



## **PRESS RELEASE**

### **CODERE RECORDS SALES OF €1,261.1 MILLION IN THE FIRST 9 MONTHS OF THE YEAR, A 27.5% INCREASE OVER THE SAME PERIOD IN 2011**

- The CODERE Group closed the first nine months of the year with an EBITDA of €235.6 million, exceeding forecasts. Capex during the period totalled nearly €400 million.
- Net income for this period shows a loss of €34.4 million, mainly due to the provision of assets registered in Mexico.
- At 30 September 2012, CODERE operated more than 56,833 gaming terminals, 186 gaming halls, 1,300 betting points, 3 racetracks, online betting in Italy and licenses in Spain.

**Madrid, 15 November 2012.** The CODERE Group, a leading Spanish multinational in the private gaming sector and listed on the Spanish stock exchange, has announced today results for the first 9 months of 2012 and for the third quarter of the year (3Q12). Despite the challenging global economic environment, the growth in revenue in its main markets of Mexico, Argentina and Italy was noteworthy.

**Sales** during the first 9 months of 2012 reached €1,261.1 million, up 27.5% over the same period of 2011. Gross Operating Profit (EBITDA) was €235.6 million, representing an increase of 12.7% over the same year-earlier period. EBITDA for 3Q2012 is €80.1 million, above forecasts that placed the figure around €75-78 million.

Despite the positive trend in major markets, CODERE reported a **Net Loss** of €34.4 million, due mainly to asset registration provisions resulting from the business restructuring of CODERE in Mexico.

Capex in the first nine months of 2012 reached €395.2 million, of which €169.9 million correspond to maintenance --107.1 million of which are associated with license renewal in Argentina-- and €225.3 million to growth, of which €158 million are associated with the purchase of additional stake of 35.8% in ICELA.

At 30 September 2012, the CODERE Group had a **cash balance** of €116.8 million and an available credit line of €55.4 million, which provide the Company with appropriate liquidity.

#### **Latin America, the main driver of CODERE**

In **Argentina**, sales during the first nine-months of the year totalled €508.3 million, 26.2% more than the previous year, driven mainly by the increase in the number of gaming machines installed and the expansion of the Mar del Plata Gaming Hall. Gaming terminals increased by 11.8% and the average daily revenue per terminal increased 16.7% in euros. EBITDA amounted to 132.8 million euros, 9.1% more than the same period last year.

In **Mexico**, sales rose 60% to €327.4 million in the first nine months of the year due to the consolidation of the operations acquired from partners in this market. The number of terminals increased 3.4% over the previous year. Average daily revenue per

machine increased 5.6% in euros and in the local currency. EBITDA increased 68.5% reaching €72.1 million.

Sales in **Italy** in the first 9 months increased by 28.3%, reaching €193.7 million due to the operation of VLT terminals, the consolidation of the recently acquired AWP machine operators: Gap Games, Gaming Re and Dalla Pria Services. EBITDA fell by 12.3% compared to 2011, reaching €25.6 million, mainly due to higher gaming taxes.

In **Spain**, the deteriorating macroeconomic environment, the effect of the smoking ban and the rationalization of gaming terminals have caused an 11% decline in sales during the first nine months of 2012. There was a notable increase of 91.5% in the number of sports betting points, especially important in the regions of Valencia and Madrid, reaching a total of 1,109 points bets in Spain.

### **Milestones in 3Q12**

In September, CODERE announced an agreement with United Tote (Churchill Downs Group), which enables the company to extend its services to the racetracks in Brazil and Latin America, and its network of off-track betting, spreading its reach throughout the region. Also in September, CODERE signed an agreement with Global Draw making it possible to introduce 500 new gaming machines in different CODERE establishments in Mexico.

At the end of July, CODERE opened Crown Casino in the free trade zone of Bogota, Colombia, a point of reference in the entertainment marketplace in Latin America.

In July, CODERE initiated the process to renew the licenses of five gaming halls for a period of 15 years (Morón, Ramos Mejía, San Miguel, Lomas del Mirador and San Justo) in the province of Buenos Aires, Argentina; the current licenses mature in 2013-2015. Also in July, CODERE Uruguay received the license to possess, use and operate, for a period of 30 years, the Las Piedras Hippodrome through its subsidiary Hipica Rioplatense del Uruguay (HRU S.A.). In this new space, CODERE also operates the racino model, allowing the operation of gaming machines in the race track venues.

### **The CODERE Group**

CODERE is a Spanish multinational group and a key player in the private gaming sector in Europe and Latin America with over 20,000 employees and is listed on the Spanish Stock Exchange. Overall the Group manages more than 56,833 AWP machines, 186 gaming halls, 3 horse racetracks and 1,300 sports betting shops in Argentina, Brazil, Colombia, Italy, Mexico, Panama, Spain and Uruguay. In Italy the Group also offers online gaming under the appropriate licenses.

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**NOTE:** Earnings release available on [www.codere.com](http://www.codere.com)