



## **PRESS RELEASE**

### **CODERE REVENUES GROW BY 22.3% IN THE FIRST NINE MONTHS OF THE YEAR, REACHING 778.5 MILLION EUROS**

- Accumulated EBITDA for the first nine months of 2008 rose to 179.4 million euros, 11.8% more than in the same period last year.
- Net income reached 5.6 million euros, compared with the 17.9 million euros for the first nine months of 2007, mainly owing to CODERE restructuring activity in Italy, the launching of sports betting in Spain and the appreciation of the euro.
- CODERE increased its activity with respect to the first nine months of 2007 with the incorporation of 5,114 new gaming terminals (totaling 53,909 units), 10 bingo halls (reaching a total of 135) and 22 betting centers (the number of which rose to 77).

**Madrid, 13 November 2008.** The CODERE Group, a leading Spanish multinational in the private gaming sector, announced today its results for the first nine months and the third quarter of 2008, revealing continued growth in its principal Latin American markets despite the strong appreciation of the euro against the local currencies.

Sales for the first nine months of 2008 amounted to 778.5 million euros, 22.3% more than for the same period in 2007. Gross operating income (EBITDA) for the first nine months of the year rose to 179.4 million euros, an 11.8% increase with respect to the same period last year.

These results are basically owing to the positive evolution of business in the principal markets which CODERE has in Latin America: Mexico and Argentina. The increase in revenues in Mexico was due to the greater number of electronic bingo terminals installed, as well as to new bingo halls; in Argentina, revenues grew owing to the increase in the average daily revenues per machine.

Net Income for the first nine months of 2008 was 5.6 million euros, as opposed to 17.9 million euros in 2007, this mainly due to the loss of 9.5 million euros from the activities interrupted in Italy (recorded in the first two quarters of the year), to the initial losses on account of the launching of the sports betting business in Spain, and to the effects of the appreciation of the euro against the currencies with which CODERE operates.

#### **Positive Trend in CODERE Markets**

In **Spain**, sales in the recreational machine area grew by 3.5% in the first nine months of 2008, peaking at 158.7 million euros, reflecting the increase in the number of recreational machines installed, totaling 15,909, and, to a lesser extent, the sale of machines. EBITDA, at 51.4 million euros, fell 6.7% with respect to 2007.

In **Argentina**, sales grew by 15.6% with respect to the first nine months of 2007, reaching 255.2 million euros, as a result of the increase in average daily machine revenues, which was 30% higher than in 2007 (in local currency). This increase in revenues was sparked, among other things, by the installation of cashless payment systems such as TITO (ticket-in-ticket-out) in 55% of the machines in Argentina. EBITDA rose to 80.3 million euros, 10.6% more than for the same period of the previous year.

In **Mexico**, sales reached 170.4 million euros in the first nine months of the year, an 82.1% increase with respect to the comparable period. This growth is mainly due to the greater number of EBTs installed, which now number 19,575 units, 32.3% more than in the same period of the previous year, and also to the consolidation of previous investments, including the contribution of new businesses such as the Las Americas Horse Racetrack and the Banamex Convention Center. EBITDA rose by 36.5%, reaching 52 million euros in the first nine months of 2008.

The CODERE Group results reflect an ongoing strategy of growth in its principal markets, particularly Mexico and Argentina, which have continued to perform positively in the first nine months of 2008, but which have been affected in this period by the strong appreciation of the euro against the local currencies. At constant exchange rates, revenues would have amounted to 828.4 million euros, EBITDA would have been 194.9 million euros, and net income would have stood at 12.0 million euros in the first nine months of 2008.

## **Milestones**

During the first nine months of 2008, Group activity increased with the incorporation of new gaming terminals installed, which grew to 53,909 units, 10.5% more than in the same period of the previous year, 10 bingo halls (with the number of these reaching 135), and 22 betting centers (totaling 77).

Investments in the first nine months of the year rose to 102.3 million euros.

On 23 July 2008 the Board of Directors of CODERE appointed independent director Mr. Eugenio Vela Sastre as a member of the Audit Committee.

## **The CODERE Group**

CODERE is a leading Spanish multinational in the private gaming sector in Europe and Latin America, managing over 53,900 recreational machines, 135 bingo halls, 77 sports betting centers, 3 horse racetracks and 5 casinos in Argentina, Brazil, Colombia, Spain, Italy, Mexico, Panama and Uruguay.

### **Communications Management**

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**NOTE:** Financial Report on Q308 Results  
can be found at [www.codere.com](http://www.codere.com)