

TISKOVÁ ZPRÁVA

PRESS RELEASE

Prague, 2.12.2015 – KKCG and EMMA Capital have applied to the relevant Offices for Protection of Competition for the approval of a transaction that aims to merge the stakes the two corporations hold in Sazka, OPAP, and Casinos Austria. The aim is to create a joint holding company.

"Lotteries and gaming are a key pillar of our business, and this step conforms fully to the strategy pursued by the KKCG Group, where we aim to build a large diversified European group that specializes in gaming," explained KKCG's Investment Director Pavel Šaroch.

"For EMMA Capital, the merger is a logical step, as we will more closely join forces with an experienced and reliable partner and expand our gaming activities also to the Czech Republic," added EMMA Capital Investment Director Pavel Horák.

In the joint holding company, Karel Komárek's KKCG and Jiří Šmejč's EMMA Capital will hold a 75% and 25% stake, respectively. Bringing together the gaming and lottery operations of the two corporations will create an international undertaking that will rely on strong financial backing, highly qualified experts in the field, and clearly defined strategy. The new company will focus on developing its business not only in the Czech Republic, but also in other countries. The two partners will jointly manage, develop, and oversee all operations of the new holding. The transaction involves stakes in the following companies:

Sazka is the largest lottery company in the Czech Republic that is the fastest growing lottery business in Europe. Its main products include number lotteries (Sportka), scratch tickets, sports odds betting, and fast turnover games. As to non-lottery products, the key role is played by SAZKAmobil mobile communication services, sale of tickets, mobile phone recharge, and brokerage of payments for goods and services.

OPAP is one of the largest lottery and gaming operators in Europe and one of the most profitable companies in Greece. Among other assets, OPAP holds exclusive rights for land-based sports betting until 2030, online sports betting until 2020, and for numerical games until 2030 (offline and online). OPAP's consolidated revenues in 2014 amounted to 4,26 billion euros. In 2013, EMMA Delta, an investment fund with variable capital, whose investors include KKCG and EMMA Capital, bought a 33% stake in OPAP.

Casinos Austria is a leading national and international gaming corporation that operates in numerous Austrian regions as well as in other countries. Its consolidated revenues in 2014 were in excess of 3.6 billion euros. This year, KKCG and EMMA Capital have acquired an 11.34% indirect share in Casinos Austria (including rights of first refusal for additional up to 39.5%) by purchasing CAME Holding GmbH from Donau Versicherung AG.

KKCG is an international investment group that manages assets worth approximately 1.6 billion euros and employs 2,500 persons. KKCG's strategy is focused on long-term strategic investments in such areas as lotteries and entertainment, crude oil and natural gas production, technology, tourism, real estate, mechanical engineering, and other sectors. KKCG operates in 10 countries worldwide.

EMMA CAPITAL is an investment group that specialises in foreign markets. Most of its activities focus on retail. The strategy usually pursued by EMMA Capital is taking active participation in the companies in which EMMA acquires an ownership interest. The EMMA financial group was founded in 2012 at the initiative of its sole shareholder Jiří Šmejč.

The proposed transaction is currently being approved by the relevant Offices for Protection of Competition.

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