

CODERE RECORDS A PROFIT OF €52.2 MILLION IN 2011, A 78.2% GAIN OVER LAST YEAR

- The CODERE Group closed 2011 with revenues of €1,374.4 million and EBITDA of €289.7 million, outperforming forecasts. These results reflect the growth initiatives and the good performance of the Latin American markets and in Italy.
- Despite the challenging global environment in 2011, especially in Spain, the CODERE Group reported a net profit of €52.2 million, a gain of 78.2% compared to 2010.
- At the close of 2011, CODERE operated more than 57,000 gaming terminals, 190 gaming halls, 798 betting points, 3 racetracks and online betting in Italy.

Madrid, 29 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 2011, together with Q4 results for the same year. Despite the challenging global economic environment, the growth initiatives in Latin America, especially Argentina and Panama, and good performance in Italy are particularly noteworthy. These gains offset the results of the Spanish market and the euro's strength against other currencies.

Sales in 2011 reached €1,374.4 million, a 22% increase over 2010. Gross Operating Income (**EBITDA**) reached €289.7 million in 2011, representing a gain of 20.2% over the previous year. With these figures, EBITDA exceeded the Company's forecast of 281-284 million. Nonetheless, in constant currencies the increase would have been 23.9%.

The **Net Profit** figure was especially notable at **€52.2 million**, a 78.2% increase over the previous year (€29.3 million) thanks to the growth in the business.

Capex in 2011 totalled €118.7 million, of which €68.7 million correspond to maintenance and €50 million to growth associated primarily with the increase in the number of terminals in Argentina, Mexico, Italy, Colombia and Uruguay, among other investments.

At the close of 2011, the CODERE Group had a **cash balance** of €135.7 million and an available credit line of 32 million euros, which provide the Company with appropriate liquidity.

Strengthening our international position

En **Argentina**, CODERE registered improved results over the previous year. Sales in this market reached €553.2 million and EBITDA totalled €165.2 million. This increase was driven primarily by the increase in the number of terminal, 4.7% more than in 2010, and in the average daily revenue per machine (increase of 14.4% in euros).

Sales in **Mexico** increased 32.9%, reaching €291.5 million in 2011 due mainly to the consolidation of the operations acquired from Caliente, the average daily revenue in ICELA and the increase in installed capacity. The number of terminals increased by 1.4% over the previous year and average daily revenue per machine declined by 7.4% in euros. EBITDA declined 2.8% reaching €61.8 million.

Sales in **Italy** in 2011 increased by 63.2%, reaching €224.2 million due to the operation of VLT terminals, the consolidation of the Caserta gaming hall and the machine operators acquired in 2011: FG Slots Services, Gap Games and Gaming Re. This growth was offset by reduced average daily revenue on AWP terminals due to the introduction of VLT in the gaming halls.

In **Spain**, the deteriorating macroeconomic environment and the entry into force of the smoking ban has caused a decrease in sales of 16.7% in 2011, exacerbated by the increased percentage of bingo prizes which went from 65% in 2010 to 71% beginning in January 2011. The sports betting business continues to grow thanks to improvements in the product and the increased number of outlets, mainly in Navarre and the Basque Country.

2011 Milestones

The CODERE Group signed a Purchase Option for an additional 35.8% stake in ICELA de Corporación Interamericana de Entretenimiento, S.A.B. de C.V. (CIE) from the previous owner of 49% of ICELA.

In March, CODERE appeared before Congress in Madrid to promote the processing of online gambling in Spain from the standpoint of traditional operators.

CODERE Italy closed the purchase of the machine operators: FG Slot Services, Gap Games and Gaming Re during 2011.

CODERE became the exclusive distributor of international simulcasting following its agreement with Jockey Club do Parana (Brazil).

The **Code of Ethics and Professional Conduct** of the CODERE Group was approved, representing the company's commitment to the principles of business ethics and transparency. This Code provides guidance for acting in the global environment in which the Company operates and reaffirms the Group's values.

The CODERE Foundation launched the **1st Annual Latin American Economic Journalism Award** organized by IE Business School. The Award Ceremony was held in Mexico DF. The CODERE Foundation presented the book "**El Juego on line**" (Online Gambling) in Madrid together with Spain's antitrust authority Comisión Nacional de la Competencia.

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 57,000 AWP machines, 190 gaming halls, 798 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 the Group also offers online gambling under the appropriate license in said country.

NOTE: 2011 and 4Q11 results available at www.codere.com