

CODERE RECORDS NET PROFIT OF 19.1 MILLION EUROS IN 2009

- The CODERE Group closed 2009 with sales of 967.9 million euros and EBITDA of 231.1 million euros, thanks in part to cost reductions and the continued growth in local currencies of Argentina and Mexico.
- Despite the complex global environment in 2009, the CODERE Group reported a net profit of 19.1 million euros following the 10.6 million euro loss registered in 2008.
- At the close of 2009, CODERE operated more than 53,700 gaming terminals, 238 betting shops, 141 bingo halls, 7 casinos and 3 racetracks.

Madrid, 26 February 2010. The CODERE Group, a leading Spanish multinational in the private gaming sector, has announced today its consolidated results for 2009, together with Q4 results for the same year. Despite the complex global environment, the effort to reduce costs and the positive results, in local currencies, in Argentina and Mexico provided CODERE with the growth needed to offset the weakness in the Spanish market, the impact of the H1N1 virus in Argentina and Mexico and the depreciation of the local currencies against the euro.

We would highlight the **net profit of 19.1 million euros**, registered thanks to the efforts of the Company to reduce costs and optimize resources following the loss of 10.6 million euros recorded in 2008. This surge of 29.7 million euros places CODERE once again into the black.

Sales in 2009 reached 967.9 million euros, a 7.8% decline over 2008. Gross operating income (**EBITDA**) reached 231.1 million euros in 2009, representing a decline of 0.8% over the previous year. Nonetheless, in constant currencies the increase would have been 9%. EBITDA did, however, top the forecasts of the Company, which had estimated the figure at 207.3 million euros.

Total **investments** in 2009 reached 86.4 million euros, a decline of 38.9% over that recorded in 2008. This is the result of the strict investment discipline applied by the Company, dedicating 73% of investments to maintenance activities. At the close of 2009, the CODERE Group had a **cash balance** of 90.2 million euros and an available credit line of 58 million euros, which provide the Company with appropriate liquidity.

Positive performance in a complex environment

In **Argentina**, CODERE reported results that were very similar to that recorded in 2008 despite the impact of the H1N1 virus and the devaluation of the local currency: sales reached the 351.9 million euros and EBITDA amounted to 110.1 million euros. There was an increase in the number of terminals during 2009 (4.3% more than in 2008), as well as in average daily net win per machine (14% in local currency) thanks to the installation of the coinless system known as TITO (ticket-in-ticket-out) installed in 75% of the gaming terminals.

In **Mexico**, sales in 2009 declined 16.8% to 193.1 million euros, basically owing to the depreciation of the Mexican peso, the lower sales to Caliente, the enactment of anti-smoking legislation in some states and the impact of the H1N1 virus. The number of gaming terminals increased 5.2%, while average daily net win per machine in the local currency increased 3.4%. EBITDA declined 12.2% with respect to 2008 reaching 60.5 million euros.

In **Spain**, the business was affected by the deterioration of the macroeconomic environment in the country. Sales in the AWP machine business area declined 15.2% in 2009, reaching 176.6 million euros. However, in the Sports Betting business area the number of betting shops in Spain jumped from 44 in 2008 to 175 in 2009, reflecting the progressive expansion of the operations in Madrid and the Basque Country.

Among the other countries, this year's positive results were also helped by the growth in the number of terminals in Panama, the increase in average daily net win per machine and in racetrack betting in Uruguay and the increase in the profitability of the businesses operated in Brazil.

Corporate cost reduction program

Begun in 2008 and amply continued in 2009, the Corporate Cost Reduction Programme was one of the key factors in the improvement of the accounts of the Group.

Optimization of resources, investment efficiency, and the control of corporate expenses, together with non-recurring income, has allowed the Group to reduce the losses in the EBITDA of the parent company in 2009 by 10.7 million euros.



Milestones

In collaboration with the European Commission, in January the CODERE Foundation organized a seminar on the future of gaming in Europe.

In the month of July, the leading shareholders of CODERE reached an agreement with Hermanos Franco on the balance of the purchase and sale operation.

In October of 2009 CODERE renewed the license of the La Plata Bingo Hall in Buenos Aires (Argentina) through the year 2021.

In November, CODERE was awarded the contract for the reconstruction of the Carrasco Casino Hotel in Montevideo (Uruguay).

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The CODERE Group

Codere is a leading Spanish multinational in the private gaming sector in Europe and LatinAmerica, managing over 53,718 gaming machines, 141 bingo halls, 238 sports betting shops, 7 casinos and participates in the management of 3 racetracks in Argentina, Brazil, Colombia, Spain, Italy, Mexico, Panama and Uruguay