



## Outlook for Q2 and FY 2011

May 13, 2011

## Outlook 2011: Underlying assumptions and expectations

- Assumptions
  - Foreign exchange rates based on forward rates on May 5, 2011
  - Considers consolidation of halls purchased pursuant to Caliente transaction as of April 1, 2011.

	Avg.	Averages based on FX forwards as of May 5 <sup>th</sup> , 2011					% change 10 vs. 11
	FY 10	1Q 11A	2Q 11	3Q 11	4Q 11	Avg. FY 11	
€/AR\$	5.19	5.51	5.99	6.09	6.25	<b>5.96</b>	14.8%
€/MXP	16.74	16.59	17.09	17.15	17.26	<b>17.02</b>	1.7%
€/US\$	1.32	1.37	1.46	1.45	1.45	<b>1.44</b>	9.1%

- Expectations
  - Reported EBITDA expected in range of €290-€305 million
  - EBITDA projected to improve throughout the year as positive factors progressively outweigh negative factors impacting 2011.
    - Positive factors:
      - Consolidation of halls purchased pursuant to Caliente transaction (beginning Q2)
      - Consolidation of Panama casinos
      - Increases in machine park in Argentina and Mexico
      - Increases in net win in Argentina
      - Improvement in the net wins in Mexico throughout 2011
      - Gradual deployment of VLTs in Italy
    - Negative factors:
      - Implementation of anti-tobacco legislation at national level in Spain on January 2, 2011
      - Costs associated with new ventures (Carrasco in Uruguay, Internet, Sports Betting in new regions)
      - Latent losses (as of May 5, 2011) on existing foreign exchange contracts
  - Second quarter reported EBITDA expected in range of €67-€70 million, compared to €56 million in Q2 2010 and €67 million in Q1 2011

## EBITDA outlook update

Revised outlook as a result of weakness in Spain, the appreciation of the euro, delays in the recovery of the Joint Opcos in Mexico, compensated in part by the better than expected performance of the VLTs in Italy

(In € millions)	Reported	2011 Outlook	
	2010	Original	Revised
<b>EBITDA</b>	€241.1	€305-320	€290-305
<b>% change vs 2010</b>		26.5%-32.7%	20.3%-26.5%
<b>Midpoint</b>		€312.5	€297.5
<b>% change vs 2010</b>		29.6%	23.4%

- Weakness in Spain
  - Total smoking ban since January 2, 2011
  - Difficult macroeconomic conditions
    - ❖ We originally expected a 5% decrease in average net wins for the year, now expecting 10%
- Appreciation of the euro compared to all of our functional currencies

	Yearly averages based on FX forwards rates		% change
	Original <sup>(1)</sup>	Revised <sup>(2)</sup>	
€/AR\$	5.75	5.96	3.7%
€/MXP	16.70	17.02	1.9%
€/US\$	1.37	1.44	5.1%

(1) Guidance given on Feb. 25, 2011 based on FX forwards as of Feb. 9, 2011

(2) Guidance given on May 13, 2011 based on FX forwards as of May 5, 2011, including actual rate for Q1 2011

- Delays in the recovery of Joint Opcos operations in Mexico
- Better than expected performance of VLTs in Italy