

CODERE OBTAINS A PROFIT OF 29.3 MILLION EUROS IN 2010, 53.4% MORE THAN THE PRECEDING YEAR

- The CODERE Group closed 2010 with sales amounting to 1,126.5 million euros, and an EBITDA of 241.1 million euros, surpassing all forecasts, results which reflect its growth initiatives and the successful performance of the business in the Latin American markets and in Italy.
- Despite the complicated global situation in 2010, especially in Spain, the CODERE Group has reported a net profit of 29.3 million euros, a 53.4% increase with respect to 19.1 million euros in 2009.
- At the end of 2010, the CODERE activities portfolio was comprised of 53,572 gaming machines, 597 betting locations, 129 bingo halls, 13 casinos and 3 horse racetracks.

Madrid, 25 February 2011. The CODERE Group, a leading Spanish multinational in the private gaming sector which trades on the Stock Exchange in Spain, has announced today its consolidated results for 2010, as well as the fourth quarter results for the same year. Despite the complex global economic situation, the growth initiatives in Latin America and Italy are worthy of note. These advances offset the Spanish market results, the anti-tobacco law in Mexico and the increase of gaming taxes in Mexico, Panama and Colombia.

During 2010, **sales** reached 1,126.5 million euros, 16.4% more than in 2009. Gross Operating Profit (**EBITDA**) amounted to 241.1 million euros in 2010, a 4.3% increase with respect to the preceding year. With these figures, EBITDA has surpassed Company forecasts, which placed it at around 237 million euros. In constant currency, this, however, would have been a 6.2% increase. Worthy of note are the **29.3 million euros in net profit**, a 53.4% increase with respect to the preceding year, a result of the growth in business, as opposed to 19.1 million euros in 2009.

Investments in 2010 amounted to 141.3 million euros, of which 46.5 million correspond to maintenance and 94.8 million euros to growth, associated with the purchase of 6 casinos in Panama, and with the growth in the number of gaming machines in Argentina, Mexico and Italy, these being among the most noteworthy actions.

At the end of 2010, the CODERE Group had a **cash balance** amounting to 90.6 million euros, and a line of credit of which 42 million euros was undrawn, providing the Company with sufficient liquidity.

Reinforcement of its International Position

In **Argentina**, CODERE improved the preceding year's results. Sales amounted to 461 million euros and EBITDA rose to 135.8 million euros. This increase has been basically owing to the 7.8% increase in the number of gaming machines with respect to 2009, and the average daily revenues per machine (a 24.4% increase in euros) and likewise to the use of the TITO (ticket in – ticket out) system in the majority of the terminals in 10 halls, accounting for 85% of the jobs in the province of Buenos Aires.

In **Mexico**, sales increased by 13.6%, at 219.3 million euros in 2010, basically owing to improved revenues in ICELA and to the increased installed capacity in ICELA and Promojuegos. The appreciation of the Mexican peso has also contributed to these positive figures. At the same time, decreased sales have been recorded in Caliente, and the implementation of anti-tobacco legislation in some states has had an effect. In 2010, the number of gaming machines with respect to the preceding year increased by 10.8% and the daily average per machine increased by 12.6% in euros. EBITDA grew by 5.1% with respect to 2009, reaching 63.6 million euros.

In **Italy**, sales in 2010 grew by 5.1%, steady at 137.4 million euros, owing to the operation of terminals on the street and in halls, to the installation of 402 VLT (Videolottery) terminals installed in 10 bingo halls, to the increase in the average revenues of the terminals (especially after including the new Comma 6a model) and the incorporation of the Caserta hall acquired in Q4 2010. Likewise, the loss in bingo revenues has been offset by the reduction in gaming taxes in the wake of the regulatory change which took place in November 2009.

In **Spain**, the worsening macroeconomic situation made it necessary to put cost containment measures into effect. Terminal area sales dropped by 2.7% throughout 2010, down 171.8 million euros, although average revenues per terminal have remained constant with respect to the preceding year. The number of betting locations in Spain grew spectacularly from 175 in 2009 to 461, reflecting the gradual expansion of operations in Madrid, in the Basque Country and, as from Q4 2010, also in Navarre.

2010 Milestones

In March, CODERE presented the book “Sports Betting” in the Madrid Stock Exchange, in the presence of the Secretary of State for Sport, Mr. Jaime Lissavetzky, representatives from the Spanish Autonomous Communities, from the world of sport and from the gaming sector.

During the month of July, CODERE consolidated its position in Mexico, and announced the signing of an agreement with the Caliente group, increasing its investment in said country.

In August, CODERE acquired 6 casinos in Panama, through an agreement with the company Thunderbird Resorts Inc.

In October, CODERE began its sports betting operations in Navarre.

Lastly, in November CODERE started the first online gaming operation, specifically online bingo, as a result of the regulatory changes approved in Italy, where regulations have been established authorizing this activity, and which allows the CODERE Group to launch its first web page to play online bingo in Italy: www.codere.it

The CODERE Group

CODERE is a leading Spanish multinational in the private gaming sector in Europe and Latin America, trading on the Spanish Stock Exchange and managing 53,500 gaming machines, 129 bingo halls, 597 sports betting locations and 13 casinos; likewise, it participates in the management of 3 horse racetracks in Argentina, Brazil, Colombia, Spain, Italy, Mexico, Panama and Uruguay, and develops Internet games in Italy, where it is validly licensed to do so.

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NOTE: 2010 and Q4 '10 results are available at www.codere.com