2011 Results and Outlook

February 29, 2012

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Agenda

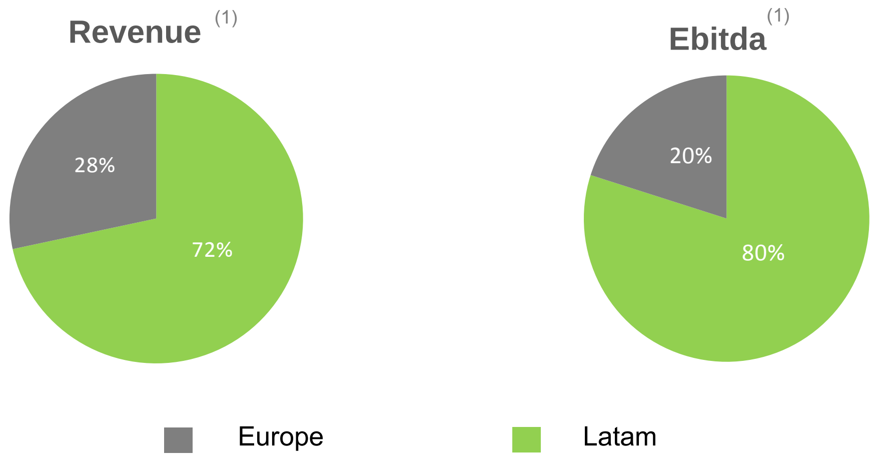
- **2011 Highlights**
- **Financial Results**
- **Outlook**

2011 Highlights

•Good performance in light of a challenging global environment, which bears out the solid fundamentals underlying our business model, and importantly, the advantages of our geographic diversification.

•2011 EBITDA reflects strong growth in Argentina and Italy, as well as in Other Operations, partially mitigated by weakness in Spain and in the Legacy Caliente operations, and the appreciation of the euro against most currencies.

•Growth in the machine portfolio was concentrated in Argentina, Mexico, Italy, Colombia and Uruguay. The total number of machine seats increased by 6.5%, to 57,000 in 2011, compared to 53,519 in 2010.



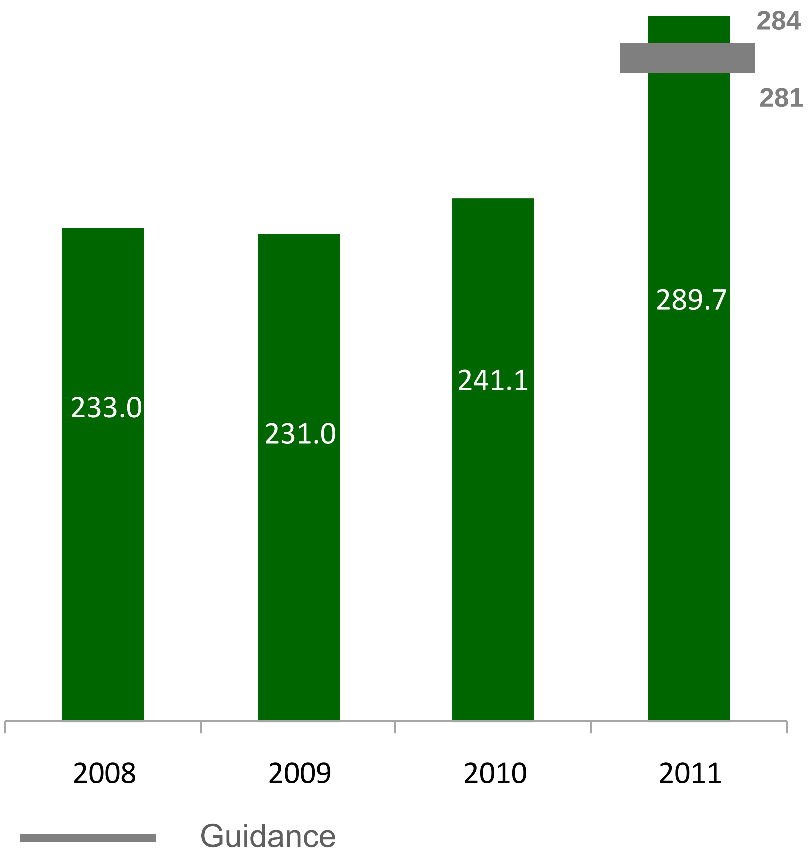
(1) Excludes HQ

Important achievements in 2011, reflecting advantages of diversification

2011 Highlights: Performance vs. guidance

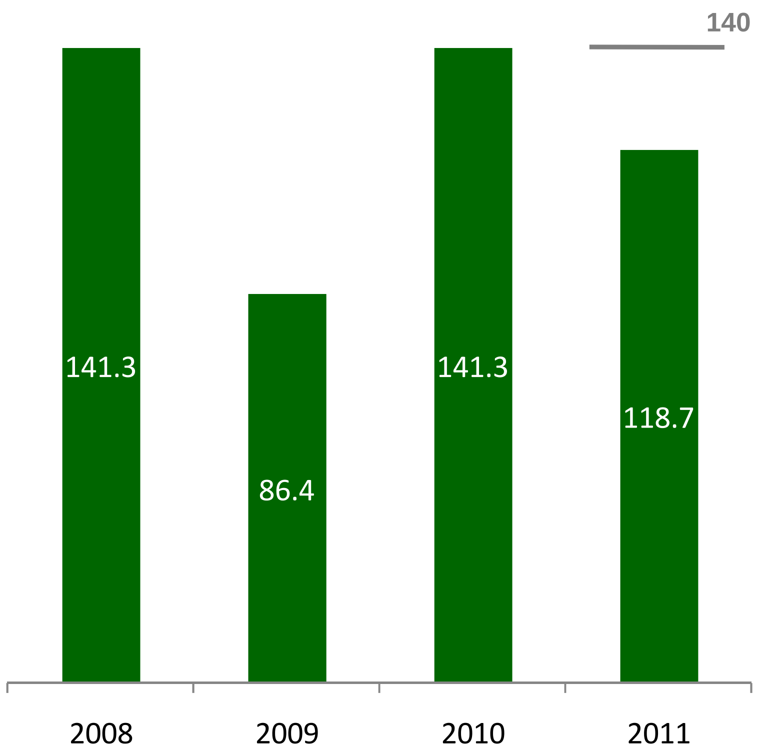
EBITDA

(€ in mm)



CAPEX

(€ in mm)



Strong EBITDA growth despite reduced investment

2011 Highlights: Progress on management agenda

Region	Agenda	2011 Progress
Argentina	• Continue implementation of TITO and other cashless systems • Optimization of hall location and capacity increase	• TITO installed in halls representing 90% machine seats, up from 85% • Number of seats increased by 4.7%
Mexico	• Consolidate halls purchased pursuant to Caliente transaction (assuming Cofeco approval) • Continue build-out of permits and installation of machines • Finalize rollout of Class III machines • Continue adaptation of halls to anti-tobacco regulation	• Began consolidating in April • Number of seats increased by 1.4% • 100% of the Mexican portfolio is Class III or similar • 3 halls refurbished and reopened
Italy	• Continue deployment of VLTs in Codere-managed and third party locations • Analyze growth opportunities	• Number of machines increased by 139% • Purchase of FG Slot Services, Gap Games and Gaming Services
Spain	• Manage effect of anti-tobacco regulation • Achieve synergies from combination of business (AWP, Sports Betting and Bingo) • Consolidate sports betting operations in existing regions and monitor regulatory developments in other regions.	• Net win decreased 14% vs. expected 5% • 76 bars or gaming halls with sports betting self service terminals and AWPs • Launched operations in Aragon
Others	• Uruguay- Continue build-out of Carrasco • Panama- Consolidate synergies following casinos acquisition • Analyze opportunities in existing or adjacent markets and products	• As planned, expected to open in Q3 2012 • EBITDA increased more than 4x compared to 2010 • Applied for online gaming licenses in Spain and the Community of Madrid
Corporate	• Continue optimization of intercompany charges • Maintain the effective tax rate • Analyze alternatives to match currency of debt to cash flows • Explore opportunities to crystallize the value of the business	• €68.2mm in 2010 vs. €68.3mm in 2011 • 60.1% in 2010 vs. 62.0% in 2011 • Issued US$ bond in Uruguay, closed local credit lines in Argentina and Panama and prepared for issuance of US$300 bond in 2012 • Conducted non-deal roadshows in US and preparing for first step (US$ issue)

Financial results: Consolidated results

(in € millions)	2010	2011 Reported	% change	2011 At constant currency (1)	% change (2)
Revenues[2]	1,126.5	1,374.4	*22.0%*	1,460.0	*28.4%*
EBITDA[2]					
Argentina	135.8	165.2	*21.6%*	186.4	*31.2%*
Mexico	63.6	61.8	*(2.8%)*	65.5	*(3.2%)*
Italy	13.9	44.3	*n.a.*	44.3	*n.a.*
Spain	42.1	19.6	*(53.4%)*	19.6	*(53.4%)*
Others	10.6	26.5	*150.0%*	27.7	*n.a.*
Corp. overhead	(24.9)	(27.7)	*11.2%*	(27.7)	*11.2%*
Reported EBITDA[2]	**241.1**	**289.7**	***20.2%***	**315.8**	***25.6%***

(1) Adjusted to eliminate the gain or loss in the foreign exchange contracts

(2) Variations are calculated against 2010 figures also adjusted by the gain or loss in the foreign exchange contracts

Strong consolidated results

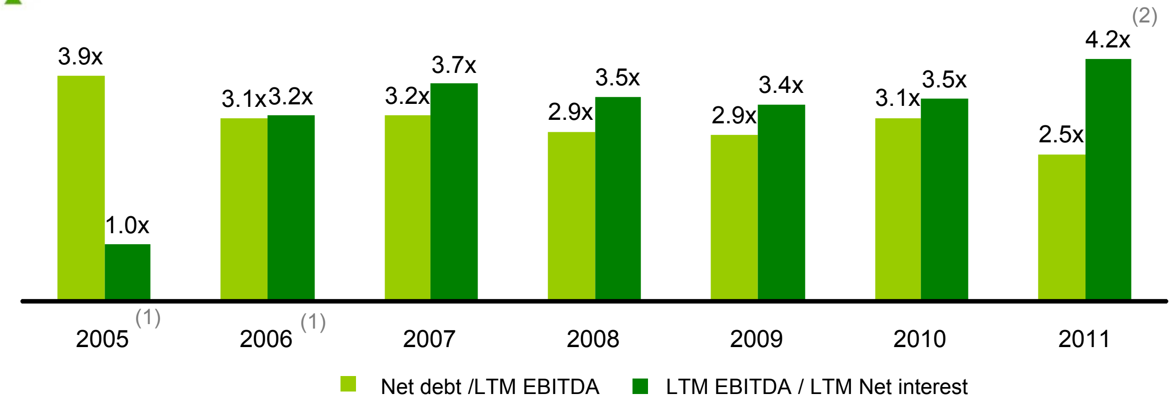
Financial Results: Cash flow generation

(€ millions)	2010	2011	% Change
EBITDA	**241.1**	**289.7**	**20.2%**
- Net interest	69.3	69.6	0.4%
- Taxes	45.4	58.4	28.6%
Operating Cash Flow	**126.4**	**161.7**	**27.9%**
- Maintenance Capex	46.5	68.7	47.7%
Discretionary Free Cash Flow	**79.9**	**93.0**	**16.4%**
- Growth Capex	94.8	50.0	(47.3%)
Free Cash Flow	**(14.9)**	**43.0**	**n.a.**

Strong growth in free cash flow

Financial Results: Debt profile and Cash

Prudent leverage

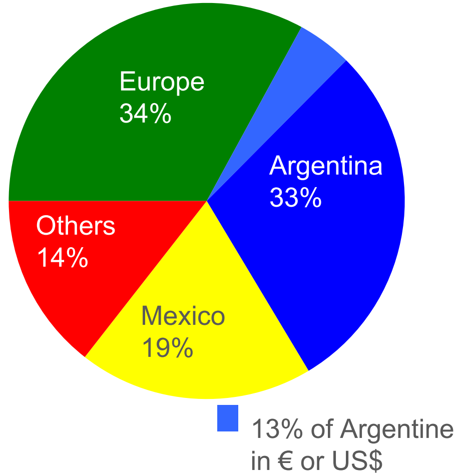


(1) 2005-2006 EBITDA not adjusted for gains or losses on asset disposals

(2) Net interest is affected by non-recurring financial income. Adjusting these effects, coverage ratio would have been 3.7x

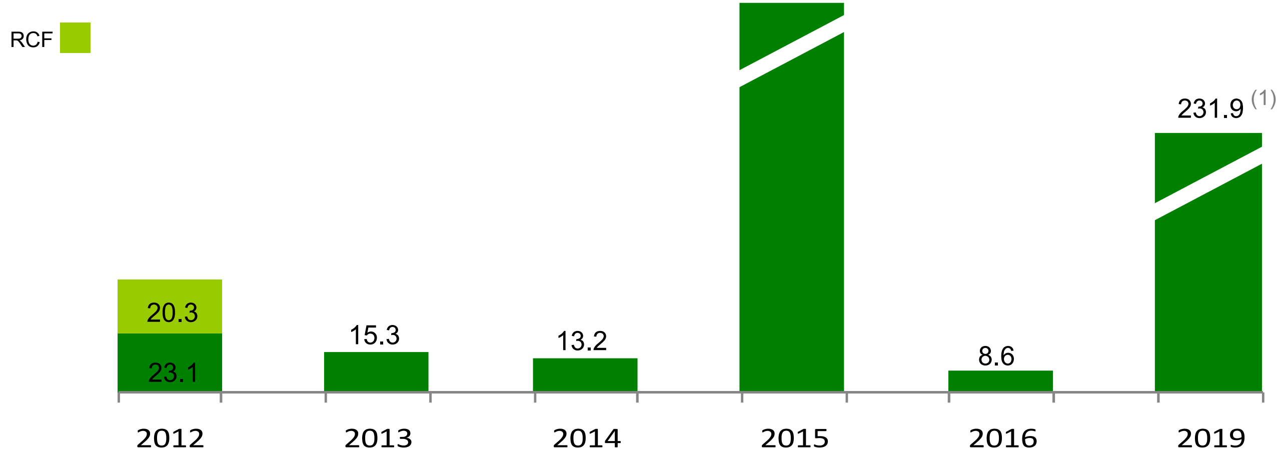
Cash as of December 31, 2011

€135.7 million



Maturity profile

(€ in millions)



(1) USD 300mm bond based on Eur/Us$ exchange at December 31, 2011 (1.29)

Outlook 2012: Underlying assumptions and expectations

- Assumptions
  - Foreign exchange rates based on forward rates on February 9, 2012
  - Considers consolidation of 100% of Icela as of February 1, 2012.

	Avg. FY 11	Averages based on FX forwards as of February 9th, 2012 1Q 12	2Q 12	3Q 12	4Q 12	Avg. FY 12	% change 11 vs. 12
€/AR$	5.76	5.71	6.00	6.28	6.58	**6.14**	*6.6%*
€/MXP	17.33	17.11	17.04	17.19	17.33	**17.41**	*0.5%*
€/US$	1.39	1.31	1.33	1.33	1.33	**1.33**	*(4.3%)*
US$/AR$	4.13	4.36	4.51	4.72	4.94	**4.63**	*12.1%*
US$/MXP	12.44	13.02	12.81	12.92	13.02	**12.94**	*4.0%*

- Expectations
  - EBITDA projected to improve throughout the year as positive factors progressively outweigh negative factors impacting 2012.
    - Positive factors:
      - Consolidation of Icela at 100% (since February 1, 2012)
      - Increases in machine park in Argentina, Italy and Uruguay
      - Increases in net win in local currency in Argentina and Mexico
      - Deployment of VLTs in Italy
    - Negative factors:
      - Increase in taxes in Italy, Argentina, Panama and in certain states in Mexico
      - Implementation of anti-tobacco legislation in Province of Buenos Aires (timing not yet determined)
      - Costs associated with new ventures (Carrasco in Uruguay, Internet, Sports Betting in new regions)
      - Latent losses (as of February 9, 2012) on existing foreign exchange contracts

    - First quarter reported EBITDA expected in range of €72-€75 million, compared to €80.6 million in Q4 2011 and €67.4 million in Q1 2011
      - Expected variation between Q4 2011 and Q1 2012 due principally to the increase in taxes in some countries, restructuring cost in Spain, and the impact of foreign exchange rates, which total c.€11mm; partially offset by the consolidation of 100% of Icela since February 1, 2012 (c.€6.3mm).

Outlook 2012: Growth drivers in key markets

	Growth drivers		
Country	# machines	Net win per machine	Comment
Argentina	+	+	• Increase in the machine park resulting from hall expansions and relocation • Increase in net win in local currency due to unmet demand, inflation, economic growth and continued installation of TITO, which will be partially offset by the implementation of smoking ban
Mexico	+	+	• Increase in net win in local currency driven by continued positive trends in Icela and the reopening of more refurbished halls in Legacy Caliente. • Low single digit increase in machine park
Italy			
AWP	+	-	• Increase in the number of AWPs through the acquisition of operators • Slight decrease in net wins resulting from the increase in the portfolio due to acquisitions
VLT	+	-	• Finish installing all 1,359 VLT permits • Decrease in net win due primarily to increase in supply
Spain	-	+	• Decrease in the machine portfolio • Increase in net win driven by the reduction in the machine portfolio and the erosion of the effect of the smoking ban.

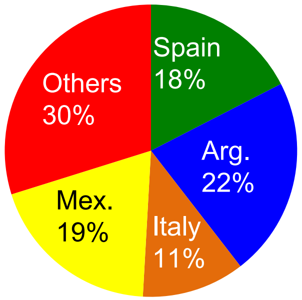
Positive outlook for principal KPIs

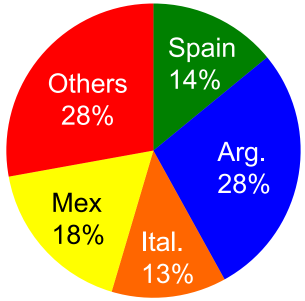
Outlook 2012: Capex

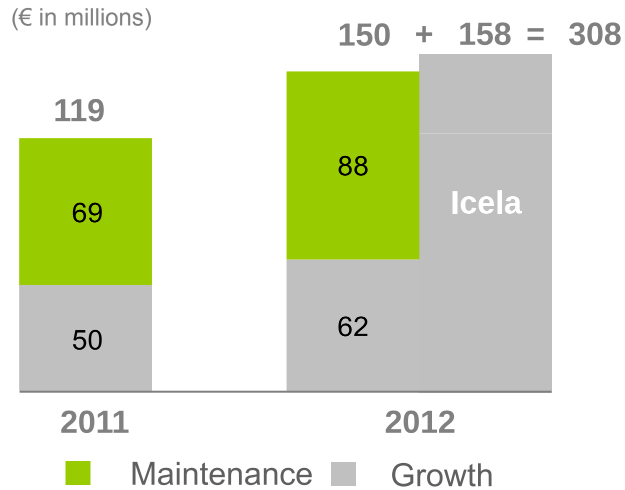
Country	Principal investments
Argentina	• Increase in machine park (10-12%) • Hall expansions and refurbishments
Mexico	• Increase in machine park (1%-3%) • Hall refurbishments, mainly in Legacy Caliente
Italy	• Selected acquisitions of AWP operators • Renewals of AWP exclusivity contracts • Gaming hall refurbishments • Machine renewals
Spain	• AWP machine renewals and exclusivity contracts • Launch of Sports Betting in new regions
Other	• Uruguay- investment in Carrasco project • Colombia – opening of new casino • Hall refurbishments and machine renewals in Panama, Colombia and Uruguay

Capital Expenditure

2011	2012 (1)







(1) Excluding Capex invested in Icela acquisition

Stable investment plan focused in key markets

Outlook: 2012 management agenda

Argentina

- Manage effect of anti-tobacco regulation
- Optimization of hall location and capacity increases
- Continue implementation of TITO and other coinless systems

Mexico

- Achieve synergies from combination of Legacy Caliente and Icela operations
- Continue to expand portfolio through hall expansions
- Continue adaptation of Legacy Caliente halls

Spain

- Rationalize AWP portfolio
- Implement cost cutting initiatives
- Consolidate sports betting operations in existing regions and monitor regulatory developments in other regions.

Italy

- Continue deployment of VLTs in Codere-managed and third party locations
- Analyze growth opportunities

Other Operations

- Uruguay - Open Carrasco Hotel & Casino
- Colombia – Continue focus on higher segment and open 4th casino in Bogota
- Analyze opportunities in existing or adjacent markets and products
- Online – obtain licenses in Spain and explore opportunities in other markets

Corporate

- Analyze opportunities to sell a stake in Latina American operations
- Redenominate debt into U.S. dollars or local currency

For further information, please contact:

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