



PRESS RELEASE

CODERE ACHIEVED A TURNOVER OF 819.7 MILLION EUROS IN THE FIRST HALF OF 2012, ALMOST 30% MORE THAN IN THE PREVIOUS YEAR

- The CODERE Group ended the first half of 2012 with an EBITDA figure of 155.5 million euros, surpassing initial forecasts, an outcome reflecting the growth in its principal Latin American markets.
- The Net Profit in 1H2012 shows a loss of 24.7 million euros due, basically, to the provision of assets registration in Mexico.
- At 30 June 2012, the CODERE order book was comprised by 56,187 gaming terminals, 184 gaming halls, 926 betting location, 3 race tracks and online gaming in Italy and licence's in Spain.

Madrid, 29 August 2012. The CODERE Group, a Spanish multinational and benchmark in the private gaming sector, listed on the Stock Exchange in Spain, today announced its consolidated results for the first half of 2012. Despite the complex global economic environment, the Group achieved outstanding growth in its principal Latin American markets.

Turnover during the first half of 2012 totalled 819.7 million euros, 29.7% more than in 2011. The Gross Operating Profit, **EBITDA**, reached 155.5 million euros during the first half of the year, representing an increase of 15.3% with respect to the previous year. In Q2 2012, EBITDA totalled 76.8 million euros, exceeding the Company's forecast for this period, which had estimated this figure at around 68-71 million euros.

Despite the positive performance of its principal markets, CODERE reports a loss of 24.7 million euros, in terms of **Net Profit**, due basically to the provision of assets registration in Mexico derived from the CODERE business restructuring process undertaken in Mexico.

Investments during the first half of 2012 amounted to 246.6 million euros, 45.9 million of which referred to maintenance and 200.7 million to growth, associated, among other transactions, with the purchase of an additional 35.8% stake in ICELA.

At 30 June 2012, the CODERE Group had a **cash balance** of 159.8 million euros and a fully available 60-million-euro senior credit line, which together provide the Company with sufficient liquidity.

Latin America, CODERE's principal market

In **Argentina**, turnover totalled 328.1 million euros, up 27.5% with respect to the previous year, while EBITDA amounted to 89 million euros. This growth stemmed primarily from an increase in the number of terminals, 11.1% more than in 2011, and from the average daily revenues obtained per machine, an increase of 18.5% in euros.

In **Mexico**, turnover increased 62% in the first half of the year, reaching 209.8 million euros, due to the consolidation of the operations acquired from partners in this market. Despite the fact that the number of terminals decreased 2.5% with respect to the

previous year, the average daily revenue per machine increased 2.2% in euros, close to 5% in local currency. EBITDA grew 58.5%, reaching 46.6 million euros.

In **Italy**, turnover during 1H2012 increased 40.6% and was placed at 128.2 million euros, thanks to the operation of video lottery terminals (VLTs) and to the consolidation of the operators of machines acquired in 2011: Gap Games, Gaming Re and Dalla Pria Services in 2Q2012. This growth has been diminished by a sharp increase in gaming taxes, bringing about a 0.6% reduction in EBITDA with respect to 2011, totalling 18 million euros.

In **Spain**, the downturn experienced in the macroeconomic environment, the Anti-Smoking Act and the rationalisation of the number of machines have given rise to a decrease in turnover to the extent of 9.7% during the first half of 2012. The increase of close to 19% in the number of sports betting locations stands out. In terms of online gaming, once the licences for operating in Spain have been obtained, an increase in resources planned for the launch of this business activity in the near future is foreseen.

Outstanding 1H2012 milestones

In February, CODERE **placed a bond issue worth 300 million US\$** maturing in 2019 at 9.25%, issued on 25 January. On 8 February 2012, **CODERE concluded the purchase from CIE** of a 35.8% stake in ICELA. The acquisition of the 35.8% stake is additional to the 49% stake held by Codere México in ICELA.

In June, with respect to **online gaming in Spain**, CODERE secured licences for Madrid and on the national level. In addition, CODERE Italia acquired 60% of the recreational machine operator, Dalla Pria Service S.R.L.

The **Second Latin American Economic Journalism Award**, organised by the IE Business School, was launched from the CODERE Foundation. The awards ceremony was held in Bogotá, Colombia, in the month of June.

The CODERE Group

CODERE is a Spanish multinational, a benchmark in the private gaming sector in Europe and Latin America, with more than 20,000 employees. The Company is listed on the Stock Exchange in Spain and manages more than 56,187 recreational machines, 184 gaming halls, 3 racetracks and 926 betting locations in Argentina, Brazil, Colombia, Spain, Italy, Mexico, Panama and Uruguay, in addition to engaging in Internet gaming activities in Italy, where it holds the relevant licences.

Communication Department
comunicacion@codere.com
Tel.: + (34) 91 354 28 26

NOTE: 1H2012 results are available on www.codere.com