



## **PRESS RELEASE**

### **CODERE'S REVENUES REACHES €1,174.4 MILLION IN THE NINE FIRST MONTHS OF THE YEAR**

- **EBITDA** for the nine months ended September 30, 2013 amounted to €172.3 million reflecting a decrease in Argentina as a result of the continuous depreciation of the Argentine peso and the smoking ban and tax rises in Italy. To a lesser extent, this figure was also due to temporary gaming hall closures in Mexico and the opening of the Carrasco Casino in Uruguay. This decrease was partially offset by a reduction in costs linked to Headquarters and by the growth seen in Spain.
- **CODERE'S** activities portfolio in the first nine months of the year consisted of 53,983 gaming machines, 178 gaming halls, 1,457 betting shops and 4 racetracks, in addition to online gaming in Italy.

**Madrid, 15 November 2013.** CODERE, a leading Spanish multinational in the private gaming industry listed on the Spanish Stock Exchange, today released its consolidated results for the first nine months of the year.

**Revenues** reached €1,174.4 million 6.9% less than in the same period last year, mainly due to the decrease in revenue in Argentina and Mexico, which were partially offset by increases in Uruguay and Spain.

**EBITDA** for the nine months ended September 30, 2013 reached €172.3 million, a decrease of 26.9% compared to the same period in 2012. This figure reflects a decrease in Argentina due to the smoking ban and the above-mentioned devaluation of the peso against the euro, tax rises and the impact of the economic crisis on consumption in Italy, temporary gaming hall closures in Mexico and the opening of the Carrasco Casino in Uruguay. This decrease was partially mitigated by growth in Spain and an improvement with regard to headquarters. EBITDA for the quarter amounted to €59.8 million, 25.3% less than in the same quarter of the preceding year.

**Capex** in these first nine months of the year totaled €57.6 million, of which €33.5 million were earmarked to maintenance and €24.1 million to growth.

Growth in the **machine portfolio** compared to 3Q 2012 were concentrated in Uruguay, Argentina and Italy. The total number of gaming machines, however, decreased by 5% compared to the previous period to reach 53,983 as a result of temporary gaming hall closures in Mexico and to the rationalization of AWP portfolio in Spain.

## International Activity

Revenues in **Argentina** during the first nine months of the year amounted to €448.6 million, 11.7% less than in the same period last year. EBITDA stood at €85.9 million, 35.3% less than in 2012, essentially because of the local currency's depreciation against euro and the fall in revenue resulting from the smoking ban which entered into force in October 2012. Improvements in the business unit arising from the effects of a restructuring process should, however, be pointed out. These widened the EBITDA margin in 3Q 2013 to 21.4%, compared to the cumulative figure of 19.1% for the first nine months of 2013.

In **Mexico**, revenues fell by 10.2% to stand at €294 million, which was essentially due to the temporary closure of gaming halls by municipal authorities and the fall in the average daily net win per machine resulting from increased competition.

This fall was mitigated by the rise of the Mexican peso against the euro. The gaming machine pool in Mexico was reduced by 12.9% as a result of these temporary gaming hall closures. EBITDA declined 8.6% to reach €65.7 million.

In **Italy**, revenues decreased by 0.8% and stood at €192.2 million due to the reduction in private consumption, the bingo business's deterioration and the reduction in average daily takings from VLTs (13%) and AWP (0.6%). This fall was partially offset by a greater number of machines. EBITDA amounted to €15.2 million, 40.6% less than in the first nine months of 2012.

Revenues rose by 0.3% in **Spain** to reach €114.8 million. The gaming machine business posted a lower revenue figure due to the rationalization of the gaming machine portfolio by 9.4% and a 4.6% fall in average takings. This reduction was offset by an increase in the sports betting business, which reached 1,284 betting shops, 15.8% more than in the same period in 2012, mainly due the business's deployment in Galicia and the Murcia region. EBITDA reached the figure of €14.2 million, a 25.7% rise compared to 2012, as a result of restructuring efforts. Margins also rose from 9.9% to 12.4%.

## CODERE'S Highlights

The following should be pointed out as the Company's highlights over the last few months:

CODERE Apuestas began operating in the Murcia region in Spain in July, where it expects to have a presence through 30 gaming halls. In addition, the Company joined *Business Commitment for Clean Sport*, an initiative on best practices in sponsorship based on "zero tolerance" for doping backed by the World Antidoping Agency (WADA) and the Spanish Anti-Doping Agency (AEA).

Through an agreement reached with Churchill Downs in Mexico, the company allowed horse races held at the Hipódromo de Las Américas racetrack in Mexico City to be simulcast across North America.

There was a **change at the top of Grupo CODERE's financial management** on July 12 when Ángel Corzo Uceda, who until then was Deputy Director of the Chairman, took office as CFO.

An **Extraordinary General Meeting** was held on 14 August, which approved the consolidated accounts for 2012 among other matters.

On September 13, an addendum to Codere, S.A.'s Senior Credit Facility Agreement was signed, which increased the effective line of credit by €35 million (from €60 million to €95 million) and loosened certain borrowing constraints.

The CODERE Foundation took part in the 11th Spanish Congress on Political Science and the Administration - "Politics in Times of Uncertainty" organized by the Spanish Political Science and Administration Association (AECPA), which was held in Seville in September. Several papers on the gaming sector were delivered at the Congress. CODERE Italy continued with its workshop on **Responsible Gaming** around the country called "*Nel Nome della legalita*".

## **Grupo CODERE**

CODERE is a leading Spanish multinational in the private gaming industry with a presence in eight European countries, Spain, Italy and Latin America (Argentina, Mexico, Panama, Colombia, Uruguay and Brazil). The company employs 19,400 people and is the only company in the gaming industry listed on the stock exchange in Spain. It currently operates 53,983 gaming terminals, 178 gaming halls and 1,457 sports betting shops. It also takes part in the management of four racetracks and operates online gaming in Italy, where it holds valid licenses for such purpose.

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