

# Making the Belgrade



Casinos Austria International and its partners are to invest 60 million euros in a new flagship location: Casino Beograd

The new flagship casino from Casinos Austria International will be a one-of-a-kind venue with an extensive gaming and entertainment mix and the highest international standards when it opens in July this year. Drawing on its extensive experience in other European capitals, Berne, Brussels, Bucharest, Copenhagen, Prague and Vienna, Europe's latest casino will set new levels in capital city gaming and entertainment. It will also incorporate elements of the highly successful entertainment concepts in place in some of the firm's existing flagship casinos around the globe, including Club Hotel Casino Loutraki in Greece (who are also partners in the Casino Beograd project), Gold Reef City Casino near Johannesburg in South Africa, Great Blue Heron Charity Casino near Toronto, Canada and The Reef Hotel Casino in Cairns, Australia.

"We have set ourselves very ambitious goals for Casino Beograd," said Casinos Austria International CEO Paul Herzfeld. "It is one of our largest projects yet and will establish a new benchmark for the entire European casino market." He explained: "Casino Beograd will be a high-end product that combines the ultimate in gaming and entertainment. It will also demonstrate once and for all that a modern casino bears no resemblance to the old notion of a 'seedy gambling den.' Today's casinos are highly respectable businesses offering excitement and fun in a secure environment. Absolute integrity, transparency and the highest levels of responsibility to guests are core values in all our casinos."

This stringent focus on quality will be evident in all areas of operation at Casino Beograd. Staff and management will receive intensive training from industry experts and specialists from other Casinos Austria International casinos around the world. State-of-the-art security and surveillance systems will be installed to guarantee the integrity of gaming activities and ensure guests enjoy their visit and feel totally secure in the casino.

CAI is working in close cooperation with the relevant

Serbian authorities to ensure the player protection measures planned for the new casino in Belgrade exceed requirements. The company is drawing on its extensive experience, and many of the measures planned for Casino Beograd have already proved highly successful in other casinos around the world. Mr. Herzfeld emphasised his firm's pioneering role in this field: "All our staff receive special training, enabling them to identify possible problems at a very early stage." Mr. Herzfeld is optimistic that Casino Beograd will soon become the company's flagship casino in the region: "We are preparing meticulously for the launch to ensure Casino Beograd meets our exacting quality standards and goals right from the outset. The Serbian market is more than ready for a top class, modern casino, and we anticipate that the Casino Beograd complex will soon be welcoming around 500,000 guests a year and assuming a position at the top of the Belgrade entertainment scene. We expect some 30 per cent of these guests will be foreign passport holders and visitors to Belgrade." Casino Beograd will offer guests high quality entertainment and lots of choice. Gaming will be spread across two levels, and the gaming mix will include a selection of classic and new games at 25 tables as well as 250 of the latest slot machines. Top class world cuisine and fine dining restaurants will revolutionise the city's restaurant scene. The ultra

#### CASINO ADDRESS

Hotel Jugoslavia, Bulevar Nikole Tesle 3  
11070 Novi Beograd, Serbia

#### OFFICE ADDRESS

Grand Casino DOO (YU Business Center)

#### E-MAIL

[info@casino-beograd.com](mailto:info@casino-beograd.com)

#### OPERATOR

Casinos Austria International

#### PARTNERS

Casinos Austria International (51 %)

Club Hotel Loutraki (39 %)

State Lottery of Serbia (10 %)

#### OPENING DATES

July 2007 (casino), Autumn 2007 (fully operational)

#### GAMING MIX

25 tables (American Roulette, Blackjack, Caribbean Stud Poker, Three Card Poker, Texas Hold'em Poker, Midi Punto Banco)  
250 slot machines

#### ADDITIONAL FACILITIES

World cuisine restaurant, fine dining restaurant, ultra lounge bar, cocktail bars, VIP area, multipurpose function room

#### TOTAL FLOOR SPACE

5,500SQ.M.

#### NO. EMPLOYEES

300

#### ANTICIPATED NO. OF GUESTS

500,000 per year (total facility)

#### TOTAL INVESTMENT

60 million euros



## GEB BELGRADE 2007

Casinos Austria International took an impressive stand at the inaugural GEB 2007 gaming exhibition held at the Belgrade trade fair, Serbia, in February. The CAI stand was a conversion of its ICE show booth that welcomed guests in London in January. The GEB event was small, but busy over the first two days. However, the CAI stand and press conference helped to internationalise the event and its absence next year will create a big hole in the event.

lounge bar and designer cocktail bars are set to become *the* places to enjoy a drink in the capital. Regular world class shows and events will rapidly make Casino Beograd an established fixture in Belgrade's social calendar.

The launch of Casino Beograd will not only position the city firmly on the European gaming and entertainment map, it will also bring a positive economic and tourism impulse both to Belgrade and to Serbia. With total investments of some 60m euros planned for the casino alone, Europe's newest and most modern entertainment venue will create some 300 new jobs for the region, establishing Casino Beograd as an important employer in the entertainment sector in the Serbian capital. The vast majority of staff at the casino (95 per cent) will be hired locally. "Experience also shows that for each job created in a casino or entertainment venue, a further 0.8 jobs are also created outside the industry. In the case of Casino Beograd, this translates to a further 240 additional jobs for Belgrade," said Bojan Kristo, Director of the State Lottery of Serbia. "We are confident that Casino Beograd will be not only a highly successful business venture, but also a real success story for Belgrade," continued Mr. Kristo. "As the local partner in the development of Casino Beograd, one of our key roles in the project lies in providing the necessary experience, expertise and know-how of



the Serbian gaming and entertainment markets. Having a Serbian company on board is vital to the ultimate success of the casino and ensures the best possible integration of local issues and synergies." In addition to the investment and new jobs being created, he also emphasised the importance of the new casino for the city's tourism industry. International experience shows that the presence of an attractive capital city casino draws a considerable number of new foreign visitors to a city, many of whom come simply to visit the casino. "Figures show that these visitors tend to stay longer and spend more money at their destination. This represents a valuable new source of tourism revenues for Belgrade, and we plan to work closely here with the relevant local and national tourist authorities," said Mr. Kristo. With a network of 72 casinos worldwide - many located in other European capital cities like Berne, Brussels, Bucharest, Copenhagen, Prague or Vienna and key tourist destinations like Cairns, Australia and Sharm el Sheik, Egypt - Casinos Austria International already has

**Casinos Austria International CEO, Paul Herzfeld, opened the GEB 2007 trade fair in Belgrade in February, where the company also exhibited with its own stand.**

extensive experience of working with local, national and international tourist boards to attract new visitors and produce key synergy effects for the local tourism and leisure industries. As part of this network, the advantages for Casino Beograd are twofold: the casino will benefit from this wealth of experience, while its staff can look forward to the prospect of a career with an internationally renowned casino operator. Casino Beograd will also make a valuable contribution to Belgrade society through its activities in sponsoring sports, culture and charity. "With its local knowledge and expertise, the State Lottery of Serbia will play a key role in identifying local organisations, facilities and events for the casino's sponsorship program," confirmed Mr. Kristo.

## FIRST PHASE OF DEVELOPMENT

Casino Beograd is set to feature 25 gaming tables and 250 slot machines and will open as the most modern casino and entertainment venue in South East Europe. Scheduled to throw open its doors within Belgrade's Hotel Jugoslavia in July 2007, the venue will considerably expand its capacity in the autumn as the first phase is quickly followed by a full-scale roll-out of facilities. Construction and development is already well under way at the new Casino Beograd. Located in the Hotel Jugoslavia on the banks of the river Danube, the venue will

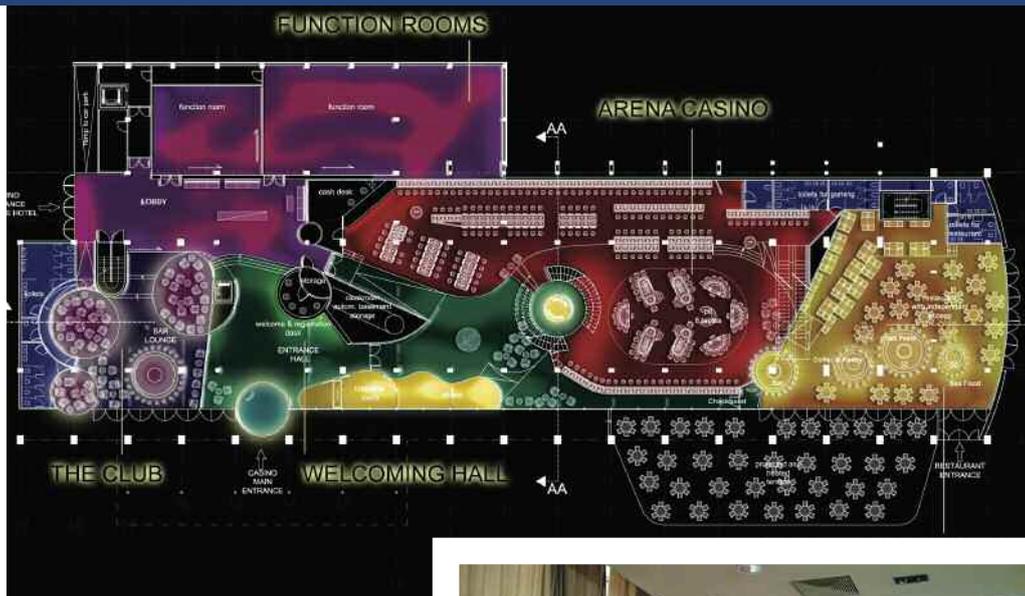
feature world cuisine and fine dining restaurants, an ultra lounge bar, several cocktail bars, a multipurpose function room and, last but not least, state-of-the-art gaming entertainment on two levels. After a year of intensive preparations, gaming operations will begin as planned in July 2007. As is common in projects of this magnitude, the development of Casino Beograd has been spread over several phases, with the opening of the gaming operations marking completion of Phase 1. Casino Beograd will considerably expand its capacity in fall 2007 with a total floor space of 5,500sq.m. An extravagant Gala event with national and international stars is planned to mark the opening of this one-of-a-kind, luxury entertainment venue and will put Casino Beograd firmly on the European casino map with a real party to remember. During the summer months, work will be completed on the international cuisine restaurant, ultra lounge and cocktail bars as well as the VIP area and fine dining restaurant, while new staff for these facilities receives extensive training. Since the casino will already be open to the public during this phase, utmost care will be taken to ensure this work does not disrupt the gaming quality and fun.

## MODERNIST NATIONAL HERITAGE

Set in a prime location on the Danube Promenade, Casino Beograd is set to transform the former Hotel Jugoslavia into a must-visit attraction in the Belgrade entertainment scene. A real focal point on the Promenade, a stunning new glass façade and spectacular exterior lighting will re-establish the elegance of this fine example of 'modernist' national heritage. Roni Aloni, General Manager of Club Hotel Casino Loutraki, explained some of the ideas behind the design of the Casino Beograd complex: "We will be applying a lot of the experience gained in the development of the highly successful Club Hotel Casino Loutraki complex near Athens. Belgrade is similar to Athens in many ways: it is a vibrant city and a place where people like to go out and enjoy themselves. In the summer months, for example, we will be taking some of the entertainment outdoors to fit in with the Belgrade lifestyle.

"Loutraki was opened in 1995 and has since grown to become the most profitable casino in Europe. However, Loutraki is more than just a gaming centre, it's a true resort city. Since opening we have added a stunning hotel, four luxury restaurants, a conference centre and a spa centre. Loutraki is more than just a casino, it's a multi-purpose entertainment destination.

"In 2006, Loutraki took 1bn euros in total bets, received one million visits from customers, and generated 243m euros in gross revenue. The gaming offer at the



## THE PARTNERS

### CASINOS AUSTRIA INTERNATIONAL (51%)

CAI is a leading player in the global casino industry. With its unique portfolio of casino consulting, development, management and investment services, CAI has successfully realised more casino projects in more jurisdictions than any other casino operator worldwide. In addition to Casino Beograd, further casinos are also under development in Chile and South Africa. In 2006, CAI and its parent company, Casinos Austria AG, together posted record revenues of 1.26bn euros.

### CLUB HOTEL LOUTRAKI (39%)

Club Hotel Loutraki is an international gaming and entertainment operations management company founded in 1995 when its first casino resort commenced operations in Loutraki, Greece and has since gone on to assume the leading position in the Greek casino market. CHL's competence and experience in large entertainment operations together with its financially credible and solid multinational shareholding structure have been the keystones

casino is also soon to grow, with 70 tables to increase to 90 and the current 1,000 slots also to increase to 1,200."

Asked about his views on the potential of Belgrade as a city to play host to a flagship casino development, Mr. Aloni was extremely positive about the location of the casino. "Why Belgrade?" he responded. "We want to bring not just a casino to Belgrade, but having studied the market thoroughly, we have found a beautiful capital in which the development of tourism is increasing, and which needs a multi-purpose location with the potential to act as an entertainment centre for the entire city. We chose the Jugoslavia Hotel as an ideal location within Belgrade and committed 60m euros to purchase and develop the



in supporting its progress to becoming operator of the largest (in terms of revenues) and most profitable casino in Europe.

### STATE LOTTERY OF SERBIA (10%)

The State Lottery of Serbia was founded in accordance with the Decree of the Republic of Serbia on the founding of a State Lottery under the Games of Chance Act of 2004. The company holds the exclusive right to organise classic games of chance (lotto, lottery, sports betting, keno, tombola), games of chance via the internet, phone or other telecoms forms, and other games of chance by special license and approval.

**"We chose the Jugoslavia Hotel as an ideal location within Belgrade and committed 60m euros to purchase and develop the site. We believe in the future of Belgrade and Serbia."**  
**Roni Aloni,**  
**General Manager of Club Hotel Casino Loutraki.**

site. We believe in the future of Belgrade and Serbia." Mr. Aloni believes that the combination of 5,000sq.m of gaming and entertainment facilities spread across the two floors will create a stunning destination for locals and tourists alike. "The entrance to the new casino will be connected to the hotel, which itself is to be totally renovated, with an international brand hotel group set to be taking over the development in the near future," said Mr. Aloni. "There will be ample parking, with over 250 individual spaces, where guests can comfortably enter the casino through the joint entrance, a lobby bar, fine dining, live tables, slots and, of course, a stunning view of the Danube all greeting them on first floor. A different experience on the second



## SCARS FROM THE WAR

Guards remain around several of the buildings that were bombed as a result of the NATO air-strikes of Belgrade during the Kosovo war. Even central locations were bombed with several buildings, including hospitals, the Chinese Embassy, the Jugoslavija Hotel, the Radio Television of Serbia building, the Central Committee building, and many ministry buildings severely damaged to this day. President Clinton wanted to bomb the bridges that connect old and new Belgrade, which would have cut off access to water, food, and electricity. Hundreds of people protested by gathering on the bridges. As Clinton contemplated the idea of bombing the bridges/civilians, Jacques Chirac threatened to resign France's membership of NATO, and the bridges were left untouched. As a result of these events, Serbs still hold a little resentment for Mr. Clinton and his old administration.

## THE MANAGEMENT TEAM



Ivan Crossman (55) is General Manager of Casino Beograd and is responsible for the set up of the new casino operation. He is an experienced and innovative casino manager who has worked for Casinos Austria International since 1999 when he was appointed Casino Manager and later Casino Director at Casino Royale in Sharm el Sheikh, Egypt. He began his casino career in 1980 with Mecca Sportsman in London (later known as London Clubs), working at five of their six casinos in the British capital before transferring to their offshore division.



David Bradford (48) is Gaming Manager at Casino Beograd. Mr. Bradford has worked for the Club Hotel Casino Loutraki Group since 1998, when he joined the company as Gaming Manager at Casino Rodos in Greece, a position he held for six years. He began his career in the gaming industry at the Playboy Casino London in 1978, and has worked internationally since 1982, in a number of countries including the Netherlands, the Bahamas, the former Czechoslovakia, Morocco and on board several cruise ships. He has worked in casino management since 1991.

floor will where a vibrant atmosphere on the first level is replaced by an air of sophistication, with Far East cuisine, an Argentinian style restaurant, piano bar, live shows and an exclusive VIP area." The international cuisine restaurant on the ground floor will offer the very best in East-meets-West fusion cooking and is complemented by a luxurious ultra lounge bar – the place to enjoy a pre-dinner cocktail. Both venues feature large raised outdoor terraces with great views for relaxed al fresco dining in the summer months and are accessible both from the casino and directly from the Promenade. The vibrant ground floor gaming area features a selection of state-of-the-art thematic slot machines set around a pit of live gaming tables. A

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circular cocktail bar links the gaming area to the adjacent restaurant.

Special programs, concerts, musicals, themed events and fashion shows will be held regularly in the venue's luxurious entertainment facilities, all fully equipped with cutting-edge technology. Casino Beograd will be Belgrade's most desirable recreational centre, a place everyone will want to visit.

An impressive double spiral staircase, panoramic elevator and series of escalators attract attention to the visually calmer first floor gaming area with its emphasis on live gaming, fine dining and more relaxed entertainment. A panoramic dining strip offers great views of both the Danube and the gaming floor.

The VIP area, also located on the first

floor, features further gaming tables, a luxurious lounge area, exclusive piano bar and fine dining restaurant with covered terrace. Club members will have direct access to this area from the ground floor entrance hall via a private elevator. The main interior design theme is based on a series of cylinders and spheres floating in a bubbling brook: think Champagne, sparkling bubbles and wheels. This combination evokes a feeling of smoothness, sensuality, comfort and perfection that is perfectly reflected in the luxurious material used throughout: exclusive, handcrafted leather, wood, stained glass, marble and soft lighting. "This is a unique offer for the city of Belgrade, it will have everything under one roof," declared Mr. Aloni.