

**PRESS RELEASE**

**Appearance before the Economy and Finance Committee of the Congress of Deputies**

**CODERE'S CHAIRMAN IN THE CONGRESS OF DEPUTIES TO  
TALK ABOUT THE FUTURE GAMING ACT**

- **José Antonio Martínez Sampedro, Chairman and CEO of the CODERE Group, has been called to appear before the Economy and Finance Committee in relation to the legislative process of the Spanish Gaming Act underway in Parliament.**
- **On addressing the Committee, he criticised the inaccurate definition of the LAE in the new legislation and explained the need for correcting the disadvantages stemming from the presence of illegal gaming operators online.**
- **He stressed the importance of the adequate regulation of a sector which in Spain accounts for more than 1% of the annual GDP and offered the experience of the CODERE Group as a reference for arriving at an accurate definition of the gaming model most appropriate for Spain.**

**Madrid, 17 March 2011.** The Chairman of the CODERE Group, José Antonio Martínez Sampedro, appeared today in the Congress of Deputies at the request of the Economy and Finance Committee, in the framework of the parliamentary process for the approval of the new Spanish Gaming Act.

The Chairman of CODERE, a Spanish multinational company considered a benchmark in the private gaming sector and listed on the Madrid Stock Exchange, wished to thank the Committee, in the first place, for the opportunity to express the opinion of a private gaming entrepreneur with respect to the draft legislation, as, in the course of the legislative process, which has lasted a number of years, the opinion of the private entrepreneurs of this sector -the gaming industry in Spain- had not been heard. This industry manages 30,000 million euros annually and maintains more than 170,000 jobs throughout Spain. In any case, he welcomed the commencement of the process for the approval of the new regulation, "as the transcendence of proceeding to regulate, for the first time in our democracy, an economic sector of such relevance through legislation on the level of a law, is evident".

At the request of the Deputies, members of the Committee, Mr. Martínez Sampedro commented on the various aspects of the draft legislation which are of concern to the private sector, such as the proper definition of the legal concept of Loterías y Apuestas del Estado (LAE – State Lotteries and Bets), to which the draft legislation allows a "reservation of activity within the scope of lotteries, in addition to being able to compete with the private sector in other areas as well.

Likewise, the CODERE Chairman mentioned the need for clarifying, within the content of the future Gaming Act, that "we are referring to a Spanish regulation which must require licences granted by the Spanish authorities, with companies whose tax domicile



is located in Spain, thereby avoiding tax havens and transactions under licences of doubtful origin”.

Finally, Mr. Martínez Sampedro highlighted that, although the new legislation establishes a new framework of action, it would be completely unfair and very unfortunate to make a fresh start with a “clean slate” with respect to all of those illegal online gaming operators who have been engaging in their illicit activities in Spain over the last few years, acquiring market share and building a brand, without such activity having been authorised previously by the competent government administration or being subject to any regulatory conditions whatsoever, constituting clearly unfair competition. “These illegal operators should not be on the same starting line together with those of us who have respected the current legal provisions and, for this reason, we ask that measures be applied such as those put into practice in other countries, making it possible to correct this evident initial disadvantage: cancellation of the client databases obtained during these years of illegality, regularisation of the tax situation of such operators and even a period of blocking or non-use of their brands in Spain during the next two years.

Following his appearance before the Committee, the CODERE Chairman insisted on the importance of operating under an adequate regulation for a sector which in Spain accounts for more than 1% of GDP and, to date, continues to exist in an environment evidently lacking sufficient regulation. “The experience of the CODERE Group, as a company with an international dimension, operating in eight different countries and working under a large number of licences granted by a range of gaming authorities, should serve as a reference for achieving the most adequate gaming model for Spain”.

#### **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.