

**Action for unauthorized on-line gambling starts**

**CODERE TAKES LEGAL ACTION AGAINST ILLEGAL  
ONLINE GAMBLING OPERATORS**

- A complaint for “unfair competition”, brought initially against BWIN and REAL MADRID as cooperator, is to be filed at the Madrid Commercial Court.
- According to the complaint, BWIN carries out unfair advertising, competing unfairly in Spain with authorized operators such as CODERE.
- The commercial complaint forms part of the action taken against online operators that are using illegal advertising in Spain and take bets from abroad, generally from Gibraltar and other tax havens, thus without paying taxes in Spain and also perpetrating a criminal offence of gambling and betting contraband.

**Madrid, February 22, 2011.** The CODERE Group, a Spanish leading multinational in the private gambling sector and listed on the Madrid Stock Exchange, announced today that it would bring a commercial complaint against BWIN and REAL MADRID under Law 31/1991, Unfair Competition Law.

According to the complaint, the facts are acts of illegal advertising of games of chance and betting in Spain carried out by BWIN in cooperation with other entities such as REAL MADRID. Evidenced has been provided that the advertising and promotion carried out by BWIN and REAL MADRID as cooperator, has not been previously authorized by the responsible Authority or made subject to any statutory condition, neither is it protected by European Union cross-border laws. Therefore under the legislation in force in Spain, it is illegal and thus unfair advertising.

**Unfair advertising**

The CODERE Group notes that the presence of Internet gambling operators, located in tax havens, as is the case of BWIN, has been detected for some time. These operators do not have a permit to operate in Spain where they are taking great amounts of money from gamblers and betters and are using aggressive advertising and promotion. In contrast, authorized gambling operators in Spain are not permitted to advertise or may only do so subject to stringent restrictions and after obtaining authorization from the Authority. Neither are authorized operators able to operate games through the Internet, although they have the necessary technology and expertise to do so, since these games are prohibited in Spain and in some cases may be activities liable for prosecution in the context of criminal law.

This unfair competition, arising from the use of illegal advertising, is affecting the gambling sector in Spain, which represents up 1% of the Spanish GDP and generates more than 100,000 direct posts of work.



*“We are living through a situation like blood letting”, says CODERE, “because BWIN operates from a tax haven without paying gambling taxes or duties; however, CODERE, or for example its subsidiary operating the authorized CANOE bingo and sports betting hall, situated a few meters from the Santiago Bernabeu stadium, in addition to having its authorized advertising strongly restricted, pays as gambling duties alone the same amount as that paid by BWIN to REAL MADRID each year for its sponsorship. The existence of unfair competition is obvious.*

### **Action of the Courts**

This complaint seeks to have the courts declare that the activity carried out by BWIN and REAL MADRID, as cooperator in unfair action in competition matters, is unfair advertising and to demand the immediate cessation of the advertising campaigns, the termination of the sponsorship and even the possibility of having to replace, for all those customers who so request, T-shirts and other promotional material by articles not bearing the BWIN trademark.

The complaint, filed before the Madrid Commercial Court, the first of a series of legal action promoted by CODERE to enforce its rights and those Spanish and other European Union countries that have legitimately trusted the Law, the action of the Public Authorities to ensure its enforcement and the case law of the Courts of Justice, including that of the European Union, used by these undertakings little precisely. Neither the Spanish laws and regulations nor European Union law entitle BWIN and similar operators to conduct the activity in which they engage in Spain.

### **The CODERE Group**

CODERE is a Spanish multinational, a reference in the private gambling sector in Europe and Latin America, which manages more than 53,000 gambling terminals, 127 bingo halls, 415 sports betting points and 13 casinos. It also participates in the management of 3 racetracks in Argentina, Brazil, Colombia, Spain, Italy, Mexico, Panama and Uruguay and carries out Internet gambling activities in those countries (such as Italy) where it has valid licenses for the purpose.