



PRESS RELEASE

The Courts act against online gaming:

A COURT RULING CONSIDERS ANY KIND OF OFFERING OF ONLINE GAMING WITHOUT A SPANISH LICENSE ILLEGAL

- **The Mercantile Court number 10 of the district of Madrid has issued a ruling stating that any type of offering of games of chance or betting, including *online*, without a license is illegal.**
- **The ruling confirms the shutting down of the online gaming websites of miapuesta.com and miapuesta.es, property of Sportingbet.**
- **The measure taken by the Court comes about as the result of a series of legal actions brought by the CODERE Group of companies on the grounds of unfair competition vis-à-vis a series of operators that offer games of chance and betting via the Internet in Spain.**

Madrid, 8 March 2012. The Mercantile Court number 10 of the district of Madrid has issued a ruling whereby it confirms the closure of the online gaming websites miapuesta.com and miapuesta.es, belonging to Sportingbet considering that *“any offering of gaming or betting activity that has not been granted a prior administrative authorization is, indisputably, prohibited”*

The Court states that any offering and marketing of games of chance and betting carried out through remote means and, specifically, the Internet, both before and after the entry into force on the 29th May 2011 of Law 13/2011 on Gaming are illegal, since they have been developed breaching current prohibitions and without the relevant licenses granted in Spain.

This ruling is part of a series of legal actions brought by CODERE against a series of online gaming and betting operators that have been offering their activities from tax havens, impervious to the Spanish Tax authorities, without licenses, without player protection and without paying taxes in Spain, without generating employment and harming those entities, which operate or foresee to start operating lawfully in Spain with their illegal competition. This situation has been explicitly acknowledged by the Spanish Government before Parliament and the EU Commission.

The legal implications of the ruling are very significant, as it considers the operation of the said websites illegal and also declares the applicability of a specific sanctions regime of both the State and the Spanish Regions to this type of conduct. Consequently, the ruling pulls the theory of the “a-legality” or “legal vacuum” that has been used by unlicensed operators to justify their Spanish operations to pieces.

Separately, and in view of information that it has been allowed to access, CODERE values the aggregate taxable amounts that have not been paid to the Spanish Tax Authority by a series of online gaming operators for the statutory period to exceed hundreds of millions of Euros.

The direct consequences of this judicial decision is that any companies that have offered online gaming in Spain without the relevant license would have carried out an activity that is “*indisputably prohibited*” and, hence, unfair competition vis-à-vis those operators that are lawfully authorized in Spain.

The ruling underpins the efforts of the CODERE Group to bring the illegal activities of online operators that have been carrying out their activities in our country to a halt, in particular, in view of the hard times that the gaming industry is enduring at this very moment where the granting of online gaming licenses under the new Law is pending before the General Directorate of Gaming Supervision.

The CODERE Group of companies

CODERE is a Spanish multinational and one of the leaders in the private gaming sector in Spain and Latin America. CODERE is listed in Spain and manages 57,000 gaming terminals, 190 gaming halls, 798 betting spots and participates in the management of 3 horserace tracks in Argentina, Brazil, Colombia, Spain, Italy, Mexico, Panama and Uruguay. CODERE carries out online gaming activities in Italy, where it has been granted the relevant licenses.

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