



PRESS RELEASE

KKCG and Foxconn Set up Joint Venture

Prague, 10 December 2015 – Officials from the KKCG and Foxconn Groups have signed a joint venture agreement under which the two partners will build a medium-sized data center in Prague, Czech Republic. The completion of the transaction is now pending approval by the European Commission. Operating under the name SafeDX, the facility will provide services in the Czech Republic. SafeDX will further develop KKCG's activities in the information technology sector. At the same time, the venture will be an important element of the Foxconn Group's expansion into the data center segment.

Both KKCG and Foxconn will own a 50% stake in the new facility. The two firms' objective is to become established on the highly competitive data center market in the Czech Republic. The KKCG Group has experts with in-depth knowledge of the domestic IT market and, among other activities, runs a data center in South Moravia. Joining forces with such a strong international player as the Foxconn Group provides a springboard for building a strong position on the market and for introducing a portfolio of innovative services.

"We are convinced that the current development in the IT sector provides new business opportunities, particularly in relation to our partners in Asia. The investment into the construction of our data center advances the portfolio of the group's IT services one level higher," explains Martin Chládek, KKCG's Head of Information Technologies. According to Chládek, global IT corporations as well as companies from Asia are planning to expand to Central and Eastern Europe. They will need to reinforce their IT infrastructure to support their growing business needs in the region. Services offered by SafeDX will include data center, comprehensive IT solutions, and a host of other IT services.

"Foxconn's new investment strategy focuses not only on building data centers, but also, and more importantly, on providing related services. The first data center in Prague is a pilot project, which we want to follow by an expansion throughout Europe. The services we offer are not intended for large corporations only, they're for medium- and small-sized enterprises as well," said Alan Macintyre, CEO of Foxconn Technology CZ.

The project will further strengthen KKCG's position in the IT business. At present, the group owns DataSpring s.r.o., a company that runs a state-of-the-

art data center in Lužice. Moreover, KKCG continually seeks innovative IT solutions through Springtide Ventures, a capital fund 100% owned by KKCG that specializes in seeking high-potential opportunities among firms in the new technologies segment.

Foxconn's expansion planned for the forthcoming years will create hundreds of new jobs, particularly for IT and technology specialists. Foxconn currently employs some 5,000 workers in its facilities in Pardubice and Kutná Hora and ranks among the largest private-sector employers in the region.

KKCG

KKCG is an international investment group that manages assets worth 1.6 billion euros and employs 2,500 persons. KKCG specializes in long-term strategic investments in such segments as lotteries and entertainment, crude oil and natural gas production, technologies, tourism, real estate, manufacturing, and others. KKCG operates in 10 countries worldwide.

Foxconn

Foxconn's branch in the Czech Republic was established on 18 May 2000 as the company's regional base for Europe, the Middle East, and Africa. Foxconn is one of the most important Czech exporters. In 2014, the firm was the second largest exporter as the value of goods it exported came close to the 120 billion crown mark. In 2015, Foxconn placed first and second, respectively, in the Best Regional Employer and Best Employer in the Czech Republic contests. Visit www.foxconn.cz for additional information.



The new SafeDX data center will be located in the district of Prague 9 in direct vicinity of the Sazka Building.

Media Contact:

Dana Dvořáková
Corporate Communication Director
KKCG a.s., Vinohradská 1511/230, 100 00 Prague 10
T: +420 225 010 399, M: +420 602 372 834
E-mail: dana.dvorakova@kkcg.cz, www.kkcg.eu

Foxconn:
Klára Horová
Mobile: +420 731 648 337
media@foxconn.cz