

## **CODERE RECORDS EBITDA OF €305.2 MILLION IN 2012, A 5.4% GAIN OVER LAST YEAR**

- The CODERE Group closed 2012 with revenues of close to €1,663.9 million and EBITDA of €305.2 million, in line with expectations for this period and reflecting strong growth in Mexico, which was partially offset by weakness in the rest markets.
- Capex in 2012 reached €429.4 million, a record of recent years.
- At the close of 2012, CODERE operated more than 56,474 gaming terminals, 186 gaming halls, 1,379 betting points, 3 racetracks and online betting in Italy. The number of CODERE employees exceeds 20,000

**Madrid, 28 February 2012.** The CODERE Group, a leading Spanish multinational in the private gaming sector that trades on the Spanish Stock Exchange, has announced today its consolidated results for 2012, together with Q4 results for the same year.

**Sales** in 2012 reached €1,663.9 million, a 21.1% increase over 2011. Gross Operating Income (**EBITDA**) reached €305.2 million in 2012, representing a gain of 5.4% over the previous year. **Net income** attributable to the parent company was negative, with a loss of €104.6 million, affected by asset impairment in Spain amounting to €75.2 million.

**Capex** in 2012 reached €429.4 million, of which €188.7 million correspond to maintenance, associated among others, to the renewal of licenses in Argentina and €240.7 million corresponded to growth, including €158 million for the additional 35.8% stake in ICELA in Mexico.

### **Intense international activity**

In **Argentina**, sales reached €653.8 million and EBITDA fell to €160.6 million, 2.8% less than the previous year, mainly due to the implementation of the smoking ban in October 2012. Revenues increased this year driven by the increase in average daily revenue per machine (8.6% increase) and 10.9% increase in installed machines, particularly in the the Mar de Plata establishment.

Sales in **Mexico** increased 50%, reaching €437.2 million in 2012 due mainly to the consolidation of the operations acquired from ICELA and Caliente and the increase in average daily revenue. Total terminals decreased by 1.8% over the previous year. EBITDA increased 67.8% reaching €103.2 million.

In **Italy**, sales in 2012 increased by 16.4%, to €261 million thanks to the consolidation of AWP machine operators acquired the last year (Gap Games, Gaming Re and Dalla Pria Services), as well as to the increase in the number of terminals in the country. This growth was partially offset as a result, among others, of the fall in the the average daily revenue per machine and the decline in the amounts played in the Italian market as a result of the economic recession in the country. EBITDA declined by 21.5% due to higher taxes on video lottery terminals.

In **Spain**, sales fell by 6.9% in 2012, mainly due to the deep economic crisis in the country. Following the major rationalization of the machine stock average daily revenue improved by 6.2% in 2012. There was a notable increase of 69% of the revenue of the sports betting business as a result of product improvement and the increase in the number of outlets, which rose from 600 in December 2011, to 1,176 in December 2012.

EBITDA margin decreased to 10.3% on the fall in revenues, partially offset in 4Q2012 for the tax savings following the removal of lower profitability machines and the containment in personnel expenses.

## **2012 Milestones**

In February, CODERE **placed a U.S.\$300 million bond issue** maturing in 2019 with a 9.25% coupon. CODERE then **completed the purchase from CIE** of a 35.8% stake in ICELA. This acquisition is in addition to the original 49% interest in ICELA held by Codere Mexico

In February, we also **opened the Mar del Plata Gaming Hall** in the province of Buenos Aires, which has 433 machines posts and substitutes the Mar Gaming Hall.

In June, CODERE in Spain got **online gaming licenses** for Madrid and all of Spain. Also, CODERE Italy acquired 60% of the gaming machine operator Dalla Pria Service S.R.L.

In July, CODERE Uruguay obtained the license for the ownership, use and operation, for a period of 30 years, of the **Las Piedras Horse Race Track**, through its subsidiary Hípica Rioplatense del Uruguay (HRU S.A.), which CODERE also operates under the racino model, allowing the operation of gaming machines in the horse race venues. In Colombia CODERE opened **Crown Casino** in August in the free trade zone of Bogota, a point of reference in the entertainment marketplace in Latin America

In November CODERE **renewed**, until 2018 and 2019, **five of the licenses** for the operation of the gaming halls in the province of Buenos Aires.

In late November, CODERE Italy organized the conference **"Finance, gambling and legality"** in the Senate, in Rome. In December CODERE Foundation, participated in the International Congress **"Care of addictions in the framework of Huamn Rights"** in Mexico and launched the **3rd Iberoamerican Economic Journalism Award**, together with IE Business School.

## **The CODERE Group**

CODERE is a Spanish multinational group and a key player in the private gaming sector in Europe and Latin America and is listed on the Spanish Stock Exchange. Overall the Group manages more than 56,474 AWP machines, 186 gaming halls, 1,379 sports betting shops and participates in the management and operation of 3 horse racetracks, with a presence in Argentina, Brazil, Colombia, Spain, Italy, Mexico, Panama and Uruguay. In Italy and Spain the Group also offers online gambling under the appropriate license in said countries.

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**NOTE:** 2012 and 4Q12 results available at [www.codere.com](http://www.codere.com)