

PRESS RELEASE

Day-long meetings in Valencia organised by the CODERE Foundation to discuss on-line gaming

“On-line gaming needs to operate in an orderly and transparent manner in Spain”

- The Meetings, centred on “The Consolidation of On-line Gaming: Realities and Aspirations” and organised by the CODERE Foundation, bring together in Valencia a number of players from the public and private sectors involved in this new dimension of gaming.
- Local Authorities, such as the President of the Competition Court of the Community of Valencia, or national, such as the General Secretary for Finance of the Ministry of Economy and Finance or the General Technical Secretary of the Ministry of the Interior, will participate in the event.
- José Antonio Martínez Sampedro, Chairman and CEO of the CODERE Group, has made an assessment ‘of concern’ with respect to the draft legislation, from the perspective of 30 years of experience in the Sector.

Valencia/Madrid, 24 March 2011. The day-long meetings on “**The Consolidation of On-line Gaming: Realities and Aspirations**” have commenced today and evidence the need for regulating the Sector in Spain within a framework of transparency and legal certainty for users. The Meetings, organised by the CODERE Foundation, an organisation which arranges activities oriented towards the study, analysis, legislative/regulatory development and evolution of the Gaming industry, are being held today and tomorrow at the Fundación Universidad Empresa (ADEIT), University of Valencia.

The first day of the meetings has brought together a number of players involved in the Sector, such as Fernando Castelló Boronat, President of the Competition Court of the Community of Valencia, who welcomed the organisation of the meetings as an appropriate framework for providing an academic scenario necessary, in his opinion, in light of the lack of a preliminary reflection on the future of gaming in Spain. He highlighted the need for public intervention in order to reduce the risks derived from the exercise of this activity and, at the same time, to achieve a minimum degree of distortion of competition.

Participants on the panel also included Pablo Oñate Rubalcaba, Chair of Political Science and the Administration, University of Valencia, who commented on the importance of public policies in order to channel the interests of society. Social changes call for public intervention and a framework in which changes are to develop. On-line gaming is a paradigmatic example of this situation.

Likewise, José Antonio Martínez Sampedro, Chairman and CEO of the CODERE Group, highlighted the importance of this opportunity for the CODERE Foundation to hold these meetings, which contribute knowledge and

reflection to the debate on gaming in Spain and impact on the general interest. Likewise, he noted his conviction that we are facing a problem of illegality, rather than non-legality, in regard to the activity of the on-line operators in Spain. He also emphasised the unsettling situation which would come about with the new legislation: The intention is to resolve the public deficit through the privatisation of LAE, although the design of the new Act does not present this institution as sufficiently attractive for it to be of interest to future investors.

Despite the fact that the regulation has been unnecessarily delayed, a new framework of action is needed to correct the evident initial disadvantage for the traditional operators, who have borne a significant tax burden for years in a strongly regulated sector, in comparison to the rest of companies which have operated outside of this regulated framework, and from tax havens outside of Spain. Given that the Gaming Industry contributes significant sums of money to the various public administrations through gaming taxes and other tax modalities in Spain, it appears necessary to adjust this imbalance by means of a regulation that will enable greater transparency and control.

Building a regulated on-line gaming industry

The meetings will also examine in depth various aspects of the tax and criminal law regimes contained in the new legislation through a number of talks and a round-table discussion on the subject of "On-line Gaming and the Gaming Sectors" moderated by D. Rafael Catalá Polo, General Secretary of CODERE, with the participation of the principal sector-wide associations: CEJ (Confederación Española de Organizaciones de Empresarios del Juego del Bingo – Spanish Confederation of Bingo Business Organisations), EUROMAT (European Gaming and Amusement Federation), AECJ (Asociación Española de Casinos de Juego - Spanish Gaming Casinos Association) and AEDAPI (Asociación Española de Apostadores por Internet – Spanish Association of Internet Wagerers).

The role of the authorities in the implementation of the new Gaming Act will be dealt with on Friday, 25 March, at the round-table discussion on "Synergies and Alliances: Public Commitments" moderated by Maria Ángeles González García, General Technical Secretary of the Ministry of the Interior, with the presence of representatives from the Public Administrations of the Autonomous Communities of Valencia, Basque Country, Madrid, Catalonia and La Rioja.

The CODERE Foundation

The CODERE Foundation is a non-profit organisation created for the purpose of structuring and articulating activities aimed at the study, analysis, evaluation, development of regulations and standards and the progress of the gaming industry.

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.