

PRESS RELEASE

**CODERE RECORDS NET PROFITS OF 20.7 MILLION EUROS
IN FIRST HALF OF 2010**

- The CODERE Group reported revenues of 527.5 million euros and EBITDA of 110.3 million euros in the first half of the year, representing an increase of 7.1% and 5% respectively compared to 1H09.
- EBITDA reported in 2Q10 was 55.9 million euros, exceeding the range of estimates reported by CODERE of between 51 and 53 million euros.
- CODERE increased its portfolio of activities over the 1H09 with the addition of 377 gaming machines (bringing the total to 54,030) and 115 sports betting locations (275 in total).

Madrid, 27 August 2010. The CODERE Group, a leading Spanish multinational in the private gaming sector, has announced today results for the first half and second quarter of 2010.

Sales during the first half of 2010 reached 527.5 million euros, up 7.1% over the same period of 2009. **Gross Operating Profit (EBITDA)** was 110.3 million euros in 1H10, representing an increase of 5% over the same year-earlier period. These good results are based mainly on growth in Argentina, Spain and Italy, the Cost Reduction Plan and the improvements in operating efficiency undertaken by the Company.

Net Profit for the first half of 2010 was 20.7 million euros, compared with a loss of 5.7 million in 1H09. Of the total Net Profit, 7.5 million corresponds to the 100% consolidation of Apuestas Deportivas España (Sports Betting Spain).

2Q10 earnings were also positive. CODERE recorded sales of 273.5 million euros, 14.5% higher than in 2Q09. In addition the Group has met and even improved its EBITDA forecast, estimated between 51 and 53 million euros for 2Q10, reaching 55.9 million euros for an increase of 12.7% over the year-earlier period. Capex in the 2Q10 totalled 13.6 million euros.

Positive trend in CODERE's markets

In **Argentina**, sales increased 16.1% over 1H09 to 212.9 million euros. This is due to increase in the machine portfolio, which grew by 7.1% to reach a total of 4,796 units, and in the average daily net win per machine, which expanded 19.6% over 1H09 (in local currency). EBITDA amounted to 61.2 million euros, 10.9% more than the same period last year.

Sales in **Mexico**, reached 102.7 million euros in 1H10, an increase of 6.6% over the first half of last year, resulting primarily from the appreciation of the Mexican peso against the euro and the increase in the number of machines. The number of installed



gaming terminals during the first half of the year increased 4.4% over the same period last year to reach 21,955 units at 30 June. EBITDA decreased 16.9% to 25.6 million euros in 1H10.

In **Spain**, sales in the gaming machine business area fell 2.6% in the first half of 2010 to reach 86.7 million euros. However, EBITDA increased 12.8% compared to 1H09, reaching 26.4 million euro thanks to improved operating efficiency. There was also a slight increase in average daily net win per machine.

Sports Betting Spain is fully consolidated since January 2010 following the purchase by CODERE of the 50% owned by William Hill. In 2009, Sports Betting Spain recorded sales of 4.3 million euros. The roll out of sports betting locations continues. There are now a total of 203 betting loations between the Community of Madrid and the Basque Country, up from only 100 in 1H09.

Among the remaining business, we would highlight the EBITDA growth in **Italy**, which surged 115.6% over the tear-earlier period to 6.9 million euros thanks to the recent regulatory changes introduced in the Bingo and Gaming Machine businesses and the swift adaptation of CODERE to these new challenges. The business in Colombia, Uruguay and Brazil also contributed revenue growth to the Group accounts.

Milestones

Refinancing of the Senior Credit Line: In June 2010 the CODERE Group announced the renewal its 100 million euro senior credit line maturing the following October. The new Senior Financing Agreement improves on the previous conditions, extending the current limit to 120 million euro at an interest rate of EURIBOR/LIBOR + 4.50%. The credit facility is further extendible to 180 million, is multi-currency and multi-borrower and has a duration of three years.

Annual General Meeting of Shareholders: On 10 June 2010, CODERE held its Annual General Meeting, in which the shareholders approved the Annual Accounts and Management Report for 2009 and endorsed the activities of the Board of Directors.

Despite the difficulties of the current financial environment, CODERE has renewed and expanded its financial capacity to meet the opportunities that arise in the future and confirmed the positive development of the Group's businesses across the different markets.

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 54,000 gaming machines, 139 bingo halls, 275 betting locations and 7 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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