

Privatization of Spielbanken Niedersachsen GmbH

The Federal State of Lower Saxony intends to sell its shares in the Spielbanken Niedersachsen GmbH (SNG), which it holds through the Hannoversche Beteiligungsgesellschaft mbH. Lower Saxony is currently establishing the legal framework that will – within certain legal limits – permit private legal entities and private individuals to operate casinos commercially.

The State aims to divest 100% of the shares in SNG. The buyer must, on the basis of his/her reliability and integrity, warrant that the operation of casinos in Lower Saxony shall duly be continued in a sustainable manner. Privatization of

SNG is the only casino operator in Lower Saxony. It operates casinos at ten locations in Lower Saxony, namely in Hannover, Bad Zwischenahn, Hittfeld, Osnabrueck, Bad Harzburg, Bad Pyrmont, Bad Bentheim, Wolfsburg, Norderney and Borkum. Through its offering of table games and slot machines SNG is one of the largest casino operators in Germany. In the 2002/03 financial year SNG generated a gross gaming income of € 115 million.

The intended sale of shares in SNG will progress in the form of a structured bidding process that is not subject to the provisions of the public procurement law. The official announcement of the expression of interest process (Interessenbekundungsverfahren) is published in the Official Journal of the EU.

Potential bidders are hereby invited to express their interest in acquiring SNG.

The exact information to be provided by interested parties, further information about SNG, as well as about the bidding

process are solely available from the below mentioned advisors to the Hannoversche Beteiligungsgesellschaft mbH and the Federal State of Lower Saxony, who are in charge of overseeing and handling the process.

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Additionally, statements of interest and any inquiries should be directed solely to the above named consultants. Statements of interest must be received by no later than noon on June 3, 2004.

Any legal issues that arise in connection with this process shall be handled by Luther Menold Rechtsanwaltsgesellschaft mbh, Hanover, Germany, namely by Dr. Hans-Georg Hahn and Dr. Thomas Gohrke. The Federal State of Lower Saxony reserves the right to end the process at any time without stating any reasons therefor. The Federal State of Lower Saxony shall not be legally obligated to complete the process, either in whole or in part. Equally, the Federal State of Lower Saxony shall not be legally obligated to divest its shares in SNG. Interested parties shall, without exception, bear any costs that arise in connection with this process. Bidders selected to further participate in the bidding process shall be notified via a writing in due course.

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