



## **PRESS RELEASE**

### **CODERE HOLDS ITS FIRST SHAREHOLDER MEETING FOLLOWING THE IPO**

- **The Chairman of CODERE highlighted the initial public offering as "the culmination of the company's commitment to responsibility, transparency, professionalism and strict management".**
- **The Board of Directors received the majority support of the shareholders to approve the annual accounts and management report for 2007**
- **The Board of Directors was reinforced with the addition of Mr. Pío Cabanillas Alonso as an independent director and the company MASAMPE S.L. as a proprietary director.**

**Madrid, 7 May 2008.** With an ample representation of the shareholders of the company, the CODERE Group today held its first Ordinary and Extraordinary General Meeting of Shareholders at its corporate headquarters in Madrid following its historic initial public offering last October.

The Chairman and CEO of CODERE, José Antonio Martínez Sampedro offered the shareholders a summary of the Company's activities during the past year and highlighted that "2007 was an historic year for CODERE and a true milestone given that we are the first company in the Spanish gaming industry to publicly trade on the stock exchange".

This important step was described by CODERE's Chairman as "the culmination of the commitment to responsibility, transparency, professionalism and strict management that CODERE assumed so very long ago and today maintains with all of its consequences."

#### **2007 Year-end Results**

During the meeting, the Chairman of CODERE expressed his contentment with the results of 2007, which he described as evolving in line with expectations. Revenues rose more than 20% to €915 million, while on the operating level, EBITDA increased by 12% to €197 million. On the bottom line, however, the company recorded a net loss of €9.9 million due primarily to the application of provisions and one-time expenses totalling €42 million on the activities in Italy and Columbia, the costs of investing in new opportunities and the negative effect of exchange rate differences against the currencies of Argentina and Mexico, our primary markets.

### **Sustained Growth**

Mr. Martínez Sampedro defined 2007 as a "record year in investments", which reached €350 million. Mexico was one of the primary destinations for the investments given that CODERE considers the regulated gaming market in Mexico as one of its most important opportunities and Mr. Martínez declared that this investment will generate growth and profitability for coming years.

With the goal of calming any concerns that the shareholders might have, the Chairman expressly mentioned that these investments were financed "while maintaining a prudent capital structure, increasing net debt by €100 million and increasing equity by 140 million, covering the rest with generated cash flow and improving the Company's coverage of its financial obligations.

### **Outlook for the future**

Looking to the future, the Chairman reaffirmed his confidence in the "competitive capacity of both the current business lines and the new projects for the incorporation, once regulated, of the new gaming formats provided by the new technologies".

Mr. Martínez Sampedro recognised that "CODERE has begun to navigate the financial seas a particularly stormy time and that, although gaming activities are particularly sensitive to economic crises, this does not mean that they are totally inelastic". Within this scenario, the management of CODERE has planned lower investments in 2008 that can be financed, if necessary, through the cash flow of the business.

### **Resolutions Adopted**

The Shareholders of CODERE approved the resolutions proposed by the board of directors, particularly the Annual Accounts for 2007 and an incentive programme linked to the CODERE share price for directors, executives and advisers of the CODERE Group.

Regarding the composition of the Board of Directors, the shareholders thanked outgoing independent director Mr. José María Vegas Cordobés for the services provided and approved the appointment of Mr. Pío Cabanillas Alonso as an independent director. Mr. Cabanillas is the current Corporate CEO of ENDESA and has had a long career of the highest level in the public and private arenas and will provide experience and knowledge to the Board of Directors of the CODERE Group. The shareholders also approved the appointment of one of their own, the company MASAMPE SL as a proprietary director.

### **The CODERE Group**

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 51,600 AWP machines, 128 bingo halls, 55 sports betting shops, 3 horse racetracks and 5 casinos in Spain, Italy, Argentina, Brazil, Colombia, Mexico, Panama and Uruguay

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