



## **Codere will appeal Corte dei Conti ruling in Italy**

**MADRID, February 20, 2012.** Codere, S.A. (CDR SM) announces that the Italian State Audit Court (Corte dei Conti), Lazio Regional Office handed down the first ruling against all 10 network concessionaires related to the court case initiated in 2007. The ruling sentences all network concessionaires to pay a total of €2.5 billion. The fine which corresponds to our subsidiary, Codere Network S.p.A., is €15 million plus interests. In 2007, the total amount sought was €9 billion, of which €3.5 billion corresponded to Codere Network.

Codere maintains that the ruling does not take into consideration numerous and essential elements contained in the assessment produced by Digit Pa, the expert opinion requested by the Corte dei Conti itself. Codere holds that such elements, together with those sustained by Codere Network, should prove the complete absence of responsibility by Codere Network.

In addition, the court opinion does not in any way recognize that there is evidence of loss of revenue for the state, and specifically states the impossibility of calculating the loss sustained. As such, the calculations have been made using a method devoid of any foundation.

For these reasons Codere Network, having consistently stated and demonstrated the full compliance of its business and operations management, will appeal against the court ruling. Codere Network's appeal submission will suspend ex lege the execution of the ruling until the appeal case is resolved.

We have owned Codere Network since it was acquired with AAMS approval in April 2006, and the amounts claimed relate to operations since inception of the network in September 2004. The claims referred to in the ruling are levied against Codere Network, and do not affect, or have any recourse to, our other Italian subsidiaries, or to Codere S.A.

Codere Network's EBITDA in 2011 is approximately €1 million. Codere S.A. has provided a guarantee of Codere Network's performance bond in favor of the AAMS in the amount of €16 million, of which €2 million is provisioned.

### About Codere:

Codere is a leading multinational gaming company engaged in the management of slot machines, gaming halls, casinos, racetracks and sports betting locations in Latin America, Italy and Spain.

### **Investor Relations**

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