen und deren sofortige Rückzahlung zum Nennwert, zuzüglich allfälliger bis zum Tage der Rückzahlung aufgelaufener Zinsen zu verlangen. Ein wichtiger Grund ist insbesondere dann gegeben, wenn:
- (a) die Emittentin Kapital oder Zinsen nicht innerhalb von 7 Geschäftstagen nach dem jeweiligen Fälligkeitstag zahlt; oder
- (b) die Emittentin die ordnungsgemäße Erfüllung irgendeiner anderen wesentlichen Verpflichtung aus den Schuldverschreibungen unterlässt und die Unterlassung länger als 15 Geschäftstage fort dauert, nachdem die Zahlstelle hierüber eine Benachrichtigung von einem Anleihegläubiger erhalten hat; oder
- (c) eine von einem (Schieds-)Gericht oder einer Verwaltungsbehörde rechtskräftig festgestellte Schuld der Emittentin oder einer wesentlichen Konzerngesellschaft mit einem EUR 7.500.000 (oder den Gegenwert in einer anderen Währung) übersteigenden Betrag nicht erfüllt wird und diese Nichterfüllung länger als vier Wochen fort dauert; oder
- (d) eine für eine Verbindlichkeit der

Tax Act (EU Quellensteuergesetz, EU-QuStG, Federal Law Gazette (BGBl) I 2004/33) as amended, or pursuant to any other legal or administrative provisions enacted for the purpose of implementing European Council Directive 2003/48/EC; or

- (j) which would not have to be paid by a Noteholder to the extent the Noteholder could, in a reasonable manner, have obtained exemption from taxes or a rebate of taxes or a restitution of taxes.

## § 10

### NOTEHOLDERS' RIGHT OF TERMINATION

- (1) *Right of Termination.* The Noteholders have no general right of termination. The foregoing shall have no effect on the Noteholders' right of extraordinary termination for cause, in particular upon the occurrence of an event listed in § 10 (2) of the Terms and Conditions.
- (2) *Extraordinary termination.* Any Noteholder shall be entitled to terminate its Notes for cause and to demand their immediate redemption at their principal amount together with interest, if any, accrued until the date of repayment. Cause shall be deemed to exist in particular when:
- (a) the Issuer does not pay principal or interest within 7 Business Days after the respective due date; or
- (b) the Issuer fails to duly perform any other material obligation under the Notes and such omission continues for more than 15 Business Days after the Paying Agent having received notification thereof from a Noteholder; or
- (c) a debt, established by a final and absolute ruling of a court or (arbitral) tribunal or administrative authority, on the part of the Issuer or any Material Group Company in an amount exceeding EUR 7,500,000 (or its equivalent in any other currency) is not discharged and such non-performance continues for more than four weeks; or
- (d) a Security furnished for a liability of

|     |   |     |   |
|-----|---|-----|---|
|     | Emittentin bestellte Sicherheit von einer Vertragspartei unter Zustimmung der Emittentin verwertet wird und es dadurch zu einer wesentlichen Beeinträchtigung der Fähigkeit der Emittentin kommt, ihre Verbindlichkeiten aus den Schuldverschreibungen zu bedienen; oder  |     | the Issuer is realized by a contracting party with the Issuer's consent and such realization results in the Issuer's ability to service its liabilities under the Notes being materially affected; or   |
| (e) | die Emittentin oder eine wesentliche Konzerngesellschaft ihre Zahlungen einstellt oder ihre Zahlungsunfähigkeit oder Überschuldung allgemein bekannt gibt, oder ihren Gläubigern eine allgemeine Regelung zur Bezahlung ihrer Schulden anbietet; oder   | (e) | the Issuer or a Material Group Company suspends its payments, or generally makes public its inability to pay or overindebtedness, or offers its creditors a general arrangement for the payment of its debts; or  |
| (f) | ein Gericht ein Insolvenzverfahren gegen <ul style="list-style-type: none"> <li>(i) die Emittentin eröffnet oder mangels kostendeckenden Vermögens abgelehnt wird; oder</li> <li>(ii) eine wesentliche Konzerngesellschaft eröffnet oder die Eröffnung mangels kostendeckenden Vermögens abgelehnt wird; oder</li> </ul>  | (f) | a court opens insolvency proceedings against <ul style="list-style-type: none"> <li>(i) the Issuer or such insolvency proceedings are denied for lack of sufficient assets to cover the costs; or</li> <li>(ii) a Material Group Company or such insolvency proceedings are denied for lack of sufficient assets to cover the costs; or</li> </ul>  |
| (g) | die Emittentin oder eine wesentliche Konzerngesellschaft (i) ihre Geschäftstätigkeit ganz oder überwiegend einstellt oder (ii) alle oder wesentliche Teile ihrer Vermögenswerte veräußert oder anderweitig abgibt oder (iii) nicht fremdübliche Geschäfte mit verbundenen Unternehmen abschließt und sich die Vermögens-, Finanz- und Ertragslage der Emittentin dadurch wesentlich verschlechtert, oder  | (g) | the Issuer or a Material Group Company (i) ceases to carry on all or a material part of its current business or operations or (ii) sells or otherwise alienates all or material portions of its assets or (iii) enters into transactions within the Group that are not negotiated on an arm's length basis and this has a material adverse effect on the assets and liabilities, the financial position and the results of the Issuer, or |
| (h) | die Emittentin oder eine wesentliche Konzerngesellschaft in Liquidation tritt, es sei denn, dies geschieht im Zusammenhang mit einer Verschmelzung oder einer anderen Form des Zusammenschlusses oder einer Umstrukturierung und sämtliche Verpflichtungen aus diesen Schuldverschreibungen von der anderen oder neuen Gesellschaft übernommen werden und die Kreditwürdigkeit dieser Gesellschaft gleich oder höher als die der Emittentin ist; oder | (h) | the Issuer or a Material Group Company goes into liquidation, except in connection with a merger or other form of combination with another company or in connection with a restructuring measure where all of the liabilities under these Notes are assumed by the other or new company and the creditworthiness of such company is equal to or above that of the Issuer; or  |
| (i) | ein Kontrollwechsel (wie unten definiert) erfolgt, es sei denn, eine  | (i) | a Change of Control (as defined below) occurs, except when an   |

international anerkannte Ratingagentur erteilt der Emittentin innerhalb von 180 Tagen nach einem derartigen Kontrollwechsel ein Rating von zumindest "BBB" in Bezug auf deren langfristige, nicht-nachrangige Anleihen. Die Emittentin wird einen Kontrollwechsel unverzüglich gemäß § 14 bekannt machen. Eine Kündigung nach diesem Unterabsatz (i) ist nur gültig, wenn die entsprechende Kündigungserklärung gemäß Absatz (4) innerhalb von 30 Tagen nach der Bekanntmachung des Kontrollwechsels erfolgt; oder

- (j) die Emittentin gegen eine ihrer Verpflichtungen nach § 4 dieser Anleihebedingungen verstößt.

Als **wesentliche Konzerngesellschaft** im Sinne dieses § 10 gilt ein Konzernunternehmen (iSd § 15 AktG) der Emittentin, deren anteiliger Umsatz im letzten Geschäftsjahr mehr als 10 % des konsolidierten Konzernumsatzes gemäß dem zuletzt veröffentlichten Konzernabschlusses der Emittentin erreicht.

Als **Kontrollwechsel** im Sinne dieses § 10 gilt, wenn eine oder mehrere gemeinsam vorgehende Personen oder eine Drittperson oder -personen, die für eine solche Person oder Personen handeln, zu irgendeiner Zeit direkt oder indirekt (i) mehr als 50% der mit den Aktien der Emittentin verbundenen Stimmrechte oder (ii) das Recht, die Mehrzahl der Mitglieder des Vorstands und / oder der Gesellschaftervertreter im Aufsichtsrat zu bestimmen, erworben haben. Als Kontrollwechsel gilt nicht eine relevante Änderung in der Beteiligung an der Emittentin im Sinne des vorstehenden Satzes, wenn die neu an der Emittentin mehrheitlich oder zusammen mehrheitlich beteiligten und gemeinsam vorgehenden Personen der "Familie Graf" oder "von der Familie Graf geführten Unternehmen" angehören.

**Familie Graf** bezeichnet Herrn Prof. Johann F. Graf, geboren am 3. Jänner 1947, sowie alle (i) Nachkommen in gerader Linie (einschließlich adoptierter Personen) von Herrn Prof. Johann F. Graf, (ii) Ehegatten von Herrn Prof. Johann F. Graf oder der in (i) genannten Personen, oder (iii) Witwen oder Witwer der in (i) genannten Personen und Personen, die mit den in (i), (ii) oder (iii) genannten Personen in gerader Linie oder bis zum dritten Grad der Seitenlinie verwandt oder verschwägert sind, sowie Wahl- und Pflegekinder sowie Personen, die mit den in (i) genannten Personen in außerehelicher Gemeinschaft leben.

**Von der Familie Graf geführte Unternehmen** sind Unternehmen, die von der Familie Graf kontrolliert

internationally renowned rating agency grants the Issuer a rating of at least "BBB" in respect of its long-term, unsubordinated notes within 180 days after such Change of Control. The Issuer shall disclose a Change of Control in accordance with § 14 without delay. Termination according to this subparagraph (i) shall be valid only if the respective notice pursuant to paragraph (4) is given within 30 days after the Change of Control has been disclosed; or

- (j) the Issuer violates any of its obligations pursuant to § 4 of these Terms and Conditions.

**Material Group Company** within the meaning of this § 10 shall mean any group-affiliate (*Konzernunternehmen*) (as defined by sec. 15 of the Austrian Stock Corporation Act (*AktG*)) of the Issuer the attributable revenue of which in the most recent financial year exceeded 10 % of the consolidated Group revenue of the Issuer as stated in the Issuer's most recently published annual financial statements.

**Change of Control** within the meaning of this § 10 shall be deemed to occur if any person or any persons acting in concert or any third person or persons acting on behalf of any such person(s) at any time directly or indirectly acquire(s) (i) more than 50% of the voting rights attaching to the Issuer's stock or (ii) the right to determine the majority of the members of the management board and / or of the shareholders' representatives on the supervisory board. A Change of Control will not be deemed to have occurred upon a relevant change in the participation rights with respect to the Issuer in accordance with the preceding sentence when the person, or persons acting in concert, that newly acquired such majority rights belong to the "Graf Family" or "Companies Managed by the Graf Family".

**Graf Family** means Mr. Prof. Johann F. Graf, born on 2 January 1947, and (i) heirs in straight succession (including adopted people) of Mr. Prof. Johann F. Graf, (ii) spouses of Mr. Prof. Johann F. Graf or of the people specified in (i) above, or (iii) widows or widowers of the people specified in (i) above and people that are related or related-by-marriage in straight succession or to the third degree collateral line to the people specified in (i), (ii) or (iii) above, as well as foster children and people living in extra-marital companionship with people specified in (i).

**Companies Managed by the Graf Family** means companies, that are controlled by the Graf Family,

werden, mit diesen Unternehmen verbundene Unternehmen und (Privat-)Stiftungen deren Begünstigte überwiegend ein oder mehrere Mitglieder der Familie Graf sind. Als verbundene Unternehmen in diesem Sinne gelten solche Unternehmen, die nach anwendbaren Vorschriften über die Vollkonsolidierung in den Konzernabschluss eines (in - oder ausländischen) Mutterunternehmens, das als oberstes Mutterunternehmen den am weitestgehenden Konzernabschluss aufzustellen hat, einzubeziehen sind, auch wenn die Aufstellung unterbleibt oder Tochterunternehmen aus anderen Gründen nicht in den Konzernabschluss einbezogen werden.

**Geschäftstag** bezeichnet einen Tag, der entweder

- (a) in Bezug zu einer Summe, die in einer anderen Währung als EUR zahlbar ist, ein Tag ist (ausgenommen Samstag und Sonntag) an dem die Geschäftsbanken und Devisenmärkte im Hauptfinanzzentrum des Landes der relevanten Währung Zahlungen abwickeln; oder
  - (b) ein Tag ist, an dem das *Trans-European Automated Real Time Gross Settlement Express Transfer (TARGET2)* System und die Clearingsysteme Zahlungen in Euro abwickeln.
- (3) *Erlöschung des Kündigungsrechts.* Das Kündigungsrecht erlischt, falls der Kündigungsgrund vor wirksamer Ausübung des Rechts nach diesem Absatz geheilt wurde.
- (4) *Benachrichtigung.* Alle Mitteilungen der Anleihegläubiger an die Zahlstelle, insbesondere eine Kündigung der Schuldverschreibungen gemäß Absatz (1), sind schriftlich in deutscher Sprache per Einschreiben an die Zahlstelle zu übermitteln. Mitteilungen werden (vorbehaltlich des Absatzes (3)) mit Zugang an die Zahlstelle wirksam. Der Mitteilung ist ein Nachweis darüber beizufügen, dass der betreffende Anleihegläubiger zum Zeitpunkt der Mitteilung Inhaber der betreffenden Schuldverschreibungen ist. Der Nachweis kann durch eine Bescheinigung der Depotbank oder auf andere geeignete Weise erbracht werden.

## § 11 VERJÄHRUNG

Ansprüche auf die Zahlung von Zinsen verjähren nach drei Jahren, Ansprüche auf die Zahlung von Kapital verjähren nach dreißig Jahren ab Fälligkeit.

companies affiliated with such controlled companies and (private) foundations whose beneficiaries are predominantly one or more members of the Graf Family. Affiliated companies in the context of this provision are companies that, according to applicable regulations, are to be consolidated in the annual financial statements of a (domestic or foreign) parent company that, as the top parent company, is obliged to produce the most extensive annual financial statements, even if such annual financial statements are not in fact produced or subsidiaries are not consolidated therein for any other reason.

**Business Day** means a day which is either

- (a) in relation to any sum payable in a currency other than Euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial center of the country of the relevant currency; or
  - (b) a day on which the Trans-European Automated Real Time Gross Settlement Express Transfer (TARGET2) System and the clearing systems process payments in Euros.
- (3) *Expiry of right of termination.* The right of termination shall expire if the Event of Default is cured before the right was effectively exercised pursuant to this paragraph.
- (4) *Notification.* All notices from the Noteholders to the Paying Agent, including without limitation notice of termination of the Notes pursuant to paragraph (1), shall be given in writing, in the German language, and sent to the Paying Agent by registered letter. Notices shall take effect (subject to paragraph (3)) upon receipt by the Paying Agent. The notice must be accompanied by proof of the respective Noteholder's current status as the holder of the Notes concerned. Proof can be furnished in the form of a certificate by the custodian bank or in any other suitable way.

## § 11 LIMITATION PERIOD

Claims for the payment of interest shall become statute-barred after three years, and claims for the payment of principal after thirty years after maturity.

## § 12

### [BEI KEINER BEABSICHTIGTEN BÖRSENOTIERUNG EINFÜGEN: KEINE] BÖRSENOTIERUNG

**[Bei beabsichtigter Börsenotierung einfügen:** Es ist beabsichtigt, die Zulassung der Schuldverschreibungen zum Handel im **[Marktsegment einfügen]** an der **[Börse einfügen]** zu beantragen.]

**[Bei keiner beabsichtigter Börsenotierung einfügen:** Eine Zulassung der Schuldverschreibungen zum Handel einer Wertpapierbörse ist nicht beabsichtigt.]

## § 13

### BEGEBUNG WEITERER SCHULDVERSCHREIBUNGEN, ANKAUF, ENTWERTUNG

- (1) *Begebung weiterer Schuldverschreibungen.* Die Emittentin ist - neben der Emission weiterer Schuldverschreibungen, die mit diesen Schuldverschreibungen keine einheitliche Serie bilden - berechtigt, jederzeit ohne Zustimmung der Anleihegläubiger weitere Schuldverschreibungen mit gleicher Ausstattung (gegebenenfalls mit Ausnahme des Tages der Emission, des Verzinsungsbeginns, des Reoffer Preises, sofern anwendbar, und des Ausgabepreises) in der Weise zu emittieren, dass sie mit diesen Schuldverschreibungen eine einheitliche Serie bilden. In der Begebung weiterer Anleihen ist die Emittentin frei.
- (2) *Ankauf.* Die Emittentin ist berechtigt, Schuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis zu kaufen. Die von der Emittentin erworbenen Schuldverschreibungen können nach Wahl der Emittentin von ihr gehalten, weiterverkauft oder bei der Zahlstelle zwecks Entwertung eingereicht werden.
- (3) *Entwertung.* Sämtliche vollständig zurückgezahlten Schuldverschreibungen sind unverzüglich zu entwerten und können nicht wieder emittiert oder wieder verkauft werden.

## § 14

### MITTEILUNGEN

- (1) *Bekanntmachung.* Alle die Schuldverschreibungen betreffenden Mitteilungen an die Anleihegläubiger sind im **[Bei Veröffentlichung im Amtsblatt zur Wiener Zeitung einfügen: Amtsblatt zur Wiener Zeitung]** **[Bei Veröffentlichung in einem anderen Bekanntmachungsmedium einfügen: Bezeichnung des Bekanntmachungsmediums]** oder, falls diese ihr Erscheinen einstellt, in einer anderen Tageszeitung mit Verbreitung in ganz **[Verbreitungsort einfügen]** zu veröffentlichen. Jede derartige Mitteilung gilt

## § 12

### [IF NO LISTING ON THE STOCK EXCHANGE IS INTENDED, INSERT: NO] LISTING ON THE STOCK EXCHANGE

**[If listing on the stock exchange is intended, insert:** Application will be made to the **[insert stock exchange]** for the Notes to be admitted to trading on the **[insert market segment].]**

**[If listing on the stock exchange is not intended, insert:** It is not intended to have the Notes admitted to trading on a stock exchange.]

## § 13

### FURTHER ISSUES OF NOTES, PURCHASE, CANCELLATION

- (1) *Further issues.* The Issuer may - apart from issuing further notes not forming a single series with the present Notes - at any time and without the consent of the Noteholders issue further Notes having the same terms and conditions as the Notes in all respects (except for the Issue Date, the Interest Commencement Date, the Reoffer Price, if applicable, and the Issue Price, as the case may be) so as to form a single series with the present Notes. The Issuer shall be free of any restrictions as regards further issues.
- (2) *Purchase.* The Issuer may purchase Notes in the market or otherwise at any price. The Issuer may, at its option, hold or resell the Notes acquired by it or submit them to the Paying Agent for cancellation.
- (3) *Cancellation.* Any and all fully redeemed Notes shall be cancelled without delay and cannot be re-issued or resold.

## § 14

### NOTICES

- (1) *Disclosure.* All notices concerning the Notes made to the Noteholders shall be published in **[if publication in the Official Gazette attached to the Wiener Zeitung is intended, insert: Official Gazette attached to the Wiener Zeitung]** **[if publication in another medium of publication is intended, insert: name of medium of publication]** or, if the latter ceases to be published, in any other daily newspaper circulated in all of **[insert territory of circulation]**. Any such notice will be deemed to have been effected upon the fifth

mit dem fünften Tag der Veröffentlichung als wirksam erfolgt.

- (2) *Mitteilungen an das Clearingsystem.* Falls die Schuldverschreibungen zum Handel an einem geregelten Markt zugelassen werden, gelten sämtliche Mitteilungen an die Anleihegläubiger als ordnungsgemäß bekannt gemacht, wenn sie durch eine elektronische Mitteilung mit Verbreitung innerhalb der Europäischen Union und dem Staat des jeweiligen geregelten Marktes, an der Schuldverschreibungen notiert sind, durch elektronische Veröffentlichung veröffentlicht werden, solange diese Notierung fort dauert und die Regeln der jeweiligen Börse dies erfordern. Jede derartige Mitteilung gilt mit dem [fünften][siebten] Tag der ersten Veröffentlichung als bekannt gemacht; falls eine Veröffentlichung in mehr als einer elektronischen Mitteilungsform vorgeschrieben ist, ist der Tag maßgeblich, an dem die Bekanntmachung erstmals in allen erforderlichen elektronischen Mitteilungsformen erfolgt ist.

#### § 15

##### ANWENDBARES RECHT, GERICHTSSTAND, TEILNICHTIGKEIT

- (1) *Anwendbares Recht.* Die Schuldverschreibungen und alle außervertraglichen Schuldverhältnisse, die sich aus oder im Zusammenhang mit den Schuldverschreibungen ergeben, unterliegen österreichischem Recht unter Ausschluss der Verweisungsnormen des österreichischen internationalen Privatrechts. Erfüllungsort ist Wien, Österreich.
- (2) *Gerichtsstand.*
- (a) Für alle Rechtsstreitigkeiten aus oder im Zusammenhang mit den Schuldverschreibungen (einschließlich allfälliger Streitigkeiten im Zusammenhang mit außervertraglichen Schuldverhältnissen, die sich aus oder im Zusammenhang mit den Schuldverschreibungen ergeben) ist das für Handelssachen jeweils zuständige Gericht in Wien, Innere Stadt, ausschließlich zuständig, soweit dies nach den anwendbaren zwingenden Konsumentenschutzgesetzen zulässig ist.
- (b) Für alle Rechtsstreitigkeiten eines Verbrauchers aus oder im Zusammenhang mit den Schuldverschreibungen

day following its publication.

- (2) *Notices to the Clearing System.* If the Notes are admitted to trading on any regulated market, notices to the Noteholders will be valid if published through electronic means having general circulation within the European Union and in the jurisdiction of the relevant regulated market on which the Notes may be listed from time to time, for so long as the Notes are listed on the respective market and the rules of any such exchange so require. Any such notice shall be deemed to have been given on the [fifth][seventh] day following the first publication or, when required to be published by more than one electronic means, on the date on which the notice has first been published by all required electronic means.

#### § 15

##### GOVERNING LAW, PLACE OF JURISDICTION, SEVERABILITY

- (1) *Governing law.* The Notes and all non-contractual obligations arising out of or in connection with the Notes will be governed by Austrian law to the exclusion of the conflict-of-laws rules of the Austrian Act on Private International Law (Internationales Privatrechtsgesetz, IPRG). The place of performance shall be Vienna, Austria.
- (2) *Place of jurisdiction.*
- (a) Any and all legal disputes arising out of or in connection with the Notes (including any possible disputes in connection with non-contractual obligations arising out of or in connection with the Notes) shall be settled exclusively by the court in Vienna, first district (Innere Stadt), having jurisdiction over commercial matters, to the extent the jurisdiction of such court is permitted under the applicable mandatory consumer protection statutes.
- (b) Any and all legal disputes of a consumer arising out of or in connection with the Notes (including any possible disputes in connection

(einschließlich allfälliger Streitigkeiten im Zusammenhang mit außervertraglichen Schuldverhältnissen, die sich aus oder im Zusammenhang mit den Schuldverschreibungen ergeben) gegen die Emittentin ist nach Wahl des Verbrauchers das sachlich und örtlich zuständige Gericht am Wohnsitz des Verbrauchers oder am Sitz des Emittenten oder ein sonstiges, aufgrund der gesetzlichen Bestimmungen zuständiges Gericht zuständig.

Der für Rechtsstreitigkeiten eines Verbrauchers bei Zeichnung der Schuldverschreibungen gegebenen allgemeine Gerichtsstand in Österreich bleibt auch dann erhalten, wenn der Verbraucher nach Zeichnung seinen Wohnsitz ins Ausland verlegt und österreichische gerichtliche Entscheidungen in diesem Land vollstreckbar sind.

- (3) *Teilnichtigkeit.* Sollten einzelne Bestimmungen dieser Anleihebedingungen ganz oder teilweise rechtsunwirksam sein oder werden, so bleiben die übrigen Bestimmungen dieser Anleihebedingungen in Kraft.

with non-contractual obligations arising out of or in connection with the Notes) versus the Issuer shall be settled, at the consumer's option, by the court having subject-matter and local jurisdiction at the place of residence of the consumer or at the registered office of the Issuer or by any other court having jurisdiction on account of statutory provisions.

If the general place of jurisdiction for legal disputes of a consumer is located in Austria upon subscription of the Notes it shall remain there also in cases where after subscription the consumer transfers his / her residence abroad and adjudications by Austrian courts can be enforced in the relevant country.

- (3) *Severability.* If individual provisions of the present Terms and Conditions are or become legally ineffective, in whole or in part, the remaining provisions of the present Terms and Conditions shall remain in force.



## 2. Final Terms

*The English translation of the "Form of Final Terms" relating to the notes does not form part of the Prospectus itself and has not been approved by the FMA. Further, the FMA did not review its consistency with the original "Form of Final Terms".*

*Die englische Übersetzung des "Muster – Endgültigen Bedingungen" betreffend die Schuldverschreibungen ist selbst nicht Teil dieses Prospekts und wurde nicht von der FMA gebilligt. Auch die Übereinstimmung mit dem "Muster – Endgültigen Bedingungen" wurde von der FMA nicht geprüft.*

If Notes created and issued by NOVOMATIC AG under this EUR 2,000,000,000 debt issuance programme are listed on a regulated market or offered to the public in one or more member states of the European Economic Area, the respective Final Terms will be published by depositing them at the registered office of NOVOMATIC AG, Wiener Straße 158, 2352 Gumpoldskirchen, Austria and on the website of the Issuer ([www.novomatic.com/debtissuanceprogramme2016](http://www.novomatic.com/debtissuanceprogramme2016)).

*Falls Schuldverschreibungen, die von der NOVOMATIC AG unter diesem EUR 2.000.000.000 Emissionsprogramm begeben werden, an einem geregelten Markt notiert oder öffentlich in einem oder mehreren Mitgliedstaaten des Europäischen Wirtschaftsraumes angeboten werden, werden die jeweiligen Endgültigen Bedingungen durch Hinterlegung am Sitz der NOVOMATIC AG, Wiener Straße 158, 2352 Gumpoldskirchen, Österreich und auf der Internetseite der Emittentin ([www.novomatic.com/debtissuanceprogramme2016](http://www.novomatic.com/debtissuanceprogramme2016)), veröffentlicht.*

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### **Form of Final Terms** **Muster – Endgültige Bedingungen**

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[Date]  
[Datum]

### **Final Terms** **Endgültige Bedingungen**

[Designation of the relevant series of Notes]  
[Bezeichnung der betreffenden Serie der Schuldverschreibungen]

[Designation of the relevant tranche of the designated series of the Notes]  
[Bezeichnung der betreffenden Tranche der bezeichneten Serie der Schuldverschreibungen]

created and issued pursuant to the  
begeben aufgrund des

**EUR 2,000,000,000**  
**EUR 2.000.000.000**

**debt issuance programme**  
**Emissionsprogramms**

der  
of

**NOVOMATIC AG**

[Reoffer price (exclusive selling fee): [●] %]  
[Reoffer Preis (exclusive Verkaufsprovision): [●] %]

Issue price [(inclusive selling fee)]: [●] %  
Ausgabepreis[(inklusive Verkaufsprovision)]: [●] %

Issue date: [●]  
Emissionstag: [●]  
ISIN: [●]

These Final Terms contain information concerning the issue of Notes under the EUR 2,000,000,000 debt issuance programme of NOVOMATIC AG (the **Programme**) and have been prepared for the purpose of Article 5(4) of Directive 2003/71/EC, as amended. Full information concerning NOVOMATIC AG and the offer of the Notes will be available only if the Final Terms, the prospectus of 5 September 2016 on the Programme (the **Prospectus**), which is a base prospectus as defined by the Directive on the prospectus to be published when securities are offered to the public or admitted to trading (Directive 2003/71/EC, as amended (the "**Prospectus Directive**")), and any supplements to the Prospectus are combined. Copies of the Prospectus as well as (if applicable) of any supplement to the Prospectus can be obtained at the registered office of NOVOMATIC AG, Wiener Straße 158, 2352 Gumpoldskirchen, Austria, and on the website of the Issuer ([www.novomatic.com/debtissuanceprogramme2016](http://www.novomatic.com/debtissuanceprogramme2016)). A summary of the individual issue is annexed to these Final Terms.

*Diese Endgültigen Bedingungen enthalten Angaben zur Emission von Schuldverschreibungen unter dem EUR 2.000.000.000 Emissionsprogramm der NOVOMATIC AG (das **Emissionsprogramm**) und wurden für die Zwecke des Artikels 5 Absatz 4 der Richtlinie 2003/71/EG, in ihrer jeweils geltenden Fassung, erstellt. Vollständige Informationen über NOVOMATIC AG und das Angebot der Schuldverschreibungen sind nur verfügbar, wenn die Endgültigen Bedingungen, der Prospekt vom 5. September 2016 über das Emissionsprogramm (der **Prospekt**), welcher ein Basisprospekt im Sinne der Prospektrichtlinie (Richtlinie 2003/71/EG, in ihrer jeweils geltenden Fassung (die "**Prospektrichtlinie**")) ist, und etwaige Nachträge zum Prospekt zusammengekommen werden. Kopien des Prospekts sowie (gegebenenfalls) jedes Nachtrags zum Prospekt sind am Sitz der NOVOMATIC AG, Wiener Straße 158, 2352 Gumpoldskirchen, Österreich und auf der Internetseite der Emittentin ([www.novomatic.com/debtissuanceprogramme2016](http://www.novomatic.com/debtissuanceprogramme2016)) erhältlich. Eine Zusammenfassung für die einzelne Emission ist diesen Endgültigen Bedingungen angefügt.*

**[In cases where the issue does not constitute an offer of securities to the public as defined by Article 2(1)(d) of the Prospectus Directive, insert:** The present series of Notes is not the subject of an offer of securities to the public as defined by Article 2(1)(d) of the Prospectus Directive.]

*[Im Falle einer Emission, die kein öffentliches Angebot von Wertpapieren im Sinne des Artikel 2 Absatz 1 lit (d) der Prospektrichtlinie darstellt einfügen: Die vorliegende Serie von Schuldverschreibungen ist nicht Gegenstand eines öffentlichen Angebots von Wertpapieren im Sinne des Artikel 2 Absatz 1 lit (d) der Prospektrichtlinie.]*

## **Part I: Terms and Conditions**

### **Teil I: Emissionsbedingungen**

#### **ISSUER, AGGREGATE PRINCIPAL AMOUNT, DENOMINATION AND CURRENCY (§ 1)** **EMITTENTIN, GESAMTNENNBETRAG, STÜCKELUNG UND WÄHRUNG (§ 1)**

|  |                     |
|--|---------------------|
| <b>Issuer</b><br><b>Emittentin</b>                                       | <b>NOVOMATIC AG</b> |
| Specified currency<br><i>Festgelegte Währung</i>                         | [•]                 |
| Aggregate principal amount<br><i>Gesamtnennbetrag</i>                    | [•]                 |
| Aggregate principal amount in words<br><i>Gesamtnennbetrag in Worten</i> | [•]                 |
| Specified denomination<br><i>Festgelegte Stückelung</i>                  | [•]                 |

#### **FORM, PHYSICAL REPRESENTATION, CLEARING SYSTEM AND ISIN (§2)** **FORM, VERBRIEFUNG, CLEARINGSYSTEM UND ISIN (§2)**

##### **Clearing System**

### **Clearingsystem**

- ☐ OeKB CSD GmbH  
Strauchgasse 1-3  
1010 Wien/Vienna  
Österreich/Austria
- ☐ Clearstream Banking AG  
Neue Börsenstraße 1  
60487 Frankfurt am Main  
Deutschland/Germany
- ☐ Clearstream Banking, société anonyme  
42 Avenue JF Kennedy  
1855 Luxembourg  
Luxembourg
- ☐ Euroclear Bank S.A./N.V., as Operator of the  
Euroclear System  
1 Boulevard du Roi Albert II  
1210 Brüssel/Brussels  
Belgien/Belgium
- ☐ Others (specify)  
*sonstige (angeben)*

ISIN [●]

### **INTEREST (§5)**

#### **ZINSEN (§5)**

- ☐ **Fixed-interest notes**  
**Fixverzinsliche Schuldverschreibungen**

#### **Interest rate and Interest Payment Dates** **Zinssatz und Zinszahlungstage**

|   |   |
|---|---|
| Interest Commencement Date<br><i>Verzinsungsbeginn</i>  | [●]   |
| Interest rate<br><i>Zinssatz</i>  | [●]% <i>per annum</i>                       |
| Fixed interest date(s)<br><i>Fixzinstermin(e)</i>   | [●]   |
| First Interest Payment Date<br><i>Erster Zinszahlungstag</i>  | [●]   |
| Initial broken interest amount(s) (for the<br>specified denomination)<br><i>Anfängliche(r) Bruchteilzinsbetrag(-beträge)</i><br><i>(für die festgelegte Stückelung)</i> | [not applicable][●]<br>[nicht anwendbar][●] |
| Fixed interest date preceding the Redemption<br>Date<br><i>Fixzinstermin, der dem Fälligkeitstag vorangeht</i>  | [not applicable][●]<br>[nicht anwendbar][●] |
| Final broken interest amount(s) (for each<br>specified denomination)<br><i>Abschließende(r) Bruchteilzinsbetrag(-beträge)</i>   | [not applicable][●]<br>[nicht anwendbar][●] |

(für jede festgelegte Stückelung)

**Day Count Fraction**

**Zinstagequotient**

- ☐ Actual/Actual (ICMA)
- ☐ Actual/365 (Fixed)
- ☐ Actual/360

☐ **Floating-interest notes**

**Variabel verzinsliche Schuldverschreibungen**

**Floating Interest Payment Dates**

[•]

**Variabelzinszahlungstage**

Interest Commencement Date

[•]

*Verzinsungsbeginn*

First Floating Interest Payment Date

[•]

*Erster Variabelzinszahlungstag*

Floating Interest Payment Date

[•]

*Variablezinszahlungstag*

Reference Rate

[•]

*Referenzzinssatz*

Screen Page

[•]

*Bildschirmseite*

Margin

[•]

*Marge*

**Day Count Fraction**

**Zinstagequotient**

- ☐ Actual/Actual (ICMA)
- ☐ Actual/365 (Fixed)
- ☐ Actual/360

**REDEMPTION (§6)**

**RÜCKZAHLUNG (§6)**

**Final Redemption**

**Rückzahlung bei Endfälligkeit**

Redemption Date

[•]

*Fälligkeitstag*

☐ **Issuer Call Prior to the Redemption Date**

**Kündigungsrecht der Emittentin vor dem**

**Fälligkeitstag**

**PAYING AGENT [AND CALCULATION AGENT] (§7)**

**ZAHLSTELLE [UND BERECHNUNGSSTELLE] (§7)**

[Paying Agent: Erste Group Bank AG

Am Belvedere 1

1100 Vienna

Austria]

[Zahlstelle: Erste Group Bank AG  
Am Belvedere 1  
1100 Wien  
Österreich]

[Calculation Agent: [address]]

[Berechnungsstelle: [Adresse]]

[•]

**LISTING (§12)**  
**BÖRSENOTIERUNG (§12)**

[Yes / No]  
[Ja / Nein]

**Stock exchange**  
**Börse**

☐ Vienna Stock Exchange (Wiener Börse)  
*Wiener Börse*

☐ other stock exchange (specify) [•]  
*andere Börse (angeben)*

**Market segment**  
**Marktsegment**

☐ Second Regulated Market (Geregelter Freiverkehr)  
*Geregelter Freiverkehr*

☐ (Multilateral Trading Facility)  
*Dritter Markt*

☐ other market segment (specify) [•]  
*anderes Marktsegment (angeben)*

**NOTICES (§14)**  
**MITTEILUNGEN (§14)**

**Place and medium of disclosure**  
**Ort und Medium der Bekanntmachung**

☐ Official Gazette attached to the Wiener Zeitung  
(Amtsblatt zur Wiener Zeitung)  
*Amtsblatt zur Wiener Zeitung*

☐ other (specify) [•]  
*Sonstige (angeben)*

**Territory of circulation**  
**Verbreitungsort**

☐ Austria  
*Österreich*

☐ Germany  
*Deutschland*

☐ other (specify) [•]  
*Sonstige (angeben)*

**Publication of notices to the Clearing System**  
**Bekanntmachung der Mitteilung an das**  
**Clearingsystem**

- ☐ fifth day  
*fünfter Tag*
- ☐ seventh day  
*siebter Tag*

**Part II: Other information**  
**Teil II: Andere Angaben**

**Ratings**  
**Ratings**

*Ratings*

*The Notes to be issued [have [not] been][are expected to be] rated:*

*[Standard & Poor's: [●]]*

*[[Other]: [●]]*

*[This credit rating has][These credit ratings have] been issued by [full name of legal entity/entities which has/have given the rating].*

*[[Credit rating agency] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended).] [As such, [legal name of the relevant credit rating agency entity] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation.][Other description of rating agency]*

*[Brief explanation of the meaning of the ratings if this has previously been published by threatening provider.]*

*Ratings*

*[Es wird erwartet, dass ] [D][d]ie auszugebenden Schuldverschreibungen [haben] [folgende[s]][kein] Rating[s] erhalten:*

*[Standard & Poor's: [●]]*

*[[Sonstige]: [●]]*

*[Dieses Rating wurde][Diese Ratings wurden] von[Name des Unternehmens/der Unternehmen von dem/denen das Rating erstellt wurde] erstellt.*

*[[Name der Ratingagentur] ist in der Europäischen Union ansässig und unter der Verordnung (EG) Nr 1060/2009, in ihrer jeweils geltenden Fassung, registriert.] [Als solche ist [Name der betreffenden Ratingagentur] in dem von der Europäischen Wertpapier- und Marktaufsichtsbehörde (ESMA) auf ihrer Webseite gemäß dieser Verordnung veröffentlichten Verzeichnis der Ratingagenturen eingetragen.][Sonstige Beschreibung der Ratingagentur]*

*[Kurze Darstellung der Bedeutung des Ratings, falls bereits zuvor von einem Rating-Unternehmen eine diesbezügliche Veröffentlichung vorgenommen wurde.]*

**Interest of natural and legal persons involved in the**  
**issue/offer**  
**Interessen von Seiten natürlicher und juristischer**  
**Personen, die an der Emission/dem Angebot beteiligt**

*sind*

Interest of natural and legal persons involved in the issue/offer [insert details]  
[Einzelheiten einfügen]

*Interessen von Seiten natürlicher und juristischer Personen, die an der Emission/dem Angebot beteiligt sind*

**Reasons for the offer / Use of proceeds**

**Gründe für das Angebot / Verwendung der Emissionserlöse**

[The Issuer wishes to raise additional debt capital through the offer of the Notes. The Issuer intends to use the proceeds from the sale of the Notes primarily for the optimization of the financing structure, for example by repaying outstanding lines of credit, but also for possible acquisitions (including the acquisitions of shares of Ainsworth Game Technology Ltd. or the increase of existing shareholdings), future investments in ongoing operations and fixed and financial assets, as well as for general corporate purposes.]

[insert details]

*[Die Emittentin möchte durch das Angebot der Schuldverschreibungen zusätzliches Fremdkapital aufnehmen. Die Emittentin beabsichtigt den Erlös vom Verkauf der Schuldverschreibungen hauptsächlich zur Optimierung der Finanzierungsstruktur, zum Beispiel durch Rückzahlung von Finanzverbindlichkeiten, aber auch für mögliche Akquisitionen (inklusive dem Erwerb von Aktien an Ainsworth Game Technology Ltd. oder der Erhöhung bestehender Beteiligungen), zukünftige Investitionen in laufende Tätigkeiten und Sach- und Finanzanlagen, sowie für generelle, gesellschaftliche Zwecke zu verwenden.]*

[Einzelheiten einfügen]

Estimated net proceeds

*Geschätzter Nettobetrag der Erträge*

[●]

Estimated total expenses of the issue

*Geschätzte Gesamtkosten der Emission*

[●]

**Securities identification numbers**

**Wertpapierkennnummern**

ISIN Code

[●]

Common Code

[●]

Austrian securities code (Wertpapierkennnummer, WKN)

[●]

*Wertpapierkennnummer (WKN)*

Other securities identification numbers

[●]

*Sonstige Wertpapierkennnummer*

**Yield**

**Rendite**

Yield

[●]

*Rendite*

**Information regarding the resolutions, approvals and authorizations on the basis of which the Notes were or are to be created and/or issued.** [●]

*Angaben über Beschlüsse, Ermächtigungen und Genehmigungen, die die Grundlage für die erfolgte bzw. noch zu erfolgende Schaffung der Schuldverschreibungen und/oder deren Emission bilden.*

**Expected date of issuance** [●]  
*Erwarteter Emissionstermin*

**Selling restrictions**  
*Verkaufsbeschränkungen*

The selling restrictions set out in the Prospectus shall apply  
*Es gelten die im Prospekt wiedergegebenen Verkaufsbeschränkungen*

**Conditions and prerequisites for the offer** [not applicable]/ [insert details]  
*Bedingungen und Voraussetzungen für das Angebot* [nicht anwendbar]/ [Einzelheiten einfügen]

Conditions to which the offer is subject [●]  
*Bedingungen, denen das Angebot unterliegt*

Aggregate of the issuance/the offer. If the amount is not fixed, description of agreements and date for disclosing the final offered amount to the public [●]  
*Gesamtsumme der Emission/des Angebots. Ist der Betrag nicht festgelegt, Beschreibung der Vereinbarungen und des Zeitpunkts für die Ankündigung des endgültigen Angebotsbetrags an das Publikum*

Time period, including any possible amendments, during which the offer will be open, and description of the application procedure [●]  
*Frist – einschließlich etwaiger Änderungen – während der das Angebot gilt und Beschreibung des Antragsverfahrens*

A description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants [●]  
*Beschreibung der Möglichkeit zur Reduzierung der Zeichnungen und der Art und Weise der Erstattung des zu viel gezahlten Betrags an die Zeichner*

Details of the minimum and/or maximum amount of application, (whether in number of Notes or aggregate amount to invest) [●]  
*Einzelheiten zum Mindest- und/oder Höchstbetrag der Zeichnung (entweder in Form der Anzahl der Schuldverschreibungen oder des aggregierten zu investierenden Betrags)*

Method and time limits for paying up the Notes and for delivery of the Notes [●]  
*Methode und Fristen für die Bedienung der Schuldverschreibungen und ihre Lieferung*



Complete description of the manner how and date [●]  
when results of the offer are to be made public  
*Vollständige Beschreibung der Art und Weise und des  
Termins, auf die bzw. an dem die Ergebnisse des  
Angebots offen zu legen sind*

The procedure for the exercise of any right of pre- [●]  
emption, the negotiability of subscription rights and  
the treatment of subscription rights not exercised  
*Verfahren für die Ausübung eines etwaigen  
Vorzugsrechts, die Übertragbarkeit der  
Zeichnungsrechte und die Behandlung der nicht  
ausgeübten Zeichnungsrechte*

If the offer is made simultaneously on markets in two [●]  
or more countries and a particular tranche was/is  
reserved for any of these markets, information  
regarding that tranche  
*Erfolgt das Angebot gleichzeitig auf den Märkten in  
zwei oder mehreren Ländern und wurde/wird eine  
bestimmte Tranche einigen dieser Märkte vorbehalten,  
Angabe dieser Tranche.*

Process for notification to applicants of the amount [●]  
allotted and indication whether dealing may begin  
before notification is made  
*Verfahren zur Meldung des den Zeichnern zugeteilten  
Betrages und Angabe, ob eine Aufnahme des Handels  
vor dem Meldeverfahren möglich ist*

Offering price of the Notes as well as any issue [●]  
surcharge / method pursuant to which the offering  
price will be fixed and information regarding the  
method of publication as well as any issue surcharge  
the costs and taxes which are specifically charged to  
the subscriber or purchaser  
*Preis, zu dem die Schuldverschreibungen angeboten  
werden sowie der allfällige Ausgabeaufschlag /  
Methode, mittels derer der Angebotspreis festgelegt  
wird und Angaben zum Verfahren für die Offenlegung  
sowie des allfälligen Ausgabeaufschlags, der Kosten  
und Steuern, die speziell dem Zeichner oder Käufer in  
Rechnung gestellt werden.*

Name and details of the coordinator(s) of the offer or [●]  
individual parts of the offer and – to the extent known  
to the Issuer or offeror – information on the Dealers in  
the individual countries of the offer  
*Name und Anschrift des Koordinators/der  
Koordinatoren des gesamten Angebots oder einzelner  
Teile des Angebots und – sofern dem Emittenten oder  
dem Bieter bekannt – Angaben zu den Platzeuren in  
den einzelnen Ländern des Angebots*

☐ not syndicated  
*Nicht-syndiziert*

☐ syndicated  
*Syndiziert*

Date of subscription agreement [●]

### *Datum des Übernahmevertrages*

Offer period during which the subsequent resale or final placement of the Notes through financial intermediaries may take place [●]

*Angebotsfrist, während der die spätere Weiterveräußerung oder endgültige Platzierung der Schuldverschreibungen durch Finanzintermediäre erfolgen kann*

**Management details and method of subscription**  
*Einzelheiten bezüglich des Bankenkonsortiums einschließlich der Art der Übernahme*

[not applicable]/ [insert details]

[nicht anwendbar]/ [Einzelheiten einfügen]

**Dealer/Management group (indicate name(s) and address(es))** [●]

*Platzeur/Bankenkonsortium (Name(n) und Adresse(n) angeben)*

☐ firm commitment  
*feste Zusage*

☐ no firm commitment/best efforts arrangements  
*Keine feste Zusage/zu den bestmöglichen Bedingungen*

Information regarding main provisions of agreements, including subscribed amounts [●]

*Angabe der Hauptmerkmale der Vereinbarungen, einschließlich der Quoten*

(If issuance is not subscribed in full) information regarding the amount not subscribed [●]

*(Wird die Emission nicht zur Gänze übernommen)  
Erklärung zum nicht abgedeckten Teil*

### **Fees**

#### ***Provisionen***

Management/Underwriting Commission (specify) [●]  
*Management- und Übernahme provision (angeben)*

Selling fee (specify)  
*Verkaufsprovision (angeben)*

[not applicable][insert details]

[nicht anwendbar][ Einzelheiten einfügen]

### **Public Offer Jurisdiction**

#### ***Jurisdiktionen für ein öffentliches Angebot***

Public Offer Jurisdiction(s)

[not applicable] [specify relevant member state(s) – which must be jurisdiction(s) where the Base Prospectus and any supplements have been passported.]

*Jurisdiktionen, in denen ein öffentliches Angebot stattfindet*

[nicht anwendbar] [Relevante(n) Mitgliedstaat(en) einfügen – dieser muss eine/diese müssen Jurisdiktion(en) sein, in die der Prospekt und etwaige Nachträge notifiziert wurden]

**Admission to trading and dealing arrangements**  
***Zulassung zum Handel und Handelsregeln***

Listing(s)

[Yes] [No]

Börsenzulassung(en)

[Ja] [Nein]

☐ Vienna Stock Exchange (Wiener Börse) [specify market segment]  
Wiener Börse [Marktsegment angeben]

☐ other (insert details, including market segment) [●]  
Sonstige (Einzelheiten einfügen, inklusive Marktsegment)

[Expected date of admission to trading] [●]  
[Erwarteter Termin der Zulassung]

[Estimated aggregate costs for admission to trading] [●]  
[Geschätzte Gesamtkosten für die Zulassung zum Handel]

Name and address of the banks which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment. [not applicable]/ [insert details]  
*Name und Anschrift der Institute, die aufgrund einer bindenden Zusage als Intermediäre im Sekundärhandel tätig sind und Liquidität mittels Geld- und Briefkursen zur Verfügung stellen, und Beschreibung der Hauptbedingungen der Zusage* [nicht anwendbar]/ [Einzelheiten einfügen]

The above Final Terms comprise the details required to list this issue of Notes under the EUR 2,000,000,000 Programme of NOVOMATIC AG as from [insert date of issuance of the Notes].

*Die vorstehenden Endgültigen Bedingungen enthalten die Angaben, die für die Zulassung dieser Emission von Schuldverschreibungen unter dem Euro 2.000.000.000 Emissionsprogramm der NOVOMATIC AG ab dem [Tag der Begebung der Schuldverschreibungen einfügen] erforderlich sind.*

## RESPONSIBILITY VERANTWORTLICHKEIT

The Issuer accepts responsibility for the information contained in these Final Terms as set out on page II of the Prospectus, provided that, with respect to any information included herein and specified to be sourced from a third party (i) the Issuer confirms and accepts responsibility that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information available to it from such third party, no facts have been omitted the omission of which would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and accepts no responsibility for the accuracy thereof.

*Die Emittentin übernimmt die Verantwortung für die in diesen Endgültigen Bedingungen enthaltenen Informationen, wie in der Erklärung zur Verantwortlichkeit auf Seite II des Prospekts bestimmt. Hinsichtlich der hierin enthaltenen und als solche gekennzeichneten Informationen von Seiten Dritter gilt Folgendes: (i) Die Emittentin bestätigt und übernimmt die Verantwortung dafür, dass diese Informationen zutreffend wiedergegeben worden sind und – soweit es der Emittentin bekannt ist und sie aus den von diesen Dritten zur Verfügung gestellten Informationen ableiten konnte – wurden keine Fakten weggelassen, die die reproduzierten Informationen unzutreffend oder irreführend gestalten würden; (ii) die Emittentin hat diese Informationen nicht selbstständig überprüft und übernimmt keine Verantwortung für ihre Richtigkeit.*

NOVOMATIC AG

**as Issuer**  
***als Emittentin***

(Name and function title in block letters)  
*(Name in Blockbuchstaben und Funktionsbezeichnung)*

(Name and function title in block letters)  
*(Name in Blockbuchstaben und Funktionsbezeichnung)*

Annex 1: Summary  
*Anhang 1: Zusammenfassung*

Annex 2: Terms and Conditions  
*Anhang 2: Emissionsbedingungen*

**Summary of the Issuance**  
***Zusammenfassung der Emission***

**[Attach Summary of the issuance]**  
***[Zusammenfassung der Emission einfügen]***

Annex 2: Terms and Conditions  
*Anhang 2: Emissionsbedingungen*

**Terms and Conditions**  
***Emissionsbedingungen***

**[Attach Terms and Conditions]**  
***[Emissionsbedingungen einfügen]***

## VII. TAXATION IN AUSTRIA

*The following summary does not purport to be a comprehensive description of all Austrian tax considerations that may be relevant for the decision to acquire, to hold, and to dispose of the Notes and does not constitute legal or tax advice. The summary is based on Austrian tax law and practice and official interpretation currently in effect, all of which are subject to change. Future legislative, judicial or administrative changes could modify the tax treatment described below and could affect the tax consequences for investors – also retroactively. Prospective investors should consult their own independent advisers as to the implications of their subscribing for, purchasing, holding, exchanging or disposing of the Notes under the laws of the jurisdictions in which they may be subject to tax. The discussion of certain Austrian taxes set forth below is included for information purposes only.*

This summary of Austrian tax issues is based on the assumption that the Notes are legally and actually publicly offered. Further this summary assumes that the Notes do not qualify as equity for Austrian tax purposes or units in a non-Austrian investment fund within the meaning of Sec 188 of the Austrian Investment Fund Act (*Investmentfondsgesetz, InvFG*). The tax consequences may substantially differ if the Notes are qualified as equity instruments or (in particular if issued by a non-Austrian entity) units in a non-Austrian investment fund within the meaning of Sec 188 InvFG.

### 1. Austrian tax resident individual investors

Individuals, who have their domicile or habitual abode in Austria, are tax resident and subject to unlimited tax liability in Austria. Hence their worldwide income is subject to income tax in Austria.

Interest and capital gains from the Notes realised by an investor resident in Austria for tax purposes are subject to Austrian income tax generally at a special tax rate of 27.5%.

The tax base is generally considered to be the interest paid or, with respect to capital gains, the difference between the sale proceeds or the redemption amount, in each case including accrued interest, and the acquisition costs including accrued interest. Expenses which are directly connected with income subject to the special tax rate of 27.5% are not deductible. For Notes held as private assets, the acquisition costs shall not include incidental acquisition costs. For the calculation of the acquisition costs of Notes held within the same securities account and having the same securities identification number but which are acquired at different points in time, an average price shall apply.

If interest is paid by an Austrian paying agent (*auszahlende Stelle*; e.g. an Austrian credit institution, an Austrian branch of a foreign credit institution or Austrian issuer) withholding tax (*Kapitalertragsteuer*) at a rate of 27.5% is triggered. The income tax for interest income generally constitutes a final taxation (*Endbesteuerung*) for individuals, irrespective of whether the Notes are held as private assets or as business assets. In relation to realized capital gains and income from derivatives, withholding tax at a rate of 27.5% is triggered if the Notes are deposited with an Austrian depository (e.g. an Austrian credit institution or Austrian branch of a non-Austrian credit institution) or if the payments are made by an Austrian paying agent provided the non-Austrian depository is a non-Austrian branch or group company of such Austrian paying agent and processes the payment in cooperation with the Austrian paying agent. In case of realized capital gains, the 27.5% withholding tax deduction will result in final income taxation only for individuals holding the Notes as private assets provided that the investor has evidenced the factual acquisition cost of the Notes to the securities depository. Capital gains need to be included in the income tax return if realized as business income or employment income.

The Issuer does not assume responsibility for withholding tax at source.

In the absence of an Austrian paying agent or depository, the investor must include interest and capital gains in the income tax return and such income is taxed at a rate of 27.5% unless a Swiss or Liechtenstein paying agent has withheld final withholding tax under the respective Swiss or Liechtenstein withholding tax acts implementing the bilateral withholding tax agreements with Switzerland (in force since 1 January 2013) and Liechtenstein (in force since 1 January 2014) which final withholding tax discharges the investor's Austrian income tax liability.

Income from Notes which are not legally or actually publicly offered within the meaning of the Austrian Income Tax Act would not be subject to withholding tax and final taxation but subject to normal progressive personal income tax rates of up to 55% and needs to be included in the investor's income tax return.

Withdrawals (*Entnahmen*), the transfer of the investor's tax residence or deposit account outside of Austria, the transfer of the Notes to a non-resident without consideration or any other circumstances which lead to Austria losing its taxation right with respect to the Notes are in general deemed as a disposal of the Notes resulting in exit taxation.

As an exception to this general rule, withdrawals (*Entnahmen*) and other transfers of Notes from the securities account are not treated as disposals (sales), if specified exemptions pursuant to Sec 27(6) no 2 EStG will be fulfilled such as the transfer of the Notes to a securities account owned by the same taxpayer (i) with the same Austrian securities depository (bank), (ii) with another Austrian bank if the account holder has instructed the transferring bank to disclose the acquisition costs to the receiving bank or (iii) with a non-Austrian bank, if the account holder has instructed the transferring bank to transmit the pertaining information to the competent tax office within a month or (iv) has, in the case of transfers from a foreign account, himself notified the competent Austrian tax office with the respective information within a month; or (v) like the transfer without consideration to a securities account held by another taxpayer, if the fact that the transfer has been made without consideration has been evidenced to the bank or the bank has been instructed to inform the Austrian tax office thereof or if the taxpayer has himself notified the competent Austrian tax office within a month. Upon application of the taxpayer, the exit taxation of the Notes held as private assets can be deferred until the actual disposal of the Notes in case the investor transfers his or her tax residence outside of Austria to an EU member state or certain member states of the European Economic Area or transfers the Notes for no consideration to another individual resident in an EU member state or certain member states of the European Economic Area. In all other cases of a deemed disposal the taxpayer may apply for a payment of the triggered income tax in instalments over a period of seven years.

Losses from Notes held as private assets may only be set off with other investment income subject to the special tax rate (excluding, inter alia, interest income from bank deposits and other claims against banks) and must not be set off with any other income. Pursuant to Sec 93(6) EStG, Austrian securities depositories have to apply a mandatory set-off of losses from securities accounts of the same taxpayer at the same securities depository (subject to certain exemptions). A carry-forward of such losses is not permitted.

Taxpayers, whose regular personal income tax is lower than 27.5% may opt for taxation of the income derived from the Notes at the regular (progressive) personal income tax rate. Any tax withheld will then be credited against the income tax. Such application for opting into taxation at the regular personal income tax rate must, however, include all income subject to the special 27.5% tax rate. However, even if the option for taxation at the regular personal income tax rate is exercised, expenses in direct economic connection with such income are not deductible.

If Notes are held as business assets, acquisition cost may also include incidental acquisition costs. Income derived from the Notes is also subject to the special income tax rate of 27.5% deducted by way of the withholding tax. However, realized capital gains and income from derivatives, contrary to interest income, are not subject to final taxation and have to be included in the tax return and are also subject to the special income tax rate of 27.5%. Write-downs and losses derived from the sale or redemption of Notes held as business assets must primarily be set off against positive income from realized capital gains (including write-ups) of financial instruments of the same business and only 55% of the remaining loss may be set off or carried forward against any other income.

## **2. Austrian private foundation**

Private foundations pursuant to the Austrian Private Foundations Act fulfilling the prerequisites contained in Sec 13(6) KStG and holding Notes as a non-business asset are subject to interim taxation at a rate of 25% (which is, however, not levied to the extent/in case the private foundation makes distributions to beneficiaries which are subject to Austrian withholding tax) on interest income, income from realised capital gains and income from derivatives. Under the conditions set forth in Sec 94 no 12 EStG no withholding tax is levied.

## **3. Austrian tax resident corporate investor**

A corporation (within the meaning of Sec 1 KStG) subject to unlimited corporate income tax liability in Austria that receives income from the Notes will be subject to Austrian corporate income tax at a rate of 25%. While an Austrian paying agent may – pursuant to Sec. 93(1a) EStG – limit tax withholding to 25%, the Austrian paying agent may also choose instead to withhold 27.5% at source. In such latter case, corporations subject to unlimited corporate income tax liability in Austria would be entitled to apply for a tax credit of the additional 2.5% so withheld by the Austrian paying agent. A corporation may file an exemption declaration (*Befreiungserklärung*)



pursuant to Sec 94 no 5 EStG in order to avoid that Austrian withholding tax is levied. Tax losses may generally be offset against all other income. Tax loss carry forwards are generally possible.

#### **4. Non-Austrian tax resident investors**

Since 1 January 2015, interest within the meaning of the Austrian EU-Source Tax Act (*EU-Quellensteuergesetz, EU-QuStG*; implementing Directive 2003/48/EC of 3 June 2003) received by a recipient not covered by EC Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "**EU Savings Directive**") may be subject to limited tax liability. As a consequence, in particular, non-EU-resident individuals and certain non-resident entities (e.g. if qualified as partnerships for Austrian tax purposes and having at least one non-resident individual as partner) may be subject to such limited tax liability. It is a prerequisite that the obligation to levy Austrian withholding tax is triggered. This is the case if interest is paid by a paying agent located in Austria or by the issuer of the notes if paid directly to the investor.

Income from the Notes received by corporate investors that do not have their corporate seat or their place of management in Austria ("non-Austrian residents") is not taxable in Austria unless such income is attributable to an Austrian permanent establishment.

Non-Austrian residents receiving income from the Notes through a paying agent or a depository located in Austria may be exempt from Austrian withholding tax in accordance with § 94 no 5 and no 13 EStG. If Austrian withholding tax is deducted, the tax withheld shall be refunded to the non-Austrian resident Noteholder upon application.

Where non-Austrian residents receive income from the Notes as part of business income taxable in Austria (e.g. permanent establishment), they will, in general, be subject to the same tax treatment as resident investors.

As of January 1, 2017 the limited tax liability regarding interest income from Austrian sources will change due to the recently enacted EU-Abgabenänderungsgesetz 2016, EU-AbgÄG 2016:

As of January 1, 2017 the scope of the limited Austrian tax liability will include interest within the meaning of the EStG including pro rata temporis interest realized upon sale or redemption generated, in particular, by individuals and certain entities (e.g. if qualified as partnerships for Austrian tax purposes and having at least one non-resident individual as partner) that are resident in a jurisdiction with which Austria is not exchanging tax information on an automatic basis. The status of being tax resident in a jurisdiction with which Austria is exchanging information on an automatic basis has to be evidenced by means of a certificate of residence. Like under the current legislation it is a prerequisite that the obligation to levy Austrian withholding tax is triggered. This is the case if interest is paid by a paying agent located in Austria or by the issuer of the notes if paid directly to the investor. However, exemptions from Austrian withholding tax may apply (see above). Moreover, income from the Notes received by corporate investors that do not have their seat or their place of management in Austria, shall remain not taxable in Austria unless such income is attributable to an Austrian permanent establishment.

#### **5. Austrian EU-Source Tax Act**

Under the Austrian EU-Source Tax Act (*EU-Quellensteuergesetz, EU-QuStG*; implementing the EU Savings Directive), interest paid by an Austrian coupon-paying agent to an individual beneficial owner resident in another EU member state is subject to EU source tax at a rate of 35%. Interest within the meaning of the EU-QuStG are, among others, interest paid or credited to an account, relating to debt claims of every kind, whether or not secured by mortgage and whether or not carrying a right to participate in the debtor's profits, and, in particular, income from government securities and income from notes or debentures, including premiums and prizes attached to such securities, notes or debentures.

An exemption from EU source taxation applies, among others, if the beneficial owner of the interest forwards to the Austrian paying agent documentation issued by the tax office where the tax payer is resident, stating (i) the beneficial owner's name, address and tax identification number (in the absence of a tax identification number the beneficial owner's date and place of birth), (ii) the paying agent's name and address and (iii) the beneficial owner's account number or the security identification number. Further, EU source tax is not triggered if interest within the meaning of the EU-QuStG is paid to an institution within the meaning of Sec 4(2) EU-QuStG resident in another EU Member State and this institution agrees upon written request of the Austrian paying agent to enter into a simplified information exchange procedure with the Austrian paying agent.

The Issuer does not assume responsibility for the deduction of EU source tax at source and is not obliged to make additional payments in case of withholding tax deductions at source.

Upon a proposal of the European Commission, the EU Savings Directive was repealed by the Council of the European Union on 10 November 2015 which – in the case of Austria – will enter into effect as from 1 January, 2017 (on certain accounts Austria has undertaken to initiate automatic exchange of information from 30 September 2017 with respect to taxable periods beginning on or after 1 October 2016). Based on the *EU-Abgabenänderungsgesetz 2016*, the Austrian EU-Source Tax Act (*EU-Quellensteuergesetz, EU-QuStG*) will be repealed effective from 1 January, 2017 (specific transitional provisions may apply).

## **6. Austrian inheritance and gift tax**

Austria does not levy an inheritance and gift tax.

However, certain gratuitous transfers of assets to (Austrian or foreign) private law foundations and comparable legal estates (*privatrechtliche Stiftungen und damit vergleichbare Vermögensmassen*) are subject to foundation entrance tax (*Stiftungseingangssteuer*) pursuant to the Austrian Foundation Entrance Tax Act (*Stiftungseingangssteuergesetz*). Such tax is triggered if the transferor and/or the transferee at the time of transfer have a domicile, their habitual abode, their legal seat or their place of effective management in Austria. Certain exemptions apply in case of a transfer mortis causa, in particular for bank deposits and publicly placed notes. The tax basis is the fair market value of the assets transferred minus any debts, calculated at the time of transfer. The tax rate is in general 2.5%, with a higher rate of 25% applying in special cases.

In addition, a special notification obligation exists for gifts like e.g. money, receivables, shares in corporations, participations in partnerships, businesses, movable tangible assets and intangibles. The notification obligation applies if the donor and/or the donee have a domicile, their habitual abode, their legal seat or their place of effective management in Austria. Not all gifts are covered by the notification obligation: In case of gifts to certain related parties, a threshold of EUR 50,000 per year applies; in all other cases, a notification is obligatory if the value of gifts made exceeds an amount of EUR 15,000 during a period of five years. Furthermore, gratuitous transfers to foundations falling under the Austrian Foundation Tax Act described above are also exempt from the notification obligation. Intentional violation of the notification obligation may lead to the levying of penalties of up to 10% of the fair market value of the assets transferred.

## **7. Foreign Account Tax Compliance Act (FATCA)**

On 29 April 2014, Austria concluded an intergovernmental agreement (Model II) with the United States in order to facilitate the implementation of FATCA for Austrian financial institutions (i.e. custodial institutions, depository institutions, investment entities or specific insurance companies) and to allow the provision of certain information on accounts held by "U.S. Persons" to the U.S. Internal Revenue Service (IRS). "U.S. Persons" are considered U.S. citizens or resident individuals, partnerships or corporations organised in the United States or under the laws of the United States or any State thereof, certain trusts (subject to the jurisdiction of a court within the United States with one or more U.S. persons have the authority to control all substantial decisions of the trust) and an estate of a decedent that is a citizen or resident of the United States. If the respective U.S. account holder does not allow the financial institution to forward account specific information to the IRS, the financial institution is still obliged to forward aggregated information on the account to the IRS and such information may serve as basis for group requests by the IRS to the Austrian tax administration in order to obtain more specific information on such accounts.

It is to note that there is currently no guidance on the impact of FATCA and the intergovernmental agreement on Austrian financial institutions and their reporting and withholding responsibilities. In particular, it is not yet certain how the United States and Austria will implement withholding on "foreign passthru payments" (which may include payments on the Notes) or if such withholding will be required at all.

U.S. Persons are advised to contact their tax advisor with respect to the consequences of FATCA and the intergovernmental agreement on their investment.

## VIII. TAXATION IN GERMANY

*The following discussion is a summary of certain material German tax considerations relating to (i) Notes issued by the Issuer in particular where the holder is tax resident in Germany or has a tax presence in Germany or (ii) Notes held through a disbursing agent located in Germany. It is based on the laws in force on the date of this Prospectus, of general nature only and neither intended as, nor to be understood as, legal or tax advice. Any information given hereafter reflects the opinion of the Issuer and must not be misunderstood as a representation or guarantee with regard to potential tax consequences. Further, the Issuer advises that the tax consequences depend on the individual facts and circumstances at the level of the investor and may be subject to future changes in law.*

### 1. Withholding Tax

For German tax residents (e.g. persons whose residence, habitual abode, statutory seat or place of management is located in Germany), interest payments on the Notes are subject to withholding tax, provided that the Notes are held in custody with a German custodian, who is required to deduct the withholding tax from such interest payments (the "**Disbursing Agent**"). Disbursing Agents are German resident credit institutions, financial services institutions (including German branches of foreign financial companies), German securities trading companies or German securities trading banks. The applicable withholding tax rate is 25% (plus 5.5% solidarity surcharge thereon and, if applicable, church tax). The withholding tax will be reduced by 25 % of the church tax.

For individuals subject to church tax, church tax will be collected by the Disbursing Agent by way of withholding unless the investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*) in which case the investor has to include the relevant investment income in the tax return in order to be assessed to church tax.

The withholding tax regime should also apply to any gains from the disposition or redemption of Notes as well as to comparable transactions realised by private investors holding the Notes as private (and not as business) assets in custody with a Disbursing Agent. Subject to exceptions, the amount of capital gains on which the withholding tax charge is applied is generally levied on the difference between the proceeds received upon the disposition or redemption of the Notes or comparable transactions and (after the deduction of actual expenses directly related thereto) the acquisition costs. Where the Notes are acquired and/or sold in a currency other than Euro, the sales/redemption price and the acquisition costs have to be converted into Euro on the basis of the foreign exchange rates prevailing on the sale or redemption date and the acquisition date respectively. Where custody of the Notes has changed from a Disbursing Agent or an EU/EEA-resident credit institution or financial services institution to a new Disbursing Agent since the acquisition and the acquisition data is not allowed to be proven to the new Disbursing Agent or is not provided in the form required by law, the tax at a rate of 25% (plus 5.5% solidarity surcharge and, if applicable, church tax) will be imposed on an amount equal to 30% of the proceeds from the sale or redemption of the Notes (or comparable amounts).

Accrued interest (*Stückzinsen*) received by the investor upon disposal of the Notes between two interest payment dates is considered as part of the sales proceeds thus increasing a capital gain or reducing a capital loss from the Notes. Accrued interest paid by the investor upon an acquisition of the Notes after the issue date qualifies as negative investment income either to be deducted from positive investment income generated in the same assessment period or to be carried forward to future assessment periods.

German withholding tax should generally not be levied if a non-business investor has filed a withholding tax exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent, but only to the extent the annual aggregate investment income does not exceed the maximum lump sum deduction amount (*Sparer-Pauschbetrag*) shown on the withholding tax exemption certificate. Currently, the maximum lump sum deduction amount is EUR 801 (EUR 1,602 for married couples and registered partners filing jointly) for all investment income received in a given calendar year. Similarly, no withholding tax should be levied if the investor has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) issued by the competent local tax office.

In the case of Notes held as business assets if (a) the investor qualifies as a German tax resident corporation, association of persons (*Personenvereinigung*) or estate of assets (*Vermögensmasse*) or (b) the Notes are attributed to a domestic business in Germany and the investor notifies this to the Disbursing Agent in the officially required form, capital gains from the disposal, sale or redemption of the Notes should not be subject to withholding tax.

The Issuer does not assume any responsibility for the deduction of German withholding tax at the source (including solidarity surcharge and, where applicable, church tax thereon).

## **2. Private Investors**

For German tax resident private investors the withholding tax is – without prejudice to certain exceptions – definitive under a special flat tax regime (*Abgeltungssteuer*) as regards interest and gains resulting from the disposition or redemption of the Notes. Under the flat tax regime, expenses actually incurred in connection with the investment into the Notes are generally not tax-deductible. Only actual expenses directly related to proceeds received upon the disposition or redemption of the Notes or comparable transactions can be tax-deductible. According to the German tax authorities, no sale is deemed to occur where the sales proceeds do not exceed the transaction costs. In such case, losses resulting from the disposal of the Notes are treated as non-deductible for German taxation purposes. Similarly, losses from a disposal of the Notes are non-deductible where, based on an agreement with the depositary institution, the transaction costs are calculated on the basis of the sale proceeds taking into account a deductible amount. Further, losses resulting from a bad debt loss (*Forderungsausfall*) in the case of an Issuer default or from a waiver of a receivable (*Forderungsverzicht*) in relation to the Notes, to the extent the waiver does not qualify as a hidden contribution, are not treated as tax-deductible.

Private investors can apply to have their income from the investment into the Notes assessed in accordance with the general rules on determining an individual's tax bracket if this results in a lower tax burden. Also in this case, expenses actually incurred are not deductible. An assessment is mandatory for income from the investment into the Notes where the Notes are held in custody outside of Germany and where a private investor who is liable to German church tax has applied for a blocking notice (*Sperrvermerk*). Losses resulting from the sale or redemption of the Notes can only be off-set against other investment income. In the event that, absent sufficient positive investment income, a set-off is not possible in the assessment period in which the losses have been realised, such losses can be carried forward in order to be offset against any positive investment income generated in future assessment periods.

## **3. Business Investors**

Interest payments and capital gains from the disposition or redemption of the Notes or comparable transactions held as business assets by German tax resident business investors are generally subject to (i) corporate income tax at a rate of 15% or income tax at a rate of up to 45%, as the case may be (in each case plus 5.5% solidarity surcharge thereon and, if applicable in the case of an individual holding the Notes as business assets, church tax), and (ii) trade tax which generally ranges from 7% to approximately 18.2%. Any German withholding tax deducted from interest payments or, if applicable, from capital gains, is – as a general rule and subject to certain requirements – creditable against the German (corporate) income tax liability, or, to the extent exceeding the (corporate) income tax liability, refundable. The interest payments and capital gains are also subject to trade tax, if the Notes are attributable to a German trade or business.

## **4. Foreign Tax Residents**

Investors not resident in Germany should, in essence, not be taxable in Germany with the proceeds from the investment in the Notes (interest payments and capital gains), and no German withholding tax should be withheld from such income, even if the Notes are held in custody with a German credit (or comparable) institution. Exceptions apply, e.g., where (i) the Notes are held as business assets in a German permanent establishment of the investor or (ii) the income otherwise constitutes German source income (such as income from the letting and leasing of certain German-situs property or interest income from capital investments directly or indirectly secured by German-situs real estate, unless the Notes qualify as global notes (*Sammelurkunden*) within the meaning of Section 9a of the German Custody Act (*Depotgesetz*) or as fungible notes representing the same issue (*Schuldverschreibungen*)). In case (i) a tax regime similar to that explained above for tax resident Business Investors applies (see above —“*Business Investors*”). In case (ii), where no withholding tax has been deducted, an assessment is mandatory for non-resident investors. However, if the interest payments and capital gains are part of further German source income (e.g. income from leasing) withholding tax has to be deducted and an assessment might be mandatory due to this further income. Subject to certain requirements a holder who is not tax-resident in Germany may benefit from tax reductions or tax exemptions provided by an applicable tax treaty. Moreover, a non-resident investor may be subject to tax with any income derived from the Notes in the jurisdiction where such investor is tax resident.

## **5. Treatment under the Investment Tax Act**

The Issuer takes the view that the special provisions of the Investment Tax Act (*Investmentsteuergesetz*) are not applicable to the Notes.

## **6. German implementation of the former EU Savings Tax Directive**

On 10 November 2015, the European Commission repealed the EU Savings Tax Directive generally with effect as of 1 January 2016 in order to prevent an overlap between the EU Savings Tax Directive and the EU Council Directive 2011/16/EU on administrative cooperation in the field of taxation (as amended by EU Council Directive 2014/107/EU dated 9 December 2014) pursuant to which an automatic exchange of information regime has to be implemented between the EU member states generally with effect as of 1 January 2016. The implementation of the EU Savings Tax Directive in Germany by the decree on the taxation of interest income (*Zinsinformationsverordnung*) has generally also been repealed with effect as of 1 January 2016. However, it continues to remain in effect for some countries (Austria, Belgium, Luxembourg) with regard to withholding tax which has to be levied in 2016. Pursuant to the decree, a domestic paying agent (within the meaning of the decree) is required to provide to the Federal Tax Office (*Bundeszentralamt für Steuern*) details of the payment of interest made to any individual resident in another EU Member State as the beneficial owner of the interest. The Federal Tax Office is then required to communicate this information to the competent authority of the other EU Member State of which the beneficial owner of the interest is a resident.

## **7. Inheritance and Gift Tax**

No inheritance or gift taxes with respect to the Notes will generally arise under German law, if, in the case of inheritance tax, neither the decedent nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of the Federal Republic of Germany and such Notes are not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed in the Federal Republic of Germany. Exceptions from this rule apply to certain German citizens who previously maintained a residence in the Federal Republic of Germany. Subject to certain requirements a holder who is not tax-resident in Germany may benefit from tax reductions or tax exemptions provided by an applicable inheritance and gift tax treaty.

## **8. Other Taxes**

At present, the purchase, sale or other disposal of Notes does not give rise to capital transfer tax, value added tax, stamp duties or similar taxes or charges in Germany. However, under certain circumstances entrepreneurs may opt for a liability to value added tax with regard to the sales of Notes which would otherwise be tax exempt. Net wealth tax (*Vermögensteuer*) is, at present, not levied in Germany.

## IX. SUBSCRIPTION AND SALE

### 1. General

Each Dealer has represented, warranted and undertaken that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes the Prospectus or any related offering material and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any Dealer shall have any responsibility therefor.

With regard to each Tranche, the relevant Dealer will be required to comply with such other additional restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

In a programme agreement dated 5 September 2016, as amended and/or restated and/or supplemented from time to time, the Dealers have agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement for any particular purchase will extend to those matters stated under Section VI.1 (*Terms and Conditions*) above.

### 2. Public offer selling restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

### 3. United States of America (the "United States")

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons unless the Notes are registered under

the Securities Act or an exemption from the registration requirements of the Securities Act is available. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act. The Notes are being offered and sold outside the United States to non-US persons in reliance on Regulation S.

The Notes are in bearer form and are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, except as permitted by the Programme Agreement, it will not offer, sell or deliver any Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering or completion of the distribution, as determined and certified by the Dealers, or in case of an issue of Notes on a syndicated basis, as determined and certified by the relevant lead manager, of all Notes of the Tranche of which such Notes are a part within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S of the Securities Act.

Until 40 days after the commencement of the offering of any Notes, an offer or sale of such Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

## **X. DOCUMENTS INCORPORATED BY REFERENCE**

The following documents are incorporated by reference in this Prospectus:

1. Consolidated Financial Statements and the management report as of 31 December 2015 as included in the 2015 annual report of the Issuer ([http://www.novomatic.com/upload/file/NOVOMATIC\\_Jahresfinanzbericht\\_2015\\_DE.PDF](http://www.novomatic.com/upload/file/NOVOMATIC_Jahresfinanzbericht_2015_DE.PDF));
2. Consolidated Financial Statements and the management report as of 31 December 2014 as included in the 2014 annual report of the Issuer ([http://www.novomatic.com/upload/file/NOVOMATIC\\_Jahresfinanzbericht\\_2014.pdf](http://www.novomatic.com/upload/file/NOVOMATIC_Jahresfinanzbericht_2014.pdf));
3. English translation of the Consolidated Financial Statements and the management report as of 31 December 2015 as included in the 2015 annual report of the Issuer ([http://www.novomatic.com/upload/file/NOVOMATIC\\_Annual\\_Report\\_2015.PDF](http://www.novomatic.com/upload/file/NOVOMATIC_Annual_Report_2015.PDF)); and
4. English translation of the Consolidated Financial Statements and the management report as of 31 December 2014 as included in the 2014 annual report of the Issuer ([http://www.novomatic.com/upload/file/NOVOMATIC\\_Annual\\_Report\\_2014.pdf](http://www.novomatic.com/upload/file/NOVOMATIC_Annual_Report_2014.pdf)).
5. English translation of the Interim Financial Statements as of 30 June 2016 ([http://www.novomatic.com/upload/file/NOVOMATIC\\_Interim\\_Financial\\_Report\\_2016.pdf](http://www.novomatic.com/upload/file/NOVOMATIC_Interim_Financial_Report_2016.pdf)).

The following information appears on the pages stated below of the respective document:

### **1. Consolidated Financial Statements, the management report and the auditor's report as of 31 December 2015**

| Chapters                                       | Page numbers |
|--|--------------|
| Management Report                              | p. 8-41      |
| Consolidated Balance Sheet                     | p. 42        |
| Consolidated Income Statement                  | p. 43        |
| Consolidated Statement of Comprehensive Income | p. 43        |
| Consolidated Cash Flow Statement               | p. 44        |
| Consolidated Statement of Changes in Equity    | p. 45        |
| Notes to the Consolidated Financial Statements | p. 46-116    |
| Auditor's Report                               | p. 118-119   |

### **2. Consolidated Financial Statements, the management report and the auditor's report as of 31 December 2014**

| Chapters                                       | Page numbers |
|--|--------------|
| Management Report                              | p. 6-35      |
| Consolidated Balance Sheet                     | p. 36        |
| Consolidated Income Statement                  | p. 37        |
| Consolidated Statement of Comprehensive Income | p. 37        |
| Consolidated Cash Flow Statement               | p. 38        |
| Consolidated Statement of Changes in Equity    | p. 39        |
| Notes to the Consolidated Financial Statements | p. 40-101    |
| Auditor's Report                               | p. 103-104   |



**3. English translation of the Consolidated Financial Statements, the management report and the auditor's report as of 31 December 2015**

| Chapters                                       | Page numbers |
|--|--------------|
| Management Report                              | p. 8-39      |
| Consolidated Balance Sheet                     | p. 40        |
| Consolidated Income Statement                  | p. 41        |
| Consolidated Statement of Comprehensive Income | p. 41        |
| Consolidated Cash Flow Statement               | p. 42        |
| Consolidated Statement of Changes in Equity    | p. 43        |
| Notes to the Consolidated Financial Statements | p. 44-114    |
| Translation of the Auditor's Report            | p. 116-117   |

**4. English translation of the Consolidated Financial Statements, the management report and the auditor's report as of 31 December 2014**

| Chapters                                       | Page numbers |
|--|--------------|
| Management Report                              | p. 32-59     |
| Consolidated Balance Sheet                     | p. 60        |
| Consolidated Income Statement                  | p. 61        |
| Consolidated Statement of Comprehensive Income | p. 61        |
| Consolidated Cash Flow Statement               | p. 62        |
| Consolidated Statement of Changes in Equity    | p. 63        |
| Notes to the Consolidated Financial Statements | p. 64-123    |
| Translation of the Auditor's Report            | p. 124-125   |

**5. English translation of the Interim Financial Statements as of 30 June 2016 and the management report**

| Chapters                                       | Page numbers |
|--|--------------|
| Management Report                              | p. 3-8       |
| Consolidated Balance Sheet                     | p. 9         |
| Consolidated Income Statement                  | p. 10        |
| Consolidated Statement of Comprehensive Income | p. 10        |
| Consolidated Cash Flow Statement               | p. 11        |
| Consolidated Statement of Changes in Equity    | p. 12        |
| Notes to the Consolidated Financial Statements | p. 13-23     |

Information included in the documents incorporated by reference that is not included in the cross-reference lists above is neither part of this Prospectus nor incorporated by reference in the Prospectus. Such information not incorporated by reference in the Prospectus is either not relevant for investors or already included elsewhere in the Prospectus.

## **XI. GENERAL INFORMATION**

### **1. Authorisation**

The preparation of this Prospectus was duly authorised by the Managing Board of the Issuer on 30 August 2016. On the same day, the Supervisory Board of the Issuer approved the preparation of this Prospectus.

### **2. Auditor**

The Consolidated Financial Statements prepared by the Issuer's management board in accordance with IFRS, as adopted by the EU, for the 2015 financial year ending 31 December 2015 and for the 2014 financial year ending 31 December 2014, were audited by Deloitte Audit Wirtschaftsprüfungs GmbH, which is domiciled in Vienna and has a business address at Renngasse 1/Freyung, 1010 Vienna and which issued unqualified audit opinions dated 19 April 2016 and 17 April 2015, respectively. Deloitte Audit Wirtschaftsprüfungs GmbH is a member of both the Institute of Public Auditors in Austria (*Institut der Wirtschaftsprüfer*) and the Austrian Chamber of Public Accountants and Tax Advisors (*Kammer der Wirtschaftstreuhänder*).

### **3. Admission to trading**

The Issuer will apply for the admission of the Programme to the Second Regulated Market (*Geregelter Freiverkehr*) of the Vienna Stock Exchange. This Prospectus applies with respect to the issuance of Notes to be listed on the Vienna Stock Exchange within a period of 12 months from the date of approval of this Prospectus.

The Programme also allows the issuance of Notes listed on other regulated (subject to the prior notification of the Prospectus in accordance with Article 18 of the Prospectus Directive and subsequent approval) and unregulated markets within the European Economic Area or not listed on any stock exchange, as indicated in the respective Final Terms.

### **4. Currency of the Notes**

The Notes may be denominated in any currency if the Issuer and the relevant Dealers so agree. All payments of interest and principal shall be in such currency.

### **5. Use of proceeds**

The Issuer intends to use the proceeds from the sale of the Notes primarily for the optimization of the financing structure, for example by repaying outstanding lines of credit, but also for possible acquisitions (including the acquisitions of shares of Ainsworth Game Technology Ltd. or the increase of existing shareholdings), future investments in ongoing operations and fixed and financial assets, as well as for general corporate purposes.

### **6. Ranking of the Notes**

The Notes are unsecured, unconditional and unsubordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and equally with all other outstanding, unsecured and unsubordinated obligations of the Issuer present and future, unless such obligations are accorded priority under mandatory provisions of statutory law. This includes, for example, the costs of insolvency proceedings or claims by employees relating to current wages following the opening of insolvency proceedings.

### **7. Reoffer Price and Issue Price**

Notes will be issued at their nominal amount (which equals the denomination specified in the Final Terms).

The Notes may be offered at the issue price and/or at the reoffer price as specified in the Final Terms. If specified in the Final Terms, the issue price at which retail investors may buy the Notes during the subscription period is determined on the basis of the reoffer price for institutional investors plus selling fee of up to 1.5 percentage points or such other selling fee as specified in the Final Terms.

### **8. Calculation of yield**

The yield is calculated on the basis of the actual/actual ICMA method (on the assumption that the Notes are held to maturity and are acquired at the reoffer price, if applicable, or the issue price). The ICMA method determines the effective interest rate of the Notes taking into account accrued interest on a daily basis.

## 9. Rating

The Issuer is assigned a long-term issuer rating of "BBB" with stable outlook and a short-term issuer rating of "A-2" with stable outlook by Standard & Poor's.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (as amended) (the "**CRA Regulation**"), unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration has not been refused.

Standard & Poor's Credit Market Services Europe Limited, has its registered office at 20 Canada Square, Canary Wharf, London, United Kingdom E14 5LH and is a business unit of The McGraw-Hill Companies Inc. whose headquarter is at 1221 Avenue of the Americas, New York, NY 10020. Standard & Poor's assigns long-term credit ratings on a scale from "AAA" to "D". The ratings from "AA" to "CCC" can be modified by a "+" or "-" to indicate the relative position within the main rating category. Additionally, Standard & Poor's can provide an estimation (known as Credit Watch) as to whether a rating will be upgraded, downgraded or whether the trend is uncertain (neutral). Standard & Poor's can assign specific issues short-term ratings on a scale from "A-1", "A-2", "A-3", "B", "C" down to "D". Within the "A-1" class, the rating can be given a "+".

Standard & Poor's Credit Market Services Europe Limited is established in the European Union and is included as a registered rating agency in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

## 10. Interests of natural and legal persons involved in the issue/offer

The Dealers and their affiliates have provided or provide various banking, financial advisory and/or similar services to the Issuer in the ordinary course of business and maintain ordinary business relationships with the Issuer in their capacity as credit institutions or as lenders under credit facilities for which they have received and may continue to receive customary fees and reimbursement of expenses. Furthermore, NOVOMATIC AG Group has entered into agreements to acquire stakes from Leipnik-Lundenburger Invest as well as of UNIQA Insurance Group in connection with Casinos Austria Transactions. There are direct and indirect shareholders of Raiffeisen Bank International AG, an Arranger and Dealer under the Programme, including Raiffeisen Zentralbank Österreich, which are also indirect shareholders of Leipnik-Lundenburger Invest as well as of UNIQA Insurance Group.

The net proceeds from the sale of the Notes may be used to repay outstanding obligations towards the Dealers or their affiliates. Furthermore, the Dealers are expected to receive a management/underwriting commission or a selling fee in an amount as specified in the relevant Final Terms.

## **XII. GLOSSARY**

|   |  |
|---|--|
| <b><i>AktG</i></b>                              | means the Austrian law of 31 March 1965 regarding joint stock corporations ( <i>Aktiengesetz 1965</i> ), BGBl Nr. 98/1965, as amended.   |
| <b><i>Arrangers</i></b>                         | means Erste Group Bank AG, Raiffeisen Bank International AG and UniCredit Bank Austria AG.   |
| <b><i>Austrian Lotteries</i></b>                | means Österreichische Lotterien Gesellschaft m.b.H., an Austrian limited liability company and indirect subsidiary of Casinos Austria.   |
| <b><i>Brick-and-mortar gaming</i></b>           | means gaming tied to a particular location specifically designed therefor, such as casinos, electronic casinos etc., as opposed to internet-based gaming, for example.   |
| <b><i>B2B transaction</i></b>                   | means business relations between two or more companies.  |
| <b><i>B2C transaction</i></b>                   | means business relations between a company and a customer.   |
| <b><i>Casinos Austria</i></b>                   | means Casinos Austria AG, an Austrian joint stock corporation.   |
| <b><i>Casinos Austria Group</i></b>             | means the group of companies consisting of Casinos Austria (as parent company) and its subsidiaries.   |
| <b><i>Clearing System</i></b>                   | means OeKB CSD GmbH ( <b><i>OeKB CSD</i></b> ), as well as each successor entity.  |
| <b><i>Consolidated Financial Statements</i></b> | means the German language audited consolidated financial statements of NOVOMATIC AG Group as of and for the financial years ended 31 December 2014 and 31 December 2015, comprised in each case of the consolidated balance sheet, the consolidated income statement, the consolidated statement of comprehensive income, consolidated cash flow statement, consolidated statement of changes in equity, as well as notes to the consolidated financial statements.  |
| <b><i>Dealers</i></b>                           | means Erste Group Bank AG, Raiffeisen Bank International AG and UniCredit Bank Austria AG, though additional Dealers can, pursuant to the Programme Agreement, be appointed for specific issuance under the Programme.   |
| <b><i>EBIT</i></b>                              | means the operating profit as represented in the consolidated income statement for the NOVOMATIC AG Group. The EBIT information included in this Prospectus has neither been included from the Consolidated Financial Statements nor from the Interim Financial Statements of the Issuer and, accordingly, has therefore not been audited by an auditor and was determined by the Issuer itself. EBIT represents a business indicator that is not defined in the International Financial Reporting Standards (IFRS). It serves the management of the NOVOMATIC AG Group as a measurement and control lever for the economic success and the profitability of the Group.                |
| <b><i>EBITDA</i></b>                            | means the operating profit (EBIT) adjusted with scheduled and unscheduled depreciation and revaluation on intangible assets and tangible assets of the NOVOMATIC AG Group. The EBITDA information included in this Prospectus has neither been included from the Consolidated Financial Statements nor from the Interim Financial Statements of the Issuer and, accordingly, has therefore not been audited by an auditor and was determined by the Issuer itself. EBITDA represents a business indicator that is not defined in the International Financial Reporting Standards (IFRS). It serves the management of the NOVOMATIC AG Group as a measurement and control lever for the |

economic success and the profitability of the Group.

|  |  |
|--|--|
| <b><i>EStG</i></b>                         | means the Austrian law of 7 July 1988 regarding the taxation of income of natural persons ( <i>Einkommensteuergesetz 1988 – EstG 1988</i> ), as amended.   |
| <b><i>EUR and Euro</i></b>                 | means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.  |
| <b><i>Euroclear</i></b>                    | means Euroclear Bank S.A./ N.V. Brussels as operator of the Euroclear Systems.   |
| <b><i>Final Terms</i></b>                  | are prepared on the basis of the form presented in Section VI, VI.2 (Information Regarding the Notes, <i>Final Terms</i> ) and constitute - as completed by the Terms and Conditions – the Terms and Conditions for the particular issuance of Notes under this Programme.   |
| <b><i>FMA</i></b>                          | means the Austrian Financial Market Authority.   |
| <b><i>Interim Financial Statements</i></b> | means English translations of the unaudited consolidated financial statements of NOVOMATIC AG Group as of and for the six-month period ended 30 June 2016, comprised of the consolidated balance sheet, the consolidated profit and loss statement, the consolidated statement of comprehensive income, consolidated cash flow statement, consolidated statement of changes in equity, notes to the consolidated financial statements.   |
| <b><i>ICMA method</i></b>                  | means the method of the International Capital Market Association for the determination of the effective interest rate of Notes taking into account accrued interest on a daily basis.  |
| <b><i>IFRS</i></b>                         | means International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Union (EU).  |
| <b><i>Issuer</i></b>                       | means NOVOMATIC AG, Wiener Straße 158, 2352 Gumpoldskirchen, entered in the company register of the commercial court of Wiener Neustadt under registered number FN 69548 b.  |
| <b><i>KMG</i></b>                          | means the Austrian law regarding the public offer of securities and other capital investments and the repeal of the Securities Issuance Law ( <i>Kapitalmarktgesetz – KMG</i> ), as amended, which implements Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended.   |
| <b><i>Net debt/EBITDA</i></b>              | means the net debt, calculated from the non-current and current financial liabilities minus cash and cash equivalents, divided by EBITDA over the past 12 months based on information in the Consolidated Financial Statements. Net debt/EBITDA information included in this Prospectus has neither been included from the Consolidated Financial Statements nor from the Interim Financial Statements and, accordingly, has therefore not been audited by an auditor and was determined by the Issuer itself. |
| <b><i>Notes</i></b>                        | means the notes to be issued under the Prospectus by the Issuer.   |
| <b><i>NOVOMATIC AG Group</i></b>           | means the group of companies consisting of the Issuer (as parent company) and its consolidated subsidiaries. The group structure of the NOVOMATIC AG Group is described in detail in Section IV. 8   |

*(Organizational structure).*

***NOVOMATIC Group***

means the three independent companies, whose parent companies are NOVO Invest GmbH, ACE Casino Holding AG and Gryphon Invest AG, whose respective direct or indirect sole shareholder is Prof. Johann F. Graf. The relationship between the NOVOMATIC AG Group and the NOVOMATIC Group is described in Section IV. 11 (*Major shareholders*).

***NOVO Invest GmbH***

is the limited liability company with registered number FN 381832v and registered office at Wiener Straße 158, 2352 Gumpoldskirchen, whose sole shareholder is Prof. Johann F. Graf.

***Paying Agent***

means, initially, Erste Group Bank AG or one or more other institutions that have been appointed as paying agent in accordance with § 7 (2) of the Terms and Conditions, but will always be a credit institution subject to the Austrian Banking Act, as amended (or – to the extent applicable – other laws applicable to credit institutions in the Member States of the European Economic Area).

***Programme***

means the debt issuance programme of NOVOMATIC AG for the issuance of Notes, as described in this Prospectus.

***Programme Agreement***

means such framework agreement entered into by the Arrangers, the Dealers and the Issuer which specifies the rights and obligations of the Arrangers, Dealers and Issuer in connection with the Programme.

***Prospectus***

means this base prospectus in accordance with Article 5.4 of the Prospectus Directive, which was prepared in line with requirements of the Prospectus Directive, Annexes IV, V, XXII, and XXX of the Prospectus Regulation and the KMG.

***Prospectus Directive***

means Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003, as amended (including by Directive 2010/73/EC of 24 November 2010).

***Securities Act***

means the United States Securities Act of 1933, as amended.

***Syndicated***

means, in connection with the issuance of Notes under the Programme, that the respective Notes are offered by multiple Dealers appointed in accordance with the Programme Agreement.

***Terms and Conditions***

means the terms and conditions included in Section VI.1 (*Terms and Conditions*), which as completed by the final terms applicable to a particular issuance of Notes under the Programme constitute the terms and conditions of a particular issuance of Notes to be issued under the Programme.

**STATEMENT PURSUANT TO COMMISSION REGULATION (EC) NO 809/2004 OF APRIL 29,  
2004 AND PURSUANT TO SECTION 8 PARA 1 CAPITAL MARKETS ACT**

NOVOMATIC AG, with its corporate seat in Gumpoldskirchen and its registered address at Wiener Straße 158, 2352 Gumpoldskirchen, Austria, entered in the company register under registered number FN 69548 b is responsible for this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

Gumpoldskirchen, on 5 September 2016

NOVOMATIC AG

as Issuer

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(Print name and title)

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(Print name and title)

**Issuer**

**NOVOMATIC AG**  
Wiener Straße 158  
2352 Gumpoldskirchen  
Austria

**Arrangers and Dealers**

**Erste Group Bank AG**  
Am Belvedere 1  
1100 Vienna  
Austria

**Raiffeisen Bank International AG**  
Am Stadtpark 9  
1030 Vienna  
Austria

**UniCredit Bank Austria AG**  
Schottengasse 6 - 8  
1010 Vienna  
Austria

**Paying Agent**

**Erste Group Bank AG**  
Am Belvedere 1  
1100 Vienna  
Austria

**Listing Agent**

**Erste Group Bank AG**  
Am Belvedere 1  
1100 Vienna  
Austria

**Legal Advisor to the Issuer**

**Freshfields Bruckhaus Deringer LLP**  
Seilergasse 16  
1010 Vienna  
Austria

**Legal Advisor to the Arrangers and Dealers**

**DLA Piper Weiss-Tessbach Rechtsanwälte GmbH**  
Schottenring 14  
1010 Vienna  
Austria

**Auditor**

**Deloitte Audit Wirtschaftsprüfungs GmbH**  
Renngasse 1/Freyung  
1013 Vienna  
Austria