

PRESS RELEASE

CODERE SUBMITS THE COMMUNICATION IN ACCORDANCE TO ARTICLE 5 BIS OF THE SPANISH INSOLVENCY LAW (*LEY CONCURSAL*) WHILE IT NEGOTIATES THE REFINANCING OF THE DEBT

- **The Company continues negotiating with creditors in an attempt to refinance the debt**
- **The submission of the above-mentioned communication does not affect the ordinary activity and operation of the company or its management bodies that will continue to work as usual.**

Madrid, January 2nd 2014.- Codere, Spanish multinational company and one of the leaders in the private gaming sector which is listed in Spain, has submitted the communication provided in article 5 bis of the Spanish Insolvency Law (*Ley Concursal*) before the Mercantile Court of Madrid. This situation provides the company a period of up to four months in which it is going to continue negotiations to refinance the debt.

The submission of this communication does not either affect the ordinary activity of the company, which continues its operations as usual, nor its management bodies, which maintain their faculties of representation, administration and management.

Liquidity Constraints

Codere, which is listed in the Spanish Stock Market since 2007, generated in 2012 €287.3 million of EBITDA, therefore it can comply with the obligations derived from the business. However, during 2012 and 2013 there were some extraordinary events that resulted in liquidity constraints for the company. Among these events it is important to highlight the payment of €107 million for the anticipated renewal of the gaming licenses in the province of Buenos Aires, the implementation of the smoking ban in Argentina, the closure of 8 halls in Mexico and the increase of gaming taxes in several countries in which Codere operates.

These liquidity constraints, that have obliged Codere to submit the above-mentioned communication, will, in case an agreement is not reached beforehand, prevent the company to pay down the maturing Senior Credit Facility on January 5th, facility that amounts up to €127.1m.

In anticipation of this situation and in order to defend the interests of shareholders, employees and the rest of creditors, the Board of Directors has



agreed to submit this communication that allows the company to carry on with the process to restructure the debt.

Codere considers that, during the period stated by law, parties will reach an agreement to restructure the debt.

About CODERE Group

CODERE is a leading Spanish multinational in the private gaming sector in Europe and Latin America, with more than 19,000 employees, listed on the Spanish Stock Market and managing more than 53,000 gaming terminals, 178 gaming halls, 1,427 betting locations and 4 racetracks in Argentina, Brazil, Colombia, Spain, Italy, Mexico, Panama and Uruguay and carries out online gaming activities in Italy where it has been granted the relevant licenses.