



PRESS RELEASE

CODERE RECORDS GROSS OPERATING PROFIT (EBITDA) of 67.4 MILLION IN THE FIRST QUARTER, A 23.9% INCREASE OVER THE SAME YEAR-EARLIER PERIOD

- CODERE Group sales in 1Q11 jumped 21% over the previous year to 305.9 million euros.
- The higher than expected EBITDA for this period reflects the strong growth in all markets where the Group operates with the sole exception of Spain.
- Strong growth in CODERE Group revenues during first quarter are not, however, reflected in net profit, hurt mainly by exchange rate differences.

Madrid, 13 May 2011 The CODERE Group, a leading Spanish multinational in the private gaming sector which is listed on Madrid Stock Exchange, today announced results for the first quarter of 2011 (1Q11). Despite the challenging global economic environment, the the CODERE Group registered growth in all markets where operates, with the exception of the Spanish market.

Sales during the first quarter of 2011 reached 305.9 million euros, up 21% over the same period of 2010. Gross Operating Profit (**EBITDA**) was 67.4 million euros, representing an increase of 23.9% over the same year-earlier period. These good results are based mainly on growth in Argentina, Italy and Panama. With these figures, EBITDA exceeded the Company's forecast of 64-67 million.

Net profit for 1Q11, however, was negative, with a loss of 0.3 million euros. This was due mainly to the impact of exchange rates differences on foreign currency balances, which implied losses of 3.1 million euros.

Capex during the period totalled 22.4 million euros, of which 15.2 million was for maintenance and 7.2 million euros went to, primarily, growth associated with the operations in Mexico and the increase in gaming machines Argentina, Italy and Panama, among other actions.

At the close of the quarter, the CODERE Group held a **cash balance** of 107 million and an undrawn senior credit line of 36 million euros, which provide the Company with adequate liquidity.

The drive of growth markets

En **Argentina**, CODERE registered improved results over the previous year. Sales reached 128.6 million euros, a 28.5% over the year-earlier period and EBITDA stood at 38.7 million euros, up 37.7% over 1Q10. This increase derives primarily from higher average daily net win per machine, the increase of gaming terminals, as well as the deployment of the TITO system (ticket in - ticket out) in most of the terminals in 10 establishments, representing 85.2% of the machines in the province of Buenos Aires.

Sales in **Mexico** increased by 9.8%, to 52.7 million euros due to improved recovery in ICELA and increased installed capacity in Promojuegos and ICELA. The Mexican peso's appreciation against the euro also contributed to these positive figures.

Similarly, EBITDA increased by 8.4% over the previous year, reaching 14.2 million euros.

In **Italy**, sales in the first quarter rose 41.8% to 46.8 million euros thanks to the deployment of the VLT and the consolidation of several acquisitions such as the gaming room in Caserta and the operator of Future Games. EBITDA reached during the period reached 8 million euros, doubling the figure from the same period in 2010.

In **Spain**, the deteriorating macroeconomic environment, together with the implementation of anti-smoking legislation had a negative impact on the business during 1Q11. Sales declined 12.8% over 2010, reaching 43.6 million euros, due mainly to the decrease in average daily net wins per terminal and the smaller number of bingo cards sold. EBITDA amounted to 5.8 million euros, 51.3% more than the same period last year.

Milestones 1Q11

At the end of the quarter, Argentina had completed the installation of the TITO system on most machines ten gaming halls (Lomas del Mirador, San Martín, Lanús, Morón, San Justo, San Miguel, Lomas de Zamora, Ramos Mejía, La Plata and Sol) representing 85.2% of the machines in the Province of Buenos Aires and an increase of 75% over 1Q10.

On 07 March 2011, the Federal Competition Commission of Mexico approved the terms and conditions of the framework agreement with Caliente and the transaction closed on 31 March 2011. Pursuant to the agreement, CODERE acquires 67.3% stake in the joint operations while the remaining 32.7% belongs to Caliente and sells 32.7% of Promojuegos and Mio Games to Caliente, retaining 67.3% capital of both businesses.

In Spain, CODERE is very active publicly, calling for appropriate regulations for the industry due to the passage through Parliament of the Gambling Regulation Act in Spain.

The Group CODERE

CODERE is a Spanish multinational group and a key player in the private gaming sector in Europe and Latin America. The company is listed on the Madrid Stock Exchange. Overall the Group manages (December 31, 2010) more than 53,500 gaming machines, 129 bingo halls, 597 sports betting locations, 13 casinos, and participates in the management and operation of 3 horse racetracks, with operations in Argentina, Brazil, Colombia, Italy, Mexico, Panama, Spain and Uruguay. The company is also active in online gambling, current holding a valid licence in Italy

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NOTE: 1Q11 Results available on www.codere.com