

## **CODERE achieves an operating profit (EBITDA) of 78.9 million euros in Q1 2012, 17.1% over the previous year**

- The CODERE Group closes Q1 of 2012 with a turnover of 403.3 million euros, 31.8% above that in the same period in 2011.
- The EBITDA exceeds forecasts for the period and reflects the strong growth in Latin America and Italy, partially mitigated by the weakness of Spain and the appreciation of the Euro against other currencies. The net profit for the quarter showed losses of 11.3 million euros.
- In Q1 of 2012, the portfolio of activities of CODERE was made up of 55,172 gaming terminals, 186 gaming halls, 898 betting establishments, 3 race tracks and online gaming in Italy. CODERE employs more than 20,000 people.

**Madrid, 11th of May of 2012.** The CODERE Group, a Spanish multinational company leading the private gaming industry and listed on the Spanish Stock Exchange, today has announced its results for Q1 of 2012. The consolidated results reflect the strong growth experienced in Latin America and Italy, offset by the results of the Spanish market and the strength of the Euro against other currencies.

The **turnover** in Q1 of 2012 reached 403.3 million euros, 31.8% more than that in the same period in 2011. the Net Operating Profit (**EBITDA**) has been of 78.9 million euros, accounting for an increase of 17.1% over the year before, exceeding Company forecasts, which expected around 72-75 million euros. On a constant currency basis, the increase would have been of 18.3%.

The **net profit** showed a loss of 11.3 million euros due mainly to the increase in taxes, financial costs and non recurring expenses, including expenses associated with the business restructuring process in Spain.

The **investments** in Q1 of 2012 have been of 193.6 million euros, of which 19.1 million pertain to maintenance and 174.5 million to growth, the latter mostly related to the purchase of 35.8% shareholding in ICELA. Towards the end of Q1 of 2012, the CODERE Group had a **cash balance** of 186.4 million euros and a drawable credit line of 60 million euros.

### **Boost to Latin American markets**

In **Argentina**, CODERE improved results and achieved a turnover of 160.4 million euros. The EBITDA reached 47 million euros, mainly due to the increase in the average daily takings per machine and an increase in the number of machines installed – especially in the relocated hall in Mar del Plata-, partially offset by the losses in the in currency Exchange rate and the depreciation of the Argentine Peso against the Euro.

In **Mexico**, the turnover reached 101.2 million euros in Q1 of 2012 due mainly to the global consolidation of the purchase operations of Caliente (as of Q2 of 2011), and to the global consolidation of ICELA following the acquisition of a majority shareholding in this company in February 2012. Likewise, the EBITDA reached 22.5 million euros.

In **Italy** the turnover in Q1 of 2012 reached 64.7 million euros due to the increase in the number of VLTs and the consolidation of machine operators acquired in the last year. This growth has been offset by the drop in average daily takings of AWP terminals due to the introduction of VLTs in gaming arcades. The EBITDA reached 9.2 million euros.

In **Spain** income fell by 9.6% compared to Q1 of 2011, reaching 39.4 million euros, as a result of the drop in the number of machines installed and the costs of the Business restructuring process in this country. These results have been partially offset by an increase in the average takings per machine and the increase in the income from sports betting. The EBITDA reached 2.7 million euros, 53.4% less than the same period the year before.

#### **Main milestones in Q1 of 2012**

- Issue of dollar bond: on 8 February of 2012 the subsidiary of the Group Codere Finance (Luxembourg) issued a bond of US\$300mm with a 9.25% coupon, maturing in 2019. The funds raised by the issue were used to finance the additional purchase in ICELA, to repay amounts drawn from the credit line and for general corporate purposes.
- Acquisition of ICELA: 8 February 2012 saw the completion of an additional the purchase from CIE of an additional 35.8% shareholding in ICELA for MX\$ 2,653mm (equal to approximately US\$ 209mm and €158mm at closing date). As a result of this acquisition, the current participation of Mexico in ICELA CODERE amounts to 84.8%.
- Relocation of a gaming hall in Argentina: On 3 February 2012, the Mar del Plata hall was opened in the Province of Buenos Aires, with 415 terminals and which replaces Sala Mar, located in the same city and which had 204 machines.

#### **The CODERE Group**

CODERE is a Spanish multinational company, a leader in the private gaming industry in Europe and Latin America, boasting over 20,000 employees, listed on the Spanish Stock Exchange and managing over 55,000 gaming machines, 186 gaming halls, 3 race tracks and 898 betting shops in Argentina, Brazil, Colombia, Spain, Italy, Mexico, Panama and Uruguay, as well as developing Internet games in Italy, where it holds valid licences to do so.

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**NOTE:** Results for Q1 of 2012 available at [www.codere.com](http://www.codere.com)