

CODERE REACHES €213,2MM ADJUSTED-EBITDA IN 2014, IMPROVING THE RESULTS OF 2013

- **2014 Operating Revenues** decreased by 8.9% to €1,385.6MM, compared to the previous year, mainly due to depreciation of the Argentine Peso.
- **Reported EBITDA**, including costs incurred in the financial restructuring process, decreased by 17.6% from €198.4MM in 2013 to €163.5MM in 2014.
- **Q4 2014 Adjusted EBITDA** reached €63.6MM exceeding the company guidance of €53-57MM. Furthermore, Adjusted EBITDA margin for the year ended reached 15.4%, improving 1.5% from the previous year.
- The company continues to work closely with its lenders to implement the restructuring financial plan agreed in the “Lock up Agreement” disclosed to the market on 23th of September, 2014.

Madrid, 27th of February 2015. The Codere Group, a leading Spanish multinational in the private gaming sector, has announced today the results for the year and quarter ended December 31st, 2014.

2014 Operating Revenues decreased 8.9% to €1,385.6MM, compared to 2013, mainly due to depreciation of the Argentine Peso against the Euro (47.4%). At a constant exchange rate, 2014 Operating Revenues would have increased 7.5% to €1,635.1MM. In Q4 2014, operating revenues reached €376.9MM, 7.0% and 3.0% above, compared to Q3 2014 and Q4 2013, respectively.

2014 Adjusted EBITDA reached €213.2MM, 1.0% over the previous year. At a constant exchange rate, it would have reached €258.6MM (+22.6%), compared to the previous year. Adjusted EBITDA excluding non-recurring costs incurred in the financial restructuring process and the payments associated with the *Corte dei Conti* resolution (€24.5MM). Q4 2014 Adjusted EBITDA improved by 42.9% to €63.6MM, compared to the same period in 2013, exceeding the company guidance of €53-57MM.

Codere improved its **Adjusted EBITDA margin**, reaching 15.4% in 2014, which represents 1.5% over the previous year (13.9%).

Operating Profit reached €20.8MM, from €17.2MM of loss in the previous year, as a result of lower provisions for impairment losses

Net Income, affected by the restructuring process and its associated expenses represented a loss of €173.0MM in 2014 compared to the loss of €173.6MM in 2013.

In this restructuring context, 2014 **Capex** reached €54.2MM, of which €36.4MM was related to maintenance and €17.8MM was growth.

Regarding to the **financial restructuring process** of Codere, both the company and its lenders will continue to work implement the "Lock up Agreement" signed on September 23, and particularly, to prepare the documentation required for starting the procedure of “Scheme of Arrangement”.

International Activity of the Company

2014 operating revenues in **Argentina**, decreased by 16.4% to €489.0MM, compared to the previous year, due to a 47.4% depreciation of the Argentine Peso against the Euro. In constant currency terms, they would have increased by 23.3%, due to the effects of inflation on the revenues and the growth of the gaming machine portfolio installed. 2014 EBITDA reached €93.4MM. At a constant exchange rate, it would have reached €136.1MM, a growth of 22.8%, compared to 2013.

In **México**, Q4 2014 revenues increased by 4.2% year to year, reversing the trend of previous quarters. 2014 revenues decreased by 10.6% to €341.9MM, compared to 2013. 2014 EBITDA decreased by 4.5% to €75.1MM, as in constant currency terms it would have been reduced by 1.1%. Q4 2014 EBITDA, supported by the growth in revenues increased by 83.7% to €23,7MM compared to the previous year.

In **Italia**, 2014 revenues reached €263.8MM, 2.1% over the previous year, due to higher revenue per day per machine (AWP and VLT). 2014 Adjusted EBITDA improved by 36.1%; compared to 2013, mainly due to cost saving measures taken and higher revenue per day per machine, excluding the effects of the Stability Law submitted in December 2014, for the next year.

In **Spain**, 2014 revenues decreased by 1.1% to €149.9MM, compared to 2013. Lower revenues in AWP business (as a result of the optimization of the portfolio) and Bingo were partially offset by the growth of Sports betting business. Sport betting points of sales increased by 12% to 1,563 compared to 2013, and also their revenues did so. Codere is the only company that operates sports betting in all regulated regions. 2014 EBITDA has continued to increase by 3.5% to € 17.6MM compared to 2013.

About CODERE

Codere is a Spanish multinational group and a key player in the private gaming sector in Europe - Spain and Italy- and Latin America - Argentina, Brazil, Colombia, Mexico, Panama and Uruguay. The company, which employs 15,228 people, is the only company in this industry that is publicly traded in Spain. Codere currently operates 52,172 gaming machines, 176 gaming halls, and 1,709 sports betting shops, participates in the management of two horse racetracks and offers online gaming. **More information:** www.codere.com