

THE SPANISH SUPREME COURT RULES IN FAVOR OF CODERE VS. POKERSTARS

- **Online gaming was not "alegal", but illegal before the grant of licenses in 2012.**
- **The Administration, that did not pursue this illegal activity, did neither protect consumers nor defend the legal stakeholders in the industry.**
- **It does not recognize the right to claim damages for unfair competition to the legal stakeholders in the industry - as Codere - on the grounds of the fact that, albeit illegal, the activity was tolerated by the Administration.**

Madrid – May, 25th, 2017. Last 17 May, the highest Court partially ruled in favor of the lawsuit filed by certain companies of the Codere Group vs. companies of the Pokerstars Group on the grounds of unfair competition, stating that: "[...] This Court considers that online gaming and, namely, the game of poker offered on the website of the defendant, was not a legal activity in Spain".

The Supreme Court continues ruling that "[...] the activity that was developed via the website www.pokerstars.com, in Spanish and targeted at the Spanish public, lacked the relevant authorization to operate gaming activities in Spain and was not a legally marketed service in Spain. Hence, Reel committed the unfair conducts reflected in articles 21.1.c and 23.1 of the Unfair Competition Act [...]. [...] in the case of articles 21 and 23 of such Act, the protected rights are fundamentally those of the consumers to receive accurate and non-misleading information and their right to fair advertising that complies with applicable legal requirements."

Significantly, the court points to the fact that "the conduct of the defendant was not isolated, but was generalized in the market and fully tolerated by the competent administrative gaming authorities".

This constitutes the grounds for the Supreme Court not granting the damages compensation sought by Codere, as Codere could have been part of the illegal, but tolerated, activity.

This ruling imposes an obligation on consumers and stakeholders in the gaming industry to seek new perspective in claiming for prejudices caused by this situation, in light of the Administration's tolerance of an activity that has been declared illegal.

About Codere

CODERE is an international leading Spanish gaming company, with presence in eight countries in Europe - Spain & Italy - and Latin America - Argentina, Mexico, Panama, Colombia, Uruguay and Brazil, which operates 55,263 gaming machines; 29,822 bingo halls and 4,248 sports betting terminals in 144 betting locations, 622 gaming halls, 9,975 bars, 166 sports betting shops and 4 racetracks. The Company also operates online gaming.

For further information: www.codere.com