



PRESS RELEASE

CODERE NET INCOME WAS €16.4 MILLION IN THE THREE MONTHS ENDED MARCH 31, 2010

- **CODERE Group operating revenue and EBITDA were €254 million and €54.4 million respectively for the three months ended March 31, 2010, above guidance**
- **It is important to highlight two transactions announce in this quarter: possible acquisition of six casinos in Panama and an agreement with Caliente Group in order to purchase some of its bingo licenses in Mexico.**
- **As of March 31, 2010, CODERE manages more than 53,400 machines, 273 betting locations, 7 casinos and 3 racetracks.**

Madrid, May 14, 2010. CODERE Group, a Spanish leading gaming company, has announced today results for the first quarter ended March 31, 2010 (Q110). CODERE has moderately improved its results in almost all the business areas compared to the last quarter 2009. In spite of the global macroeconomic slowdown, CODERE business has increased in its main markets such as Argentina, Mexico, Spain and Italy.

Operating revenue was €254 million in Q110, similar to the same period in 2009. **EBITDA** for the Q110 was also similar to the comparable period in 2009, €54.4 million. Reported EBITDA exceeded CODERE guidance range of €48-50 million

Net income was €16.4 million in Q110 compared to €1.7 million in Q109. This includes a €12.1 million non recurrent gain associated with the 100% consolidation of the Sports Betting business in Spain, following the purchase of William Hill 50% stake in the Joint venture.

Positive evolution of the business in a challenging environment

In **Argentina** operating revenue increased by 7.2% to €100.1 million due to the increase in the number of machines installed (amounting 4,726) and an important increase in the daily net win per machine (21.3% compared to Q109 in local currency), partly offset by the depreciation of the Argentine peso against the euro. EBITDA was €28.1 million, nearly similar to Q109. At a constant exchange rate operating revenue would have been €116.7 million (an increase of 25.5%) and EBITDA would have been €35.1 million (an increase of 27.2% compared to Q109)

In **Mexico**, operating revenue decreased by 7.5% to €48 million in Q110 compared to the same period in 2009. This decrease is mainly attributable to a decrease in the net win per machine due to the implementation of anti-tobacco regulation in states other than Distrito Federal. On the other hand the number of machines installed increased 3.6% to 21,341 compared to Q109. EBITDA decreased by 22% to €13.1 million in Q10 compared to the same period in 2009.

In **Spain**, AWP business operating revenue decreased by 3.6% to €43.1 million in Q110 compared to Q109 as a result of a decrease in the net win per day per machine and in the number of machines sold and installed. However, EBITDA increased by 10% to €13.2 million which shows the recovery of the business and the change in the evolution of net wins starts being noticeable. In addition, Spain Sports Betting operating revenue also increased to €2.1 million associated to build-out of the operations in Madrid and the Basque Region and the consolidation of the 100% of VICTORIA.

In **Italy**, net win per machine increased both in machines placed in bingo halls and in the indirect operations. Operating revenue was €33 million in Q110 and EBITDA increased 133.3% to €4.2 million in Q1 10 compared to the same period in 2009

Highlights

CODERE is working in two important transactions. On the one hand, in March CODERE entered into an agreement relating to the potential acquisition of Thunderbird Resorts 63.6% stake in 6 casinos in Panama operated under the Fiesta Casino brand. On the other hand in February, CODERE entered into an agreement with Caliente Group in order to purchase some of its bingo licenses in Mexico. Caliente is the Mexican group to whom CODERE has provided gaming managing service and funding since 1997. Both transactions are subject to definitive approval.

About Codere:

Codere is a leading gaming company in Europe and Latin America and it operates more than 53.452 gaming machines, 137 bingo halls, 273 betting locations, 3 racetracks and 7 casinos in Argentina, Brazil, Colombia, Spain, Italy, Mexico, Panama and Uruguay.

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