



## **PRESS RELEASE**

### **CODERE RECORDS NET INCOME OF 14.1 MILLION EURO IN THE FIRST 9 MONTHS OF THE YEAR**

- **Gross operating profit (EBITDA) for the first 9 months of the year reached 172.2 million euro, 9.5% more than last year, on sales of 818.5 million euro, for a 13.5% increase over the same period of 2009.**
- **In 3Q10, EBITDA totalled 61.9 million euro, an 18.4% increase over the year-earlier period and outperforming expectations for the quarter. Sales during the period reached 291 million euro, 27.3% more than in 3Q09.**
- **During this period, CODERE made significant advances in two major business areas: now operating 13 casinos, 6 more than in 3Q09, and a total of 415 sports betting locations, up from 226 in 3Q09.**

**Madrid, November 12, 2010** The CODERE Group, a Spanish multinational leader in the private gaming industry, has announced today the results for the first nine months and third quarter of 2010, reflecting growth in its three main markets: Argentina, Spain and Mexico.

Sales during the first nine months of 2010 reached 818.5 million euro, up 13.5% over the same period of 2009. Gross Operating Profit (EBITDA) for the first 3 quarters was 172.2 million euro, representing an increase of 9.5% over the same year-earlier period.

Looking at the third quarter, the results are even more positive: EBITDA amounted to 61.9 million euro, 18.4% more than in 3Q09 and exceeding the upper range provided in the Company's guidelines for the period, which was between 58 and 60 million euro. Revenues in 3Q10 reached 291 million euro, 27.3% more than in 3Q09.

This performance is the result, primarily, of the good performance in Argentina coupled with improving profitability in Mexico and the positive impact of the cost reduction plan in Spain.

Net Profit in the first nine months of the year totalled 14.1 million euro, up from 3.1 million euro in the same year-earlier period. Conversely, CODERE recorded a loss in 3Q10 of 6.6 million euro due mainly to the appreciation of the euro against most currencies linked to the business. Excluding these circumstances, net profit would have amounted to €6.8 million.

#### **Positive growth in the key markets**

Sales in **Argentina**, grew by 59.2% in 3Q10 over the same year-earlier period to reach 123.7 million euro thanks to the increase in the average daily revenue per machine, up 49.1 % over 3Q09, and the 12.7% growth in the number of gaming terminals installed. EBITDA stood at 36.8 million euro, 76.1% higher than 3Q09, due to the expansion registered in activities in 2010. With respect to Argentina, earnings were positively affected on a comparative basis due to the impact of the influenza A virus in 2009.

**NOTE:** The Quarterly Financial Statements for 3Q10 are available at [www.codere.com](http://www.codere.com)



Sales in **Mexico**, reached 56.6 million euro in 3Q10, which represents an increase of 18.2% over the year-earlier period. This performance reflects the appreciation of the peso against the euro, the improved average daily revenue per machine, 15.5% higher than in 3Q09 and increased improved performance of investee companies. In addition, the total number of gaming terminals expanded 10.5% over the 3Q09 figure, reaching 18,953 machines installed. EBITDA expanded 14.8% in the 3Q10, reaching 18.6 million euro.

Sales in **Spain**, in the gaming machines business line rose slightly, reaching 43.1 million euro, reflecting an improvement in average daily revenue per machine, which grew 2.1% compared to 3Q09. On the operating level in the third quarter, there was significant growth in EBITDA, reaching 12.6 million euro for a 38.5% increase over the year-earlier period thanks to the efforts to reduce costs. In Spain, the sports betting business continued to grow with revenues totalling 2.3 million euro and the number of betting points installed in the Community of Madrid and the Basque country jumping from 118 to 287.

Sales in **Italy**, continue to climb, reaching 32.0 million euro in the third quarter for a 0.6% increase over the year-earlier period. This improvement is due, mainly, to increased sales of bingo cards and the increase in average revenue per machine.

Among the **remaining operations** in other countries, we would highlight the business in Colombia, contributing positive revenue and EBITDA to the Group's accounts.

### **Milestones**

During the 3Q10 there were two major corporate transactions:

**Mexico:** On 16 July CODERE signed an agreement with Grupo Caliente, one of the leading gaming operators in Mexico, to restructure its contractual relations and increase CODERE's investment in the country. This agreement is pending approval by the Mexican authorities.

**Panama:** On 20 August 2010, CODERE announced the purchase of a 63.7% stake in International Thunderbird Gaming Panama Corporation, and acquired six casinos operating in Panama under the Fiesta brand.

### **The Group CODERE**

CODERE is a Spanish multinational group and a key player in the private gaming sector in Europe and Latin America. Overall the Group manages more than 53,125 AWP machines, 127 bingo halls, 415 sports betting venues and 13 casinos, and participates in the management and operation of 3 horse racetracks in Argentina, Brazil, Colombia, Italy, Mexico, Panama, Spain and Uruguay.

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