



PRESS RELEASE

CODERE RECORDS SALES OF €397.6 MILLION IN FIRST QUARTER OF 2013

- CODERE closed 1Q13 with sales of €397.6 million (1.4% less than the same period last year) and EBITDA of €62.1 million, in line with expectations for this period, reflecting a decline in Argentina and Italy and partially offset by growth in Mexico and Spain.
- The most notable operations in the first quarter include: the opening of Hotel Casino Carrasco in Montevideo, a benchmark in Latin American entertainment, and the launch in Spain of sports betting in Galicia, Codere being the only company present in all regulated regions of the country.
- At the close of the first quarter, CODERE operated 54,007 gaming terminals, 178 gaming halls, 1,206 betting points, 4 racetracks and online betting in Italy.

Madrid, 14 May 2013. The CODERE Group, a leading Spanish multinational in the private gaming sector, today announced consolidated earnings for the first quarter of 2013 (1Q13).

Sales reached €397.6 million, 1.4% less than in the same period in 2012, mainly due to the fall in revenues in Argentina and partially offset by growth in Mexico and Italy.

Gross Operating Profit (**EBITDA**) amounted to €62.1 million, in line with EBITDA guidance of €60-€63 million, reflecting a decline, particularly, in Argentina and Italy, and growth in Mexico and Spain.

The **net result** was a loss of €20.9 million.

Investments in the first quarter totalled €14.6 million, of which 6 million correspond to maintenance and 8.6 million to growth initiatives.

The growth in the number of **gaming machines** was concentrated in Italy and Argentina, although the total number of gaming machines fell 2.1% to 54,007 due to the rationalization of the stock in Spain and the temporary closure of gaming halls in Mexico.

International activity

In **Argentina**, sales reached €147.8 million, down 7.9%, and EBITDA totalled €27.4 million, 41.7% less than in 1Q12, mainly due to the implementation of the smoking ban legal provisions since October 2012 and the depreciation of the local currency against the euro.

In **Mexico**, sales rose 3.6% to €104.8 million, mainly due to the consolidation of the operations acquired from ICELA. During this quarter some casinos have been temporarily closed, which resulted in a decrease in the number of terminals of 15.3% compared to 1Q12. Additionally, the average fell slightly (-0.8%). Despite these incidents, EBITDA increased by 20.1% to €26.9 million and the operating margin increased from 22.1% to 25.7%.

In **Italy**, sales rose 4.5%, to €67.6 million thanks to the growth in owned terminals (as a result of the acquisition Dalla Pria Services) and third-party machines connected to the network. EBITDA decreased to 6.6 million in response to higher gaming taxes on VLT, the deterioration of the bingo business and decline in daily averages on VLT and AWP machines, factors arising from the decline in private consumption as a result of the country's economic recession.

In **Spain**, although total sales declined 2.3% to €38.5 million due to a reduction in average daily revenue per machine as a result of the fall in consumption, it is important to highlight the growth in revenues from the sports betting business as a result of the increase in the number of retail outlets and the increase in revenues in these premises. At the close of the quarter we operated a total of 1,031 betting shops, 46% more than the same period last year thanks to the deployment of this business in Galicia and Valencia. Thanks to a reduction in expenses, EBITDA increased from €2.7 to €5.1 million, and the operating margin jumped to 13.2% from 6.9% in the first quarter of 2012.

1Q13 Milestones

In March, **CODERE inaugurated Sofitel Montevideo Hotel and Casino Carrasco in Uruguay**, a National Heritage building, the rehabilitation and operation of which is managed through Carrasco Nobile, a consortium led by Grupo CODERE. This Hotel Casino, which holds an operating license for 30 years, has established itself as a benchmark in Latin America and has 116 rooms, 405 gaming machines and 23 casino tables.

In Spain, CODERE Apuestas, through Grupo COMAR, launched **sports betting group in Galicia**, where the company will operate through 333 businesses in the hospitality sector and 18 gaming facilities, in addition to specific betting shops. The company is the current market leader and the only company operating in all regions with regulated gaming: Madrid, Basque Country, Navarre, Aragon, Valencia and Galicia.

The company also participated in several key events for the industry during the quarter. The CODERE Foundation sponsored **2nd edition of the Course "Prevention of money laundering and terrorist financing"**, organized by the

Autónoma University of Madrid, and presented new publications on the gaming industry (***Anuario del Juego, el Código del Juego and En torno al juego de azar***) in a event chaired by the Secretary of State for Infrastructure, Transport and Housing of the Ministry of Development.

The company also participated in **ICE 2013**, a leading trade fair in London, through various presentations and panel discussions related to gaming.

The CODERE Group

CODERE is a Spanish multinational group and a key player in the private gaming sector in Europe -- Spain and Italy-- and Latin America -- Argentina, Brazil, Colombia, Mexico, Panama and Uruguay.. The company, which employs more than 21,100 people, is the only company in this industry that is publicly traded in Spain. Codere currently operates 54,007 gaming machines, 178 gaming halls, 1,206 sports betting points, participates in the management of 4 horse racetracks and develops online games in Italy, where it holds the appropriate licenses.

NOTE: 1Q13 results available on www.codere.com