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**INDEPENDENT AUDIT REPORT**

**GRUPO CIRSA GAMING CORPORATION  
Consolidated Financial Statements  
and Consolidated Management Report  
for the year ended  
December 31, 2015**

Translation of a report and consolidated financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

## INDEPENDENT AUDIT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Cirsa Gaming Corporation, S.A.:

### Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Cirsa Gaming Corporation, S.A. (the parent company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position at December 31, 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement, and the notes thereto for the year then ended.

### *Directors' responsibility for the consolidated financial statements*

The directors of the parent company are responsible for the preparation of the accompanying consolidated financial statements so that they give a true and fair view of the consolidated equity and consolidated financial position and the consolidated results of Cirsa Gaming Corporation, S.A. and its subsidiaries, in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, and other provisions in the regulatory framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's responsibility*

Our responsibility is to express an opinion on the accompanying consolidated financial statements based on our audit. We conducted our audit in accordance with prevailing audit regulations in Spain. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of consolidated financial statements by the directors of the parent company in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of Cirsa Gaming Corporation, S.A. and its subsidiaries at December 31, 2015, and its consolidated results and consolidated cash flow for the year then ended, in accordance with IFRS, as adopted by the EU, and other provisions in the regulatory framework for financial information applicable in Spain.

**Report on other legal and regulatory requirements**

The accompanying consolidated 2015 management report contains such explanations as the directors of the parent company consider appropriate concerning the situation of the Group, the evolution of its business and other matters; however, it is not an integral part of the consolidated financial statements. We have checked that the accounting information included in the aforementioned consolidated management report agrees with the 2015 consolidated financial statements. Our work as auditors is limited to verifying the consolidated management report in accordance with the scope mentioned in this paragraph, and does not include the review of information other than that obtained from the accounting records of Cirsa Gaming Corporation, S.A. and its subsidiaries.

ERNST & YOUNG, S.L.  
(Signature on the original in Spanish)

CORTÉS, PÉREZ & CIA. AUDITORES, S.L.P.  
(Signature on the original in Spanish)

\_\_\_\_\_  
Lorenzo López Carrascosa

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Jaume Cetrà Oliva

April 8, 2016

## **Cirsa Gaming Corporation Group**

**Consolidated Financial Statements for the year ended December 31, 2015 in conformity with the international financial reporting standards adopted by the European Union (IFRS-EU) and Consolidated Management Report**

*(Translation of Consolidated Financial Statements and Consolidated Management Report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails)*

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### Consolidated Management Report

Appendix Consolidation perimeter at December 31, 2015 and 2014

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**Cirsa Gaming Corporation Group**  
**Consolidated statement of financial position at December 31**

**ASSETS**

(Thousands of euros)	Notes	2015	2014
<b>Non-current assets</b>		<b>1,299,607</b>	<b>1,376,238</b>
Goodwill	5	112,763	131,896
Other intangible assets	6	408,617	406,327
Property, plant and equipment	7	501,585	578,048
Investments accounted for using the equity method	8	75,717	69,924
Financial assets	9	110,251	104,635
Deferred tax assets	19.4	90,674	85,408
<b>Current assets</b>		<b>380,102</b>	<b>338,292</b>
Inventories	12	14,241	12,939
Trade and other receivables	9	181,235	183,494
Other financial assets	9	61,151	53,511
Other current assets		8,555	9,963
Cash and cash equivalents	13	114,920	78,385
<b>Total assets</b>		<b>1,679,709</b>	<b>1,714,530</b>

**EQUITY AND LIABILITIES**

(Thousands of euros)	Notes	2015	2014
<b>Equity</b>		<b>43,985</b>	<b>119,617</b>
Share capital	14.1	24,577	24,577
Share premium		9,500	9,500
Treasury shares	14.2	(184)	(184)
Retained earnings	14.3	46,632	(8,678)
Translation differences		(267,670)	(211,121)
Profit (loss) for the year attributable to equity holders of the parent		(15,722)	55,927
Non-controlling interests	14.4	246,852	249,596
<b>Non-current liabilities</b>		<b>1,239,989</b>	<b>1,224,116</b>
Bonds	15	930,214	891,208
Bank borrowings	16	96,361	109,394
Other creditors	17	38,267	39,612
Provisions	18	28,842	19,629
Deferred tax liabilities	19.4	146,305	164,273
<b>Current liabilities</b>		<b>395,735</b>	<b>370,797</b>
Bonds	15	5,306	6,034
Bank borrowings	16	45,015	49,250
Trade payables		137,867	135,050
Other creditors	17	178,892	154,315
Current income tax payable	19.2	28,655	26,148
<b>Total equity and liabilities</b>		<b>1,679,709</b>	<b>1,714,530</b>

**Cirsa Gaming Corporation Group**  
**Consolidated statement of comprehensive income**  
**for the years ended December 31**

(Thousands of euros)	Notes	2015	2014
Gaming income		1,894,004	1,641,326
Other operating revenues		142,717	116,569
Bingo prizes		(183,468)	(166,372)
<b>Total operating revenues</b>		<b>1,853,253</b>	<b>1,591,523</b>
Variable rent		(253,902)	(238,088)
<b>Net operating revenues from variable rent</b>	<b>3.1</b>	<b>1,599,351</b>	<b>1,353,435</b>
Consumptions		(72,991)	(55,924)
Personnel	21.1	(295,913)	(246,042)
Supplies and external services	21.2	(289,235)	(253,019)
Gaming taxes		(561,203)	(470,348)
Depreciation, amortization and impairment	5, 6 & 7	(201,215)	(193,532)
Change in trade provisions		(2,770)	(6,190)
Financial income		14,241	14,587
Financial costs		(125,435)	(99,230)
Change in financial provisions		(428)	(2,693)
Profit/(loss) on investments in associates	8	5,353	(1,510)
Exchange gains/(losses), net	21.3	(3,765)	(12,827)
Profit/(loss) on sale/disposals of non-current assets	1.3	(9,612)	81,801
<b>Profit before income tax</b>		<b>56,378</b>	<b>108,508</b>
Income tax	19.2	(44,659)	(32,035)
<b>Net profit (loss) from continuing activities</b>		<b>11,719</b>	<b>76,473</b>
Translation differences		(70,688)	(46,983)
Tax effect		-	-
<b>Other comprehensive profit/(loss) that will be reclassified to profit/(loss) in subsequent years</b>		<b>(70,688)</b>	<b>(46,983)</b>
<b>Other comprehensive profit/(loss) that will not be reclassified to profit/(loss) in subsequent years</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive profit/(loss) for the year</b>		<b>(58,969)</b>	<b>29,490</b>
<b>Net profit (loss) attributable to:</b>			
<i>Equity holders of the parent</i>		(15,722)	55,927
<i>Non-controlling interests</i>	14.4	27,441	20,546
		<b>11,719</b>	<b>76,473</b>
<b>Total comprehensive income /(loss) attributable to:</b>			
<i>Equity holders of the parent</i>		(72,271)	13,209
<i>Non-controlling interests</i>	14.4	13,302	16,281
		<b>(58,969)</b>	<b>29,490</b>

**Cirsa Gaming Corporation Group**  
**Consolidated statement of changes in equity**  
**for the years ended December 31**

(Thousands of euros)	Share capital (Note 14.1)	Share premium	Treasury shares (Note 14.2)	Retained earnings (Note 14.3)	Translation differences	Non-controlling interests (Note 14.4)	Total
<b>At December 31, 2013</b>	<b>24,577</b>	<b>9,500</b>	<b>(184)</b>	<b>30,187</b>	<b>(181,831)</b>	<b>86,108</b>	<b>(31,643)</b>
Net profit (loss) for the year 2014	-	-	-	55,927	-	20,546	76,473
Other comprehensive income (loss)	-	-	-	-	(42,718)	(4,265)	(46,983)
<b>Total comprehensive income (loss) for the year 2014</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55,927</b>	<b>(42,718)</b>	<b>16,281</b>	<b>29,490</b>
Other changes:							
▪ Additions for the year – Business combinations	-	-	-	-	13,159	170,934	184,093
▪ Sale of companies	-	-	-	-	269	2,915	3,184
▪ Changes in the percentage of ownership	-	-	-	(38,865)	-	(440)	(39,305)
▪ Dividends paid	-	-	-	-	-	(26,202)	(26,202)
<b>At December 31, 2014</b>	<b>24,577</b>	<b>9,500</b>	<b>(184)</b>	<b>47,249</b>	<b>(211,121)</b>	<b>249,596</b>	<b>119,617</b>
Net profit (loss) for the year 2015	-	-	-	(15,722)	-	27,441	11,719
Other comprehensive income (loss)	-	-	-	-	(56,549)	(14,139)	(70,688)
<b>Total comprehensive income (loss) for the year 2015</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(15,722)</b>	<b>(56,549)</b>	<b>13,302</b>	<b>(58,969)</b>
Other changes:							
▪ Additions for the year – Business combinations	-	-	-	-	-	8,493	8,493
▪ Changes in the percentage of ownership	-	-	-	(617)	-	(609)	(1,226)
▪ Dividends paid	-	-	-	-	-	(23,930)	(23,930)
<b>At December 31, 2015</b>	<b>24,577</b>	<b>9,500</b>	<b>(184)</b>	<b>30,910</b>	<b>(267,670)</b>	<b>246,852</b>	<b>43,985</b>

**Cirsa Gaming Corporation Group**  
**Consolidated statement of cash flows**  
**for the years ended December 31**

(Thousands of euros)	Notes	2015	2014
<b>Cash-flows from operating activities</b>			
Profit before tax		56,378	108,508
Adjustments to profit:			
Changes in operating provisions		2,770	6,190
Depreciation, amortization and impairment	5, 6 & 7	201,215	193,532
Profit/(loss) on sale/disposals of non-current assets		9,612	(81,801)
Finance income and costs		106,269	88,846
Exchange gains/(losses), net	21.3	3,765	12,827
Other income and expenses		21,300	3,416
Change in:			
Inventories		(1,115)	(611)
Trade and other receivables		(10,523)	(6,926)
Suppliers and other payables		6,960	6,109
Gaming taxes payable		1,167	(10,995)
Other operating assets and liabilities, net		7,756	(17,175)
Income tax paid		(52,319)	(48,521)
<b>Net cash-flows from operating activities</b>		<b>353,235</b>	<b>253,399</b>
<b>Cash-flows from (used in) investing activities</b>			
Purchase of property, plant and equipment		(95,672)	(99,283)
Purchase of intangible assets		(27,524)	(24,327)
Proceeds from disposal of property, plant and equipment		6,200	564
Acquisition of investments in other companies, net of cash acquired		(62,436)	(55,959)
Current account with Nortia Business Corporation, S. L. – Outflows		(49,956)	(49,308)
Current account with Nortia Business Corporation, S. L. – Inflows		52,006	47,234
Other financial investments		(7,515)	(16,422)
Interest received and cash revenues from financial investments		7,253	6,426
<b>Net cash-flows used in investing activities</b>		<b>(177,644)</b>	<b>(191,075)</b>
<b>Cash-flows from (used in) financing activities</b>			
Proceeds from bank borrowings		1,397,516	1,357,900
Repayment of bank borrowings		(1,415,182)	(1,386,200)
Issue of bonds	15	496,055	127,721
Cancellation of bonds		(461,266)	-
Acquisition of own bonds		(9,534)	-
Finance leases		(8,115)	(19,229)
Interest paid		(114,329)	(92,593)
Dividends paid and other payments		(23,405)	(26,518)
<b>Net cash-flows used in financing activities</b>		<b>(138,260)</b>	<b>(38,919)</b>
<b>Net variation in cash and cash equivalents</b>		<b>37,331</b>	<b>23,405</b>
<b>Cash and cash equivalents from business combinations</b>		<b>-</b>	<b>11,565</b>
<b>Net foreign exchange difference on cash balances</b>		<b>(796)</b>	<b>(2,501)</b>
<b>Cash and cash equivalents at January 1</b>		<b>78,385</b>	<b>45,916</b>
<b>Cash and cash equivalents at December 31</b>	<b>13</b>	<b>114,920</b>	<b>78,385</b>

**Cirsa Gaming Corporation Group**  
**Notes to the consolidated statements for the year ended December 31, 2015**

**1. DESCRIPTION OF THE GROUP**

**1.1 Group activity**

Cirsa Gaming Corporation, S. A. (hereinafter *the Company* or *the Parent Company*) and its controlled entities (hereinafter *the Group* or *the Cirsa Group*) consist of a set of companies operating in the gaming and leisure sector, carrying out the following activities:

- Designing and manufacturing slot machines, which are sold to Group companies and third parties, and development of interactive gaming systems
- Operating, both in Spain and abroad, slot machines, bingo halls, casinos and lotteries

**1.2 Composition and structure of the Group**

The Company, domiciled in Terrassa (Barcelona) at Carretera Castellar, 298, belongs to a group, of which Nortia Business Corporation, S.L., also domiciled in Terrassa (Barcelona), is the parent company.

The companies invested by the Company at December 31, 2015 and 2014 are detailed in the Appendix, grouped in the following categories:

- The subsidiaries are companies where most of the voting rights are controlled either directly or indirectly by the Company so that it can manage the financial and operating policies in order to obtain profit from the investment.
- The jointly controlled companies are entities ruled by a contractual arrangement between the partners whereby they establish joint control on the business, and which requires the unanimous consent of the venturers regarding the operating decisions.
- The associates are enterprises not included in the previous two categories and in which there is an ownership interest on a long-term basis that favors their activity, but with limited influence over their management and control.

(NOTE: The column *Percentage of ownership* in the Appendix is obtained by multiplying the different successive percentages along the corresponding chain of control, thereby reflecting the final ownership at the Company's level).

### 1.3 Changes in the consolidation perimeter

During 2015 and 2014, the Group's legal structure has experienced certain changes, as described below:

#### 2015

- Acquisition of companies

(Thousands of euros)	% voting rights	Consolidation method	Total assets included in the consolidated statement of financial position at December 31, 2015	Operating revenues included in the 2015 consolidated statement of comprehensive income
Apuestas Electrónicas, S.L.(*)	51%	Full	2,848	1,412
Garrido Player, S.L.	100%	Full	737	265
Maquilleiro, S.L.U.	100%	Full	3,644	1,333
Cotecnic 2000, S.L.	100%	Full	1,501	348
Oper Ibiza, S.L.	51%	Full	6,112	4,194
Grupo Cirsá Costa Rica (**)	100%	Full	60,651	20,433
Resort Paradise, A.B. (***)	82%	Full	41,432	1,676
			<b>116,925</b>	<b>29,661</b>

(\*) At both the date of gaining control and December 31, 2015, Apuestas Electrónicas, S.L. held equity instruments representing 100% of the company Juegos del Oeste, S.L.

(\*\*) Grupo Cirsá Costa Rica refers to the acquisition of equity instruments representing 100% of the company Grupo Cirsá de Costa Rica, S.A., which is in turn the parent company of 8 Costa Rican subsidiaries that manage 7 casinos in that country (Cirsá Gran Entretenimiento, C.R., Casino el Cacique, S.A., Casino Pájaro Trueno, S.A., Patterson Lake Business Series, S.A., Cirsá Estrellas del Caribe, S.A., Operación Bانشال, S.A. Desarrollos Inmobiliarios Rocare del Norte, S.A. and Tres Rios Hotel La Carpintera, S.A.).

(\*\*\*) Likewise, at both the date of gaining control and December 31, 2015, Resort Paradise, A.B. held equity instruments representing 100% of the company Les Loisirs du Paradis, S.A.R.L.U., which operates a casino in Morocco.

All the acquisitions shown in the table above have resulted in a business combination. Such transactions are detailed in Note 4 on business combinations.

- Creation of companies

In 2015 the following companies have been created:

(Thousands of euros)	% of ownership held by the Group	Consolidation method	Total assets included in the consolidated statement of financial position at December 31, 2015	Operating revenues included in the 2015 consolidated statement of comprehensive income
S.C.B. Grand Victoria Dominicana, S.R.L.	100%	Full	2,799	984
Sportium Apuestas Asturias, S.A.U.	50%	Equity	545	-
Sportium Apuestas Melilla, S.L.U.	50%	Equity	2	-
Sportium Apuestas Panamá, S.A.	60%	Equity	72	-
			<b>3,418</b>	<b>984</b>

The assets shown in the table above for the companies that are consolidated using the equity method relate to the investments, deriving from using such method, recognized in the consolidated statement of financial position at December 31, 2015.

- Sale of companies resulting in loss of control

In 2015 the following companies have been sold, which resulted in a loss of control and/or significant influence on their business:

	% of ownership at prior year end	Consolidation method at prior year end	% of ownership after the sale	Consolidation method after the sale
Grupo Play To Win, S.L. (*)	50%	Equity	-	-
Social Games Online, S.L.	100%	Full	-	-
Automáticos Leman, S.L.	7.1%	Equity	-	-

(\*) A group the parent of which is Play To Win, S.L. and that, at both December 31, 2014 and sale date, held 100% of equity interest in 11 companies (Bingo Electrónico de México, S.L. Operadora de Explotaciones Recreativas y de Juego, S.L., Metronia Panamá, S.A., Vasca de Explotaciones Recreativas y de Juego, S.L., Extremeña de Explotaciones Recreativas y de Juego, S.L., Enjoy with us, S.L., Metronia C.R., S.A., Bingos Electrónicos de Euskadi, S.L., Madrileña de Explotaciones Recreativas y de Juego, S.L., Canaria de Explotaciones Recreativas y de Juego, S.L. and Mediterránea de Explotaciones Recreativas y de Juego, S.L.)

Profit/(loss) from these sales included in the consolidated financial statements is as follows:

(Thousands of euros)	Changes in non-controlling interests	Profit/(loss) from the sale
Grupo Play To Win, S.L.	-	(1,391)
Social Games Online, S.L.	-	(339)
Automáticos Leman, S.L.	-	-
	-	<b>(1,730)</b>

Total assets and operating revenues contributed by these companies to the consolidated statement of financial position at December 31, 2014 and to the consolidated statement of comprehensive income for the year 2014, respectively, are as follows:

(Thousands of euros)	Total assets included in the consolidated statement of financial position at December 31, 2014	Operating revenues included in the 2014 consolidated statement of comprehensive income
Grupo Play To Win, S.L.	2,317	-
Social Games Online, S.L.	-	-
Automáticos Leman, S.L.	19	-
	<b>2,336</b>	-

The assets shown in the table above for the companies that at 2014 year end were consolidated using the equity method (Grupo Play To Win, S.L. and Automáticos Leman, S.L.) relate to the investments, deriving from using such method, recognized in the consolidated statement of financial position at December 31, 2014.

- Changes in the percentage of ownership or consolidation method

In 2015 changes in the percentage of ownership or consolidation method have been as follows:

	Consolidation method		Percentage	
	2015	2014	At December 31, 2015	At December 31, 2014
Urban Leisure, S.L.	Full	Full	75%	32%
Recreativos Trece, S.L.	Equity	Equity	50%	32%
UTE CBA-CIESA	(*)	(*)	50%	45%
UTE CBA – Magic Star	(*)	(*)	50%	33.34%

(\*) Since they are considered as "Joint operations" they have been accounted for as established for this type of businesses in Note 2.5 to the accompanying consolidated financial statements.

In 2015 there were no changes in the consolidation method of any company.

The impact of the change in the interest held in the company Urban Leisure, S.L., a company that at prior year end was already accounted for using the full consolidation method and, therefore, the change in the percentage did not result in any business combination, is as follows:

(Thousands of euros)	Changes in non-controlling interests	Changes in accumulated results ("Reserves")
Urban Leisure, S.L.	(609)	(617)
	<b>(609)</b>	<b>(617)</b>

- Other changes in the perimeter

In 2015 the companies Juegos y Bingos, S.A., Techlotto Co, Ltd., Bingos Malagueños, S.A.U., SCB del Caribe, S.A. and Automáticos Laomar, S.L. were dissolved and liquidated. The companies were dormant or showed low activity and their dissolution and liquidation have not generated significant results for the Group.

Additionally, during the current year the companies SGR, S.R.L. and Intesa Giochi, S.R.L. have been taken over by the company Cirsagest, S.p.a. and Royal Games, S.R.L., respectively, which has had no impact on the Group's consolidated figures.

## 2014

- Acquisition of companies

(Thousands of euros)	% voting rights	Consolidation method	Total assets included in the consolidated statement of financial position at December 31, 2014	Operating revenues included in the 2014 consolidated statement of comprehensive income
Ibermatic Games, S.L. (*)	51%	Full	11,966	6,010
Tecnoappel, S.L. (**)	51%	Full	17,548	4,269
Gran Casino de las Palmas, S.A.	100%	Full	9,678	5,525
Operadora Internacional de Recreativos, S.L.	51%	Full	5,665	4,621
Grupo Portal (Peruvian casinos) (***)	90%	Full	31,755	8,811
Cirsa +, S.R.L.	51%	Full	3,024	6,630
Interplay, S.A.	51%	Full	8,965	8,721
Elettronolo Firenze, S.R.L.	100%	Full	8,390	6,842
Recreativos Martos, S.L.S.U.	100%	Full	1,505	86
Ovidio Collado, S.L.	50%	Equity	7	-
			<b>98,503</b>	<b>51,515</b>

(\*) At both the date of gaining control and December 31, 2014, Ibermatic Games, S.L. held equity instruments representing 100% of the company Montri, S.A.

(\*\*) Likewise, at both the date of gaining control and December 31, 2014, Tecnoappel, S.L. held equity instruments representing 100% of Sociedad Comercial Recreativos Salamanca, S.A.

(\*\*\*) Grupo Portal (Peruvian casinos) referred to 5 Peruvian companies that managed 9 casinos in Peru (Salón de Juegos Portal, S.A., Administradora de Salas de Juego Alfa, S.A.C., La Selva Inversiones, S.A.C., Centro de Apuestas, S.A.C. and Savoy Slot Machines, S.A.C.) which, although they had no shareholding relationship between them, had been acquired from the same seller.

All the acquisitions shown in the table above, except for the acquisition of the equity instruments representing 50% of the equity of Ovidio Collado, S.L., resulted in a business combination. Such transactions in 2014 are detailed in Note 4 on business combinations.

- Creation of companies

In 2014 the following companies were created:

(Thousands of euros)	% of ownership held by the Group	Consolidation method	Total assets included in the consolidated statement of financial position at December 31, 2014	Operating revenues included in the 2014 consolidated statement of comprehensive income
Sportium Apuestas Canarias, S.L.U.	50%	Equity	501	-
Sportium Apuestas Oeste, S.A.U.	50%	Equity	498	-
Sportium Zona Norte, S.A.U.	50%	Equity	499	-
Global Betting Aragón, S.L.U.	100%	Full	1,014	-
			<b>2,512</b>	<b>-</b>

The assets shown in the table above for the companies that were consolidated using the equity method related to the investments, deriving from using such method, recognized in the consolidated statement of financial position at December 31, 2014.

- Sale of companies resulting in loss of control

In 2014 the following companies were sold, which resulted in a loss of control and/or significant influence on their business:

(Thousands of euros)	% of ownership at prior year end	Consolidation method at prior year end	% of ownership after the sale	Consolidation method after the sale
Gestión Integral de Máquinas Recreativas, S.L.	100%	Full	-	-
Postbintra, S.A.	50%	Equity	-	-
Residencial Tibidado, S.A.	50%	Equity	-	-
Mendoza Central Entretenimientos, S.A.	51%	Full	-	-
KLC Negocios y Proyectos, S.A.	70%	Full	-	-
Molljoc Siglo XXI, S.A.	50%	Equity	-	-
Inversiones Recreativas de Occidente, C.A.	67.5%	Full	-	-
CirsaCom, S.R.L.U.	100%	Full	-	-
Digital Gaming México, SAPI	100%	Full	65%	Equity

Profit/(loss) from these sales included in the consolidated financial statements is as follows:

(Thousands of euros)	Changes in non-controlling interests	Profit/(loss) from the sale
Gestión Integral de Máquinas Recreativas, S.L.	-	(263)
Postbintra, S.A.	-	(1,051)
Residencial Tibidado, S.A.	-	(1,209)
Mendoza Central Entretenimientos, S.A.	(1,865)	913
KLC Negocios y Proyectos, S.A.	182	268
Molljoc Siglo XXI, S.A.	-	-
Inversiones Recreativas de Occidente, C.A.	4,588	-
CirsaCom, S.R.L.U.	-	333
Digital Gaming México, SAPI	-	-
Other	10	-
	<b>2,915</b>	<b>(1,009)</b>

Total assets and operating revenues contributed by these companies to the consolidated statement of financial position at December 31, 2013 and to the consolidated statement of comprehensive income for the year 2013, respectively, are as follows.

(Thousands of euros)	Total assets included in the consolidated statement of financial position at December 31, 2013	Operating revenues included in the 2013 consolidated statement of comprehensive income
Gestión Integral de Máquinas Recreativas, S.L.	76	8
Postbintra, S.A.	431	-
Residencial Tibidado, S.A.	1,791	-
Mendoza Central Entretenimientos, S.A.	5,574	5,723
KLC Negocios y Proyectos, S.A.	261	-
Molljoc Siglo XXI, S.A.	418	-
Inversiones Recreativas de Occidente, C.A.	638	17
CirsaCom, S.R.L.U.	1,570	6,308
Digital Gaming México, SAPI	129	-
	<b>10,888</b>	<b>12,056</b>

The assets shown in the table above for the companies that at 2013 year end were consolidated using the equity method (Postbintra, S.A., Residencial Tibidabo, S.A. and Molljoc Siglo XXI, S.A.) related to the investments, deriving from using such method, recognized in the consolidated statement of financial position at December 31, 2013.

- Changes in the percentage of ownership or consolidation method

In 2014 changes in the percentage of ownership or consolidation method were as follows:

	Consolidation method		Percentage	
	2014	2013	At December 31, 2014	At December 31, 2013
<u>Changes that give rise to business combinations</u>				
Multicasino, S.A.	Full	Equity	100%	65.34%
Casino de Rosario, S.A.	Full	Equity	50%	50%
Urban Leisure, S.L.	Full	Equity	32%	32%
Bingos Benidorm, S.A.	Full	Equity	50%	50%
Bingos Andaluces, S.A.	Full	Equity	50%	50%
Sala Valencia, S.A.	Full	Equity	50%	50%
La Cafetería del Bingo, S.L.	Full	Equity	50%	50%
Comdibal 2000, S.L.	Full	Equity	51%	50%
Orlando Play, S.A. (*)	Full	Equity	51%	50%
SGR, S.R.L.	Full	Equity	100%	25%
Automáticos Manchegos, S.L. (**)	Full	Equity	51%	50%
<u>Changes that do not give rise to business combinations</u>				
Sadeju, S.L.	Full	Full	65%	100%
Electrónicos Trujillanos, S.L.	Full	Full	100%	75%
Juegomatic, S.A. (***)	Full	Full	100%	75%
Garbimatic, S.L.	Full	Full	50%	25.5%

(\*) At December 31, 2014 and 2013 the company Orlando Play, S.A. held 100% of the equity instruments of 8 companies (Orlando Italia, S.R.L., Automáticos Laomar, S.L., Marchamatic Indalo, S.L., New Laomar, S.L., Flamingo Euromatic-100, S.L., Goldenplay, S.L., Recreativos Panaemi, S.L. and Recreativos Ociomar Levante, S.L.). Consequently, the change in the percentage of ownership also affected the percentage of control that the Group held in them.

(\*\*) Likewise, at December 31, 2014 and 2013 the company Automáticos Manchegos, S.L. fully owned Recreativos Manchegos, S.L., and therefore, the change in the ownership interest shown in the table above also affected the percentage of control that the Group held in the latter.

(\*\*\*) Additionally, at December 31, 2014 and 2013 the company Juegomatic, S.A. fully owned Automáticos Siglo XXI, S.L., and therefore, the change in the ownership interest also affected the percentage of control that the Group held in the latter.

As shown in the table above, during 2014, control was gained over the companies Multicasino, S.A., Casino de Rosario, S.A., Urban Leisure, S.L., Bingos Benidorm, S.A., Bingos Andaluces, S.A., Sala Valencia, S.A. and La Cafetería del Bingo, S.L. without the percentage of ownership interest that the Group holds in them suffering any change over the prior year. This was due to the fact that at the beginning of 2014 agreements were signed with the other shareholders on the governance of the aforementioned companies, whereby the Group was given the exclusive power of unilateral decision-making on the relevant activities of the corresponding companies, which –in accordance with IFRS 10– gave it control over them, and consequently, the obligation to consolidate the aforementioned companies using the full consolidation method.

In accordance with the applicable regulatory framework for financial information, in the case of the business combinations carried out by stages shown in the table above (changes in percentages of ownership that gave rise to business combinations), the Group measured at fair value, at the date of gaining control, its previous investment in the acquired Company's equity, recognizing in the consolidated statement of comprehensive income (Profit/(loss) on sale/disposals of non-current assets) the resulting gains or losses on the amount for which they were recognized. The breakdown of such impact is shown in the table below:

(Thousands of euros)	Impact on the consolidated statement of comprehensive income
Multicasino, S.A.	2,471
Casino de Rosario, S.A.	63,620
Urban Leisure, S.L.	-
Bingos Benidorm, S.A.	-
Bingos Andaluces, S.A.	-
Sala Valencia, S.A.	-
La Cafeteria del Bingo, S.L.	-
Comdibal 2000, S.L.	-
Orlando Play, S.A.	32,200
SGR, S.R.L.	209
Automáticos Manchegos, S.L.	(1,884)
	<b>96,616</b>

To estimate the fair values of previous investments measurement techniques were used for which some of the variables used were unobservable. Consequently, they were categorized into level 3 of the fair value hierarchy.

The impact of changes in percentages of ownership on businesses that did not give rise to any business combination (those that at 213 year end were already consolidated under the full consolidation method) is as follows:

(Thousands of euros)	Changes in non-controlling interests	Changes in accumulated results ("Reserves")
Sadeju, S.L.	-	-
Electrónicos Trujillanos, S.L.	(391)	(34)
Juegomatic, S.A. (*)	361	(38,383)
Garbimatic, S.L.	(410)	(448)
	<b>(440)</b>	<b>(38,865)</b>

(\*) The data shown above considered the change in the percentage of the Group's control over the company Automáticos Siglo XX, S.L., which is fully owned by Juegomatic, S.A.

- Other changes in the perimeter

In 2014 the companies Unidesa Perú, S.A., Luckyplay, S.A., O'donnell Juegos, S.A., Tecnostar, S.A., Cafeteria Miami, S.A., B2B Central Reporting S.A. de C.V. and Inverbingo, S.A., were dissolved and liquidated. The companies were dormant or showed low activity and their dissolution and liquidation did not generate significant results for the Group.

## **2. BASIS OF PRESENTATION AND ACCOUNTING STANDARDS**

### **2.1 Basis of presentation**

The 2015 consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards adopted by the European (IFRS-EU) Union published by the International Accounting Standards Board (IASB) and further interpretations.

The Company belongs to a group, whose parent is Nortia Business Corporation, S.L. (Nortia Group), domiciled in Terrassa (Spain). The Company meets the criteria for exemption from preparing consolidated financial statements under article 43 of the Commercial Code. Consequently, these consolidated financial statements are considered voluntary.

The consolidated financial statements of Nortia Group and the consolidated management report for the year ended December 31, 2014 were approved on March 24, 2015 and filed with the Barcelona Mercantile Registry together with the corresponding audit report. The consolidated financial statements and consolidated management report for the year ended December 31, 2015 will be approved in the due manner and filed, together with the audit report, with the Barcelona Mercantile Registry according to the legal deadlines.

The financial statements of the companies composing the Group for the year ended December 31, 2015 have not yet been submitted for approval by the shareholders in general meeting. Nevertheless, the Board of Directors of the Group's Parent Company expects that they will be approved without modification and, therefore, will not have any impact on the present consolidated financial statements.

The accounting policies applied in the preparation of the accompanying consolidated financial statements comply with the IFRS-EU prevailing at the date of their preparation. For certain cases, the IFRS-EU provide alternative applications. The options applied by the Group are described in the accounting policies listed in the accompanying notes.

For comparative purposes, the accompanying consolidated financial statements, which have been prepared at historical cost, include the figures of 2015 in addition to those of 2014 for each item of the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows, and the consolidated notes thereto, except when allowed by an accounting standard. However, in accordance with the single additional provision included in the Resolution of January 29, 2016 issued by the Spanish Accounting and Audit Institute, on the information to be included in the notes to the financial statements regarding the average payment period to suppliers in commercial transactions, in Note 29 the Group solely provides the information for the year 2015 for the companies domiciled in Spain and does not include comparative information. Accordingly, the accompanying financial statements are considered to be initial financial statements, solely for such purposes, regarding the application of the principles of uniformity and comparability.

### **2.2 Estimates and judgments**

The preparation of the consolidated financial statements requires the management of the Group to exercise judgment, to make estimates and to make assumptions which affect the application of the accounting policies and the recorded amounts of assets, liabilities, revenues and expenses. The estimates and assumptions taken into account have been based upon historical experience and other factors which were considered to be reasonable in the light of the circumstances. Consequently, the results obtained could differ from those assumptions.

The estimates and assumptions are reviewed periodically, such that any changes made in accounting estimates are posted in the period in which they are reviewed, in the event that such review only affects that period, or in the period of the review and future periods if the revision affects both. The key estimates and judgments are as follows:

- Impairment of assets

The Group assesses for impairment at year end for all non-financial assets which carrying amount could be unrecoverable. Goodwill and intangible assets with an indefinite useful life are tested for impairment annually, or when there is evidence of impairment, based on financial projections and estimates of future operating cash flows. In 2015 the Group has recognized impairment losses on goodwill and assets amounting to 12.5 and 8.2 million euros, respectively (2014: impairment losses on goodwill amounting to 12.7 million euros) (Note 10).

- Non-current assets with finite useful life

The Group reviews periodically useful lives of non-current assets, adjusting prospectively amortization methods where applicable. In 2015 and 2014 it was not necessary to make any adjustment in the useful life of non-current assets with definite useful lives.

- Recoverability of deferred tax assets

When the Group recognizes deferred tax assets, the estimated taxable profits that will be generated in future years are reviewed at year end in order to assess their recoverability, and any impairment loss is recognized accordingly. At December 31, 2015 the Group has recognized deferred tax assets amounting to 90,674 thousand euros (2014: 85,408 thousand euros), as described in Note 19.4.

- Provisions for taxes and other risks

Provisions are recognized for taxes and risks that will probably arise based on related studies. At December 31, 2015 the Group has recognized provisions for taxes and other risks amounting to 28,842 thousand euros (2014: 19,629 thousand euros), as described in Note 18.

- Business combinations and goodwill

The Group assesses for each business combination, the fair value of assets, liabilities and acquired contingent liabilities, allocating the cost of the business combination to the identified elements. Likewise, goodwill arising from the acquisition is assigned to its corresponding cash-generating unit, based on expected synergies, for subsequent impairment tests (Note 10).

- Consolidation methods

The assessment of whether control is exercised when the Group does not have absolute majority of voting rights, but agreements with the other shareholders have been reached, requires the Group to make estimates and judgments to determine whether it has unilateral rights to manage relevant activities in accordance with IFRS 10. Additionally, in order to establish the consolidation method of certain entities over which control is not exercised also requires Group Management to make judgments and estimates to determine whether they are considered jointly controlled companies, joint operations or associates.

### **2.3 Standards and interpretations approved by the European Union and adopted for the first time in the current year**

The accounting policies used in the preparation of the consolidated financial statements for the year ended December 31, 2015 are the same as those applied in the consolidated financial statements for the year ended December 31, 2014, since neither any amendments to the standards nor the interpretation applicable for the first time in the current year have had any impact on the Group.

## 2.4 Standards and interpretations issued by the IASB, but not yet mandatory in the fiscal year 2015

Upon coming into force, if applicable, the Group intends to adopt all standards, amendments and interpretations issued by the IASB but not mandatory in the European Union at the date of preparation of these consolidated financial statements.

The Group is currently analyzing the impact of the adoption of these standards, amendments and interpretations. Based on the analysis performed to date, the Group estimates that the initial adoption of the standards, interpretations and amendments issued by the IASB, which are not mandatory in the European Union at the date of approval of the consolidated financial statements, will have no significant impact on the consolidated financial statements, except for the following standards, interpretations and amendments.

- Annual improvements in IFRS – 2010-2012 period

These improvements in IFRS, which are applicable in the European Union for periods beginning on or after February 1, 2015, include the following amendments, among others:

### IFRS 3 Business combinations

This amendment shall be applied prospectively and clarifies that all contingent considerations classified as liabilities (or assets) arisen as a result of a business combination shall be subsequently recognized at fair value through profit or loss, regardless of the fact that they are classified as financial instruments or not in accordance with IAS 39. This is consistent with the Group's current accounting policy and, therefore, this amendment has had no impact on the Group's accounting policy.

### IFRS 8 Operating segments

The amendments are applied retroactively and clarify that:

- An entity shall disclose the judgments made by management in applying the aggregation criteria listed in paragraph 12 of IFRS 8, including a brief description of the operating segments that have been aggregated and the economic characteristics (for example, sales and gross margins) used to assess whether the segments are "similar".
- The reconciliation between the segment assets and the total assets shall only be disclosed if the reconciliation is reported to the chief operating decision maker. The same applies to the disclosure required for segment liabilities.

The Group has not applied the aggregation criteria of IFRS 8.12. The Group has presented the reconciliation of segment assets with total assets for prior years and continues to disclose the same information in Note 3 to the consolidated financial statements for the current year, since the reconciliation is reported to the chief operating decision maker.

- IFRS 9 Financial instruments

In July 2014 the IASB published the final version of IFRS 9 Financial instruments replacing IAS 39 Financial instruments: Recognition and Measurement, and all previous versions of IFRS 9. This standard gathers the three phases of the financial instruments project: Classification and Measurement, Impairment and Hedge Accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. However, the Standard is available for early application, though it has not been yet adopted by the European Union. Except for hedge accounting, it shall be retroactively applied, but comparative information need not be amended. For hedge accounting, the requirements are in general prospectively applied, except for limited exceptions.

The Group plans to adopt the new standard on the required application date. During 2015 the Group has assessed at high level the impacts of the three aspects of IFRS 9. This preliminary assessment is based on the information currently available and may be subject to variations as a result of additional more detailed analyses or additional information that is available in the future. In general, the Group does not expect big changes in the balance sheet or equity.

- IFRS 15 Revenue from contracts with customers

IFRS 15 was published in May 2014 and establishes a new five-step model applicable to the recognition of revenue from contract with customers. In accordance with IFRS 15 an entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

This new standard will replace all previous standards on revenue recognition. Total or partial retroactive adoption is required for the years beginning on or after January 1, 2018, with early application permitted, although the standard has not yet been adopted by the European Union. The Group plans to adopt the new standard on the required effective date using the total retroactive method. During 2015 the Group has preliminarily assessed IFRS 15, which is subject the changes that may arise as a result of the more detailed analysis that it is performing. Additionally, the Group is considering the clarifications issued by the IASB in a draft of the standard dated July 2015 and will oversee any other development.

In the application of IFRS 15, among others, the Group is studying the potential implications that the new standard will have on the treatment of customer loyalty programs offered in some of its businesses, since they give rise to a separate performance obligation as they provide a material right to the customer. Therefore, it will have to allocate a portion of the selling price to the customer loyalty program based on the independent selling price rather than using the allocation methods permitted in IFRIC 13 Customer Loyalty Programs.

- IFRS 16 Leases

IFRS 16 was published in January 2016 and entails significant changes for lessees since for most leases they will have to recognize in their balance sheet an asset related to the right to use and a liability related to the payable amounts. For lessors, few amendments have been introduced in comparison with the current IAS 17.

This new standard will replace all previous standards on leases. Total or partial retroactive adoption is required for the years beginning on or after January 1, 2019, with early application permitted, although the standard has not yet been adopted by the European Union. The Group plans to adopt the new standard on the required effective date using the modified retroactive transition. The Group has started to preliminarily assess IFRS 16 and its effect on the consolidated financial statements.

#### Company as lessee

Except for arrangement already classified as leases in accordance with IAS 17, and that will continue to be recorded as leases under the new standard, the Group has no other arrangements that may be considered as such as a result of having the right to control the use of the identified assets, since there are no service contracts based on the use of an asset.

Additionally, the existing lease arrangements that also include the rendering of a service have been analyzed and checked that these services are not significant.

For financial arrangements prevailing at the adoption date of the new standard the practical solution that allows the entities to recognize them in accordance with the current standards (IAS 17) will be applied.

However, the main effect on the Group's financial statements is the recognition in the balance sheet of the right to use and the debt related to the operating leases. As indicated in Note 20.1, the future minimum payments for non-cancellable operating leases at December 31, 2015 amount to 471,741 thousand euros. The Group is currently analyzing whether the periods corresponding to these future minimum payments would be similar to the lease periods to be used in accordance with IFRS 16.

Additionally, the operating profit will increase as lease expenses, which in 2015 amount to 79,925 thousand euros, will be eliminated (Note 21.2) and amortization and financial expenses will increase by a total amount slightly higher than that figure.

## **2.5 Consolidation methodology**

The consolidation methodology is described in the following sections:

### Consolidation methods

The methods applied in the consolidation process are as follows:

- Full consolidation method for subsidiaries
- Equity method for associates and jointly controlled companies

Additionally, as indicated in Note 11, the assets, liabilities, income and expenses of the Argentinian temporary joint ventures, since they are considered joint operations, have been incorporated as established in IFRS 11 for this type of joint arrangements. That is, the Group has recognized the following items in relation to its interest in the said joint operations:

- Its assets, including its share of any assets held jointly;
- Its liabilities, including its share of any liabilities incurred jointly;
- Its revenue from the sale of its share of the output arising from the joint operation, including its share of the revenue from the sale of the output by the joint operation;
- Its expenses, including its share of any expenses incurred jointly.

### Harmonization

The financial year of the companies within the consolidation perimeter ends on December 31. For consolidation purposes the corresponding 2015 financial statements of each company have been used.

The accounting principles applied by the companies comply with Group policies and, accordingly, no harmonization adjustments were necessary.

### Elimination of internal transactions

The intercompany balances arising from financial operations, rental agreements, payment of dividends, financial assets and liabilities, purchase and sale of inventories and non-current assets and rendering of services have been eliminated. In regard with purchase and sale transactions, the unrealized margin on assets, as well as depreciation, has been adjusted in order to show the assets at their original cost to the Group.

### Translation of financial statements in foreign currency

The financial statements of foreign companies have been translated into euros prior to their consolidation following the year-end rate method, except for the financial statements of Venezuelan companies, which is considered a hyperinflationary country, as stated below. Accordingly, assets and liabilities are translated at the spot rate prevailing at December 31, capital and reserves at the historical rates, and revenues and expenses at the averages rate for the year. Differences arisen from this process have been recorded directly under *Translation differences* in net equity.

According to the applicable standard for companies operating in hyperinflationary economies, as is the case of the companies that the group has in Venezuela, the translation of their financial statements into foreign currency entails:

- Adjusting the historical cost of non-monetary assets and liabilities and the various items of equity of these companies from their date of acquisition or inclusion in the consolidated statement of financial position to the end of the year to reflect the changes in purchasing power of the currency caused by the inflation.
- Adjusting the consolidated statement of comprehensive income to reflect the financial loss caused by the impact of inflation in the year on net monetary assets (loss of purchasing power).
- Adjusting the components of the consolidated statement of comprehensive income and of the consolidated statement of cash flows according to the inflation index since their generation, with a balancing entry in financial results.
- Translating all components of the financial statements of the companies operating in hyperinflationary by applying the closing exchange rate.

At December 31, 2015 and 2014 the Venezuelan economy continued to be considered hyperinflationary in terms of IFRS application.

In 2015 and 2014 the Venezuelan subsidiaries of the Group are dormant and have almost not incorporated any assets, liabilities, income or expenses in the consolidated financial statements for the years ended December 31, 2015 and 2014. Consequently, the Group's consolidated figures include almost no impacts in relation to the method described above applied in companies located in hyperinflationary countries.

The Venezuelan consumer price index issued by the Central Bank of Venezuela was used to identify inflation rates. Its value at December 31, 2015 and 2014 was 2,357.9 and 839.5, with an increase during 2015 and 2014 of 180.87 and 68.5%, respectively.

All components of the financial statements of the Venezuelan companies have been translated at the closing exchange rate, which at December 31, 2015 was 18.57 Bolívares fuertes per euro (20.71 Bolívares fuertes per euro at December 31, 2014).

## **2.6 Business combinations**

When Group gains control over one constituted business, or directly over a business' net assets, the consideration transferred is assigned to assets and liabilities, measured at fair value. The difference between the sum of fair values and the sum of the consideration transferred plus the amount of any non-controlling interest in the acquiree at acquisition date is recognized as goodwill where it is positive or as income in the consolidated statement of comprehensive income where the difference is negative.

The consideration transferred in a business combination is measured at fair value. This is calculated as the sum of the acquisition fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree, and the equity interests issued by the acquirer.

The costs related to the acquisition, such as finder's fees, advice, legal, accounting valuation and other professional or consulting fees, are recognized as expenses in the years when they are incurred and the services are provided.

## **2.7 Intangible assets**

Intangible assets are initially measured at acquisition cost less accumulated amortization and any impairment loss.

Goodwill is not amortized. Instead, it is tested for impairment at least annually as well as intangible assets with indefinite useful lives. Likewise, the net carrying amount of intangible assets having finite useful life is tested for impairment when there is evidence or changes of not recovering the carrying amount, similar to the criteria established for property, plant and equipment.

Research expenses are charged to expenses when incurred, while development costs related to an individual project are capitalized when the Group can demonstrate the technical feasibility and profitability, the availability of financing resources, and incurred costs can be measured reliably. Development expenses to be capitalized, including the cost of materials, personnel expenses directly attributable and a fair proportion of overheads, are amortized using a declining method (50% the first year) over the period for which they expect to obtain profits or income from such project, which generally comprises three years.

Amounts paid to the owners of the sites where the slot machines are located on an exclusivity basis are capitalized as installation rights. They are amortized on a straight-line basis over the contract term.

Administrative concessions are amortized on a straight-line basis, according to the concession term, as well as transfer rights of leased premise

Software is amortized on a straight-line basis over three years.

## **2.8 Property, plant and equipment**

Property, plant and equipment are measured at acquisition cost less accumulated depreciation and any recognized impairment loss.

The Group assesses whether there is an indication that the net carrying amount of property, plant and equipment may be impaired. If any indication exists, assets or cash-generating units are recorded at their recoverable amount.

Expenses for repairs which do not extend the useful life of the assets, as well as maintenance expenses, are taken to the consolidated statement of comprehensive income in the year incurred. Expenses incurred for expansion or improvements which increase the productivity or prolong the useful life of the asset are capitalized. Future expenses for restoring and retirement are recognized, at present value, as a cost component, with a liability provision as counterpart.

Depreciation charges are calculated over the estimated useful lives of the assets. Property, plant and equipment are generally depreciated on a straight-line basis over their estimated useful life. A declining basis is used alternatively for some assets, basically slot machines, since it better follows the actual pattern of income related to these assets.

	Method	Rate
Commercial buildings (new/used) and plant	Straight line	2-4%
Riverboats	Straight line	6.6%
Production installations (new/used)	Straight line	8-16%
Other installations	Straight line	8-12%
Production machinery	Straight line	10%
Other production equipment	Straight line	20%
New slot machines ("A" and "B" / "V" and "C")	Declining/Straight line	20%
Used slot machines	Straight line	40%
Furniture (new/used)	Straight line	10-20%
Vehicles (new/used)	Declining/Straight line	10-32%
Tools and furniture (new/used)	Straight line	30-60%
Data processing equipment (new/used)	Declining/Straight line	25-50%
Molds and dices	Straight line	25%
Other PP&E items	Straight line	16%

The finite useful life of slot machines is necessarily subject to exogenous factors (mainly market and competence) of difficult forecast. In the event that such equipment completes its useful life before the base period used for depreciation, the net balance of the related good at the removal date is charged as depreciation for the year, given its recurrent and typical features, as well as its corrective nature of systematic depreciation performed on related goods.

## 2.9 Investments in associates

Investments are accounted for under the proportional consolidation method or the equity method, that is, they are accounted initially at cost and its carrying amount is increased or decreased in order to recognize the part of the result of the invested company attributed to the Group from the acquisition date.

Part of the profit (loss) for the year of the invested company is recorded in the Group consolidated statement of comprehensive income. Dividends received reduce the amount of the investment.

Changes in the invested company's equity different than those generated by income of the period are directly recorded as changes in the Group's net equity.

## 2.10 Financial assets

Financial assets are initially recorded at fair value. For investments not measured at fair value with changes in results, directly attributable transaction costs are added. The Group establishes the classification of financial assets at the initial recognition, and, when appropriate and allowed, the classification is assessed again at each year end.

### Loans and receivables

The Group recognizes in this category trade and non-trade receivables, which include financial assets with fixed or determinable payments not quoted on active markets and for which the Group expects to recover the full initial investment, except, where applicable, in cases of credit deterioration.

Following initial recognition, these financial assets are measured at amortized cost.

Nevertheless, non-trade receivables which mature within less than one year with no contractual interest rate, as well as prepayments and loans to personnel, the amount of which is expected to be recovered in the short term, are carried at nominal value both at initial and subsequent measurement, when the effect of not discounting cash flows is not significant.

## 2.11 Cancellation of financial assets and liabilities

Financial assets (or, when applicable, part of a financial asset or part of a group of similar financial assets) are derecognized when:

- Rights to related cash flows have expired;
- The Group has retained the right to receive related cash flows, but has assumed the liability of fully paying them within the established terms to a third party under a transfer agreement;
- The Group has transferred the rights to receive related cash flows and (a) has substantially transferred the risks and rewards incidental to the ownership of the financial asset, or (b) has not transferred or retained the asset's risks and rewards, but has transferred the control over the asset.

Financial liabilities are derecognized when the related liability is settled, cancelled or expired. When a financial liability is replaced for other from the same borrower but with substantially different terms, or the conditions of the existing liability are substantially modified, such change or modification is recorded as a disposal of the original liability and an addition of a new liability. Difference of related carrying amounts is recognized in the consolidated statement of comprehensive income.

## 2.12 Inventories

Inventories are accounted for at the lower of the acquisition cost and the recoverable amount.

The recoverable amount of raw materials is the replacement cost. Nevertheless, no provision is set aside for raw materials and other consumables used in production, if the finished products in which they are to be incorporated will be sold above cost. The recoverable value of finished products corresponds to the estimated sales price less related selling expenses.

The cost value of finished products includes materials measured at the weighted average acquisition price, third-party work, labor and production overhead.

## 2.13 Cash and cash equivalents

This heading includes cash, current accounts, bank deposits and other financial investments maturing within less than three months from the acquisition date, provided that risks of the substantial alteration of their value are not significant.

In terms of the consolidated statement of cash flows, cash and cash equivalents include the abovementioned concepts, net of bank overdrafts, if applicable.

## 2.14 Impairment of assets

### Non-financial assets

The Group assesses at each year end whether there is an indication that a non-current asset may be impaired. If any indication exists, and when an annual impairment test is required, the Group estimates the asset's recoverable amount. The recoverable amount is the higher of the cash-generating unit (CGU) fair value less cost to sell and value in use, and it is established for each separate asset, unless for assets that do not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and its carrying amount is reduced to the recoverable amount. To assess value in use, expected cash flows are discounted to their present value using risk free market rates, adjusted by the risks specific to the asset. Impairment losses from continuing activities are recognized in the consolidated statement of comprehensive income.

The Group assesses at year end indicators of impairment losses previously recorded in order to verify whether they have disappeared or decreased. If there are indicators, the Group estimates a new recoverable amount. A previously recognized impairment loss is reversed only if the circumstances giving rise to it have disappeared, since the last loss for depreciation was recognized. In this regard, the asset's carrying amount increases to their recoverable amount. The reversal is limited to the carrying amount that would have been determined had no impairment loss been recognized for the asset.

The reversal is recognized in the consolidated statement of comprehensive income. Upon such reversal, the depreciation expense is adjusted in the following periods to amortize the asset's revised book value, net of its residual value, systematically over the asset's useful life.

### Financial assets

The Group assesses at year end if financial assets or group of financial assets are impaired. To assess the impairment of certain assets, the following criteria are applied:

- Assets measured at amortized cost

If there is objective evidence that there is an impairment loss of loans and other receivables recorded at amortized cost, the loss is measured as the difference between the net carrying amount and the present value of estimated cash flows, discounted at the current market rate upon initial recognition. The net carrying amount is reduced by an allowance, and the loss is recorded in the consolidated statement of comprehensive income.

Impairment loss is reversed only if the circumstances giving rise to it have ceased to exist. Such reversal is limited to the carrying amount of the financial asset that would have been recognized on the reversal date had no impairment loss been recognized.

In regard with trade and other receivables, when there is objective evidence of not collecting them, an adjustment is made based on identified bad debts risk.

### **2.15 Treasury shares**

Treasury shares are recorded as a direct decline in the Group's equity. They are measured at cost value, without recognizing any impairment loss. No gain or loss is recognized in the consolidated statement of comprehensive income on the purchase or sale of the Group's own equity instruments.

### **2.16 Provisions**

Provisions are recognized when:

- the Group has a present obligation either legal, contractual or constructive as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation; and
- the amount of the obligation can be reliably measured.

When the effect of the cash temporary value is significant, the provision is estimated as the present value of the future cash flows required to settle the obligation.

The discount rate applied in the assessment of the obligation's present value only corresponds to the temporary value of money and does not include the risks related to the estimated future cash flows related to the provision. The increase of the provision derived from the aforementioned discount is recorded as a financial expense.

## 2.17 Interest yield loans and credits

Loans and credits are initially measured at cost value, which is the fair value of the contribution received, net of issuance costs related to the debt.

Upon initial recognition, interest yield loans and credits are recognized at amortized cost using the effective interest rate method, including any issuance cost and discount or settlement premium.

## 2.18 Translation of balances in foreign currency

Transactions in foreign currency are translated at the spot rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the spot rate prevailing at the closing date. Unrealized exchange gains or losses are recognized in the consolidated statement of comprehensive income. As an exception, exchange gains or losses arising from monetary assets and liabilities that reflect investments in foreign subsidiaries are recorded in *Translation differences* in equity, with no impact on the consolidated statement of comprehensive income.

## 2.19 Leases

Leases are considered to be financial leases when all risks and rewards incidental to ownership of the leased item are substantially transferred to the Group. Assets acquired under financial lease arrangements are recognized as property, plant and equipment at the beginning of the lease term in the consolidated statement of financial position, recording an asset equivalent to the fair value of the leased item or, if lower, the present value at the commencement of the lease of the minimum lease payments. A financial liability is recorded for the same amount.

Lease payments are apportioned between finance charges and reduction of the lease liability, in order to maintain a constant interest rate of the outstanding debt. The finance charges are recorded directly in the consolidated statement of comprehensive income. These assets are depreciated, impaired, and derecognized using the same criteria applied to assets of a similar nature.

Leases are considered to be operating leases when all risks and rewards incidental to ownership of the leased item are substantially maintained by the lessor. Operating lease payments are recognized as expense in the consolidated statement of comprehensive income when accrued over the lease term.

## 2.20 Revenues

Revenues are recognized when it is probable that the economic benefits from the transaction will flow to the Group and the amount of income and costs incurred or to be incurred can be reliably measured.

Revenues from exploiting slot machines are measured at the collected amount. The percentage of the amount collected from slot machines attributable to the owner of the premises where the machine is located is included as operating expense under *Variable rent*.

Revenues from bingo cards are recognized for the total amount of sold cards, based on their face value, while recognizing the prizes granted to players as a decrease in operating revenues. The card cost is recorded in *Consumptions*, and the gaming tax rate over purchased bingo cards is included under *Gaming taxes*.

Revenue from casinos is recorded for the net amount from the game ("win"), after deducting prizes removed by players.

Revenue from sale of finished products is measured when risks and significant benefits incidental to the ownership of the assets have been transferred to the buyer and the outcome can be estimated reliably, circumstance that generally arises with the effective goods delivery.

Interest income is recorded based on the time passed, including the asset's effective yield.

## **2.21 Restructuring expenses**

Expenses incurred in restructuring processes, mainly indemnities to personnel, are recognized when a formal and detailed plan exists to perform such process by identifying the main parameters (i.e. main locations, functions and approximate number of affected employees, estimated payments and the implementation schedule) and creating a real and valid expectation among affected employees in regard with the process.

## **2.22 Income tax**

Deferred income tax is recognized on all temporary differences at the closing date between the tax bases of assets and liabilities and their carrying amounts in the statement of financial position.

Deferred tax liabilities are recognized for all temporary differences, except for taxable temporary differences arisen from an acquired goodwill, which amortization is not tax deductible and those arisen upon the initial recognition of an asset or liability in a transaction, other than a business combination, and that at the transaction date did not affect the accounting or the tax result.

Likewise, a deferred tax liability is recognized for all taxable temporary differences from investments in subsidiaries, associates or jointly controlled companies, except when both the following conditions are met: (a) the Group is able to manage the reversal date of the temporary difference and (b) the temporary difference will not be reversed in the future. In this regard, when the results are generated in subsidiaries in countries where there is not an agreement to avoid double taxation and the Group's policy is the repatriation of dividends, the Group records a deferred tax related to the effective amount that would be filed when profits are repatriated.

Deferred tax assets are recognized for all deductible temporary differences, tax credits and unused tax loss carryforwards, to the extent that it is probable that future taxable profit will be available against which these assets may be utilized, except for deductible temporary differences arisen upon the initial recognition of an asset or liability in a transaction, other than a business combination, and that at the transaction date did not affect the accounting or the tax result.

Furthermore, only a deferred tax asset is recognized for all deductible temporary differences from investments in subsidiaries, associates or jointly controlled companies when both the following conditions met: (a) the temporary difference will be reversed in the future, and (b) it is probable that future taxable profit will be available against which these temporary differences may be utilized.

The recovery of deferred tax assets is reviewed at year end, reducing the amount in assets to the extent that it is probable that future taxable benefits will not be available and consequently these assets could not be utilized.

Deferred taxes are measured based on the tax legislation and charge rates enacted or to be enacted, at the date of consolidated statement of financial position.

Deferred tax assets and liabilities are not discounted and are classified as non-current assets or non-current liabilities, respectively.

## 2.23 Contingencies

When unfavorable outcome of a situation that leads to a potential loss is likely to occur (i.e. more than 50% of possibilities), the Group establishes a provision which is recorded based on the best estimate of present value of expected future disbursement. On the other hand, if expectations of favorable resolution are more likely, no provision is recorded, which is reported in the notes of existing risks, unless the possibility of a negative outcome is clearly considered remote.

## 2.24 Classification of current and non-current assets and liabilities

Assets and liabilities are classified in the consolidated statement of financial position as current and non-current according to their maturity date. Current assets mature within one year from the closing date, and non-current assets mature in more than such period.

## 3. SEGMENT INFORMATION

The Group's activities are organized and managed separately based on the nature of the provided services and products. Each segment represents a strategic business unit, which provides several services and offers product to different markets. The related operating results are assessed regularly by the Group's Management in order to decide which resources should be allocated to the segment and to assess its yield.

The Group has classified as operating segment the identified Group component in charge of supplying a single product or service, or a group of them, which is subject to risks and returns of different nature to those related to other segments within the Group. The main factors considered in identifying the segments have been the nature of products and services, the nature of the production process and the type of customer.

Assets, liabilities, income and expenses by segments include those directly and reasonably assignable. The captions not assigned by the Group correspond to deferred tax assets and liabilities accounts.

The transfer prices between segments are calculated based on the actual costs incurred, which have been increased by a fair trading margin.

### 3.1 Operating segments

The distribution of detailed operating segments meets the information usually managed by the Management. Segments, as defined by the Group, are as follows:

#### Slots:

Owns and operates slot machines in bars, cafés, restaurants and recreation rooms in Spain and Italy. Also provides interconnected machines in Italy.

#### B2B:

Designs, manufactures and distributes slot machines and game kits for the Spanish and international market. The division sells directly or through distributors to other divisions of the Group, mainly slot division, and third parties.

#### Casinos:

The Group operates with two types of casinos, traditional casinos which include table games and casino slot machines, and electronic casinos which only operate with casino slot machines.

Bingos:

Operation of bingo halls mainly in Spain and to a lesser extent, in Italy and Mexico. The parlors operate through the sale of bingo cards to customers, and to a lesser extent through the operation of slot machines and restoration services.

Other segments:

Segments that aggregately represent less than 10% of total external and internal revenue, less than 10% of the combined result of all segments with added benefits and less than 10% of total assets, have been considered as irrelevant and no specific information has been provided, grouped under this generic title.

The following chart shows information on revenue and results, information about assets and liabilities, and other information related to the different operating segments as for December 31, 2015 and 2014.

**2015**

	Slots		B2B	Casinos	Bingo	Eliminations and other	Total
<b>Assets by segment</b>							
Non-current assets assigned	263,520	122,353	465,659	84,442	272,959	1,208,933	
Non-current assets not assigned	-	-	-	-	90,674	90,674	
Current assets assigned	100,212	65,924	285,658	18,658	(90,350)	380,102	
<b>Total assets</b>	<b>363,732</b>	<b>188,277</b>	<b>751,317</b>	<b>103,100</b>	<b>273,283</b>	<b>1,679,709</b>	
<b>Liabilities by segment</b>							
Liabilities assigned	(432,276)	(104,220)	(578,182)	(154,577)	(220,164)	(1,489,419)	
Liabilities not assigned	-	-	-	-	(146,305)	(146,305)	
<b>Total liabilities</b>	<b>(432,276)</b>	<b>(104,220)</b>	<b>(578,182)</b>	<b>(154,577)</b>	<b>(366,469)</b>	<b>(1,635,724)</b>	
<b>Net operating revenue from variable rent</b>							
Sales to external customers	595,251	57,614	769,377	192,230	(15,121)	1,599,351	
Sales intra-group	1,120	41,339	2,001	1,779	(46,239)	-	
<b>Total net operating revenue from variable rent</b>	<b>596,371</b>	<b>98,953</b>	<b>771,378</b>	<b>194,009</b>	<b>(61,360)</b>	<b>1,599,351</b>	
<b>Profit for the year</b>							
EBITDA (*)	101,707	18,889	252,844	28,675	(22,106)	380,009	
Financial income	8,490	9,090	13,895	734	(17,968)	14,241	
Financial costs	(25,319)	(6,183)	(38,558)	(9,767)	(45,608)	(125,435)	
Profit/(loss) before income tax	(18,684)	17,618	138,620	(2,924)	(78,252)	56,378	
Income tax	(1,350)	(2,053)	(60,835)	6,115	13,464	(44,659)	
Net profit/(loss) from continuing operations	(20,034)	15,565	77,785	3,191	(64,788)	11,719	
<b>Non-monetary expenses</b>							
Depreciation, amortization and impairment	(96,154)	(4,182)	(86,673)	(21,136)	6,930	(201,215)	
Changes in trade provisions	(3,758)	(54)	777	267	(2)	(2,770)	
<b>Other significant expenses</b>							
Personnel	(57,217)	(19,162)	(167,242)	(39,419)	(12,873)	(295,913)	
Supplies and external services	(73,537)	(19,547)	(162,432)	(58,670)	24,951	(289,235)	
Gaming taxes	(328,966)	(1,373)	(172,908)	(57,802)	(154)	(561,203)	
<b>Other information by segments</b>							
Investment in non-current assets	45,114	4,573	63,855	8,327	1,327	123,196	
Investments in associates	25,518	1,338	9,207	39,654	-	75,717	
Non-controlling interests	73,861	2,562	166,194	4,235	-	246,852	

(\*) For financial information purposes, EBITDA is defined as profit (loss) before income tax, financial result, profit/(loss) on investments in associates, profit/(loss) on sale/disposals of non-current assets, change in trade provisions, and depreciation, amortization and impairment charges.

**2014**

	Slots	B2B	Casinos	Bingo	Eliminations and other	Total
<b>Assets by segment</b>						
Non-current assets assigned	301,267	79,178	474,851	95,166	340,368	1,290,830
Non-current assets not assigned	-	-	-	-	85,408	85,408
Current assets assigned	114,781	44,762	334,237	20,271	(175,759)	338,292
<b>Total assets</b>	<b>416,048</b>	<b>123,940</b>	<b>809,088</b>	<b>115,437</b>	<b>250,017</b>	<b>1,714,530</b>
<b>Liabilities by segment</b>						
Liabilities assigned	(426,755)	(61,546)	(553,559)	(153,529)	(235,251)	(1,430,640)
Liabilities not assigned	-	-	-	-	(164,273)	(164,273)
<b>Total liabilities</b>	<b>(426,755)</b>	<b>(61,546)</b>	<b>(553,559)</b>	<b>(153,529)</b>	<b>(399,524)</b>	<b>(1,594,913)</b>
<b>Net operating revenue from variable rent</b>						
Sales to external customers	543,734	44,031	623,545	161,779	(19,654)	1,353,435
Sales intra-group	1,060	40,046	1,012	1,839	(43,957)	-
<b>Total net operating revenue from variable rent</b>	<b>544,794</b>	<b>84,077</b>	<b>624,557</b>	<b>163,618</b>	<b>(63,611)</b>	<b>1,353,435</b>
<b>Profit for the year</b>						
EBITDA (*)	98,416	15,972	216,393	18,243	(20,922)	328,102
Financial income	5,708	10,789	15,847	472	(18,229)	14,587
Financial costs	(23,243)	(5,879)	(27,415)	(12,236)	(30,457)	(99,230)
Profit/(loss) before income tax	22,030	15,205	155,000	(22,459)	(61,268)	108,508
Income tax	14,725	(4,188)	(42,199)	(4,865)	4,492	(32,035)
Net profit/(loss) from continuing operations	36,755	11,017	112,801	(27,324)	(56,776)	76,473
<b>Non-monetary expenses</b>						
Depreciation, amortization and impairment	(72,338)	(3,373)	(96,439)	(28,323)	6,941	(193,532)
Changes in trade provisions	(3,453)	23	(2,336)	(423)	(1)	(6,190)
<b>Other significant expenses</b>						
Personnel	(52,835)	(18,289)	(131,572)	(34,764)	(8,582)	(246,042)
Supplies and external services	(72,257)	(18,276)	(133,936)	(53,726)	25,176	(253,019)
Gaming taxes	(289,258)	(1,350)	(130,559)	(49,045)	(136)	(470,348)
<b>Other information by segments</b>						
Investment in non-current assets	36,935	7,254	63,869	14,295	1,257	123,610
Investments in associates	23,496	3,269	5,167	37,992	-	69,924
Non-controlling interests	78,420	2,504	164,492	4,180	-	249,596

(\*) For financial information purposes, EBITDA is defined as profit (loss) before income tax, financial result, profit/(loss) on investments in associates, profit/(loss) on sale/disposals of non-current assets, change in trade provisions, and depreciation, amortization and impairment charges.

### 3.2 Geographic segments

In the presentation of information by geographic segments, sales are based on the destination country and the assets on their location. The following chart shows this information as for December 31, 2015 and 2014.

#### 2015

(Thousands of euros)	Sales to external customers	Sales inter-segment	Total revenue by segment	Assets by segment	Investment in non-current assets
Spain	452,419	98,963	551,382	590,588	47,302
Latin America	829,986	609	830,595	1,016,973	68,384
Italy	316,946	492	317,438	125,418	7,510
Eliminations and other	-	(100,064)	(100,064)	(53,270)	-
	<b>1,599,351</b>	<b>-</b>	<b>1,599,351</b>	<b>1,679,709</b>	<b>123,196</b>

#### 2014

(Thousands of euros)	Sales to external customers	Sales inter-segment	Total revenue by segment	Assets by segment	Investment in non-current assets
Spain	401,547	98,743	500,290	510,687	42,513
Latin America	666,651	493	667,144	1,144,031	74,534
Italy	285,237	561	285,798	129,934	6,563
Eliminations and other	-	(99,797)	(99,797)	(70,122)	-
	<b>1,353,435</b>	<b>-</b>	<b>1,353,435</b>	<b>1,714,530</b>	<b>123,610</b>

## 4. BUSINESS COMBINATIONS AND ACQUISITIONS OF ASSOCIATES

### 4.1 2015

The breakdown of the companies in which the Company has gained unilateral and exclusive control in 2015 is summarized as follows:

Name and description of companies and business	Acquisition date	Acquisition price	(Thousands of euros)			
			Fair value of acquired net assets	Non-controlling interests arisen in the business combination	Fair value of prior ownership interest	Goodwill arising on acquisition (Note 5)
Apuestas Electrónicas, S.L. and subsidiary	April 2015	2,059	3,068	1,009	-	-
Garrido Player, S.L.	July 2015	335	335	-	-	-
Maquilleiro, S.L.	July 2015	1,928	1,928	-	-	-
Cotecnic 2000, S.L.	October 2015	1,001	1,001	-	-	-
Oper Ibiza, S.L.	February 2015	4,144	6,175	2,031	-	-
Grupo Cirsa Costa Rica Resort Paradise, A.B and subsidiary	February 2015	24,951	24,951	-	-	-
	December 2015	30,294	35,747	5,453	-	-
		<b>64,712</b>	<b>73,205</b>	<b>8,493</b>	<b>-</b>	<b>-</b>

The figure shown in the column *Acquisition price* is higher than the amount shown for this concept in the consolidated statement of cash flows, since the amount of acquisitions in the current year that is settled through deferred payments is higher than the payments made during the year corresponding to acquisitions carried out in prior years.

The value of identifiable assets and liabilities at the date of gaining control over the business combinations was as follows:

(Thousands of euros)	Fair value recognized on acquisition	Carrying amount
Property, plant and equipment	16,727	15,752
Intangible assets	65,960	1,672
Other non-current assets	27,959	27,959
Current assets	13,106	13,106
Liabilities (including generated deferred taxes)	(50,547)	(31,412)
	<b>73,205</b>	<b>27,077</b>

If acquisitions had occurred at the beginning of the year, consolidated operating revenues in 2015 would have increased by 22,913 thousand euros and consolidated profit for the year 2015 would have increased by 61 thousand euros. Additionally, the gains contributed to the Group by these companies since the date of acquisition amount to 3,129 thousand euros.

## 4.2 2014

The breakdown of the companies in which the Company has gained unilateral and exclusive control in 2014 is summarized as follows:

Name and description of companies and business	Acquisition date	(Thousands of euros)				
		Acquisition price	Fair value of acquired net assets	Non-controlling interests arisen in the business combination	Fair value of prior ownership interest	Goodwill arising on acquisition (Note 5)
Ibermatic Games, S.L. and subsidiary	February 2014	150	294	144	-	-
Tecnoappel, S.L. and subsidiary	February 2014	270	529	259	-	-
Gran Casino de las Palmas, S.A. Operadora Internacional de Recreativos, S.L.	February 2014	-	-	-	-	-
Grupo Portal (Peruvian casinos)	January 2014	3,000	5,882	2,882	-	-
Cirsa +, S.R.L.	April 2014	20,348	20,348	-	-	-
Interplay, S.A.	February 2014	1,090	2,137	1,047	-	-
Elettronolo Firenze, S.R.L.	May 2014	2,900	5,683	2,783	-	-
Recreativos Martos, S.L.S.U.	August 2014	6,053	6,053	-	-	-
Multicasino, S.A.	December 2014	506	506	-	-	-
Casino de Rosario, S.A.	January 2014	-	2,993	3,006	3,006	3,019
Urban Leisure, S.L.	January 2014	-	230,972	115,486	115,486	-
Bingos Benidorm, S.A.	October 2014	-	535	364	364	-
Bingos Andaluces, S.A.	July 2014	-	1,408	704	704	-
Sala Valencia, S.A.	July 2014	-	697	349	349	-
La Cafetería del Bingo, S.L.	July 2014	-	1,088	544	544	-
Comdibal 2000, S.L.	July 2014	-	37	18	18	-
Orlando Play, S.A. and subsidiaries	February 2014	245	5,431	2,661	2,525	-
SGR, S.R.L.	July 2014	11,932	75,800	37,900	32,200	-
Automáticos Manchegos, S.L. and subsidiary	December 2014	400	509	-	109	-
	July 2014	487	5,688	2,787	2,434	-
		<b>47,381</b>	<b>366,590</b>	<b>170,934</b>	<b>157,739</b>	<b>3,019</b>

The figure shown in the column *Acquisition price* is lower than the amount shown for this concept in the consolidated statement of cash flows, since payments have been made for acquisitions carried out in prior years.

In accordance with applicable accounting standards (IFRS 3 revised), prior ownership interest held by the Group in the companies indicated in the paragraph above (See Note 1.3 – Changes in the percentage of ownership interest or consolidation methods) has been measured at fair value at the date of gaining control, recognizing gains amounting to 99,097 thousand euros in the caption “Profit/(loss) on sale/disposals of non-current assets” in the consolidated statement of comprehensive income for the year ended December 31, 2014.

The value of identifiable assets and liabilities at the date of gaining control over the abovementioned acquisitions was as follows:

(Thousands of euros)	Fair value recognized on acquisition	Carrying amount
Property, plant and equipment	280,758	123,622
Intangible assets	248,464	10,867
Other non-current assets	43,994	40,565
Current assets	60,096	60,096
Liabilities (including generated deferred taxes)	(266,722)	(147,144)
	<b>366,590</b>	<b>88,006</b>

If acquisitions had occurred at the beginning of the year, consolidated operating revenues in 2014 would have increased by 42,382 thousand euros and consolidated profit for the year 2014 would have decreased by 1,362 thousand euros. Additionally, the gains contributed to the Group by these companies since the date of acquisition amount to 13,682 thousand euros.

## 5. GOODWILL

The breakdown of goodwill by operating segments is as follows:

(Thousands of euros)	2015	2014
Bingos	29,720	32,320
Slots	25,166	35,066
Casinos	57,877	64,510
	<b>112,763</b>	<b>131,896</b>

The amount of goodwill at December 31, 2015 and 2014 is shown net of impairment loss allowances, which according to the applicable accounting standards are not revertible, amounting to 110,881 and 98,381 thousand, respectively. During 2015 an impairment loss on goodwill amounting to 12,500 thousand euros has been recognized (2014: 12,675 thousand euros).

The evolution of the goodwill amount recorded in books, net of impairment loss, is as follows:

(Thousands of euros)	2015	2014
Balance at January 1	131,896	144,595
Impairment losses	(12,500)	(12,675)
Net exchange differences arising during the period	(6,633)	(3,043)
Additions due to business combinations (Note 4.1)	-	3,019
<b>Balance at December 31</b>	<b>112,763</b>	<b>131,896</b>

## 6. OTHER INTANGIBLE ASSETS

### 6.1 Movements

#### 2015

(Thousands of euros)	January 1, 2014	Additions	Disposals	Transfers	Translation differences and other	December 31, 2014
<b>COST</b>						
Development costs and patents	51,084	2,535	(1,468)	100	(88)	52,163
Administrative concessions	137,973	1,061	(5)	453	(6,275)	133,207
Installation rights	450,734	91,995	(17,355)	-	(10,201)	515,173
Transfer rights	6,694	579	-	328	(168)	7,433
Software	31,420	3,435	(1,828)	241	(442)	32,826
Prepayments and other	413	751	-	(653)	(19)	492
	<b>678,318</b>	<b>100,356</b>	<b>(20,656)</b>	<b>469</b>	<b>(17,193)</b>	<b>741,294</b>
<b>AMORTIZATION</b>						
Development costs and patents	(45,596)	(3,054)	500	-	69	(48,081)
Administrative concessions	(41,754)	(9,075)	1	-	(1,722)	(52,550)
Installation rights	(151,992)	(50,669)	13,560	-	745	(188,356)
Transfer rights	(2,361)	(1,287)	-	-	56	(3,592)
Software	(23,648)	(4,236)	1,767	-	382	(25,735)
	<b>(265,351)</b>	<b>(68,321)</b>	<b>15,828</b>	<b>-</b>	<b>(470)</b>	<b>(318,314)</b>
Impairment loss	(6,640)	(9,249)	1,526	-	-	(14,363)
<b>Net carrying amount</b>	<b>406,327</b>	<b>22,786</b>	<b>(3,302)</b>	<b>469</b>	<b>(17,663)</b>	<b>408,617</b>

#### 2014

(Thousands of euros)	January 1, 2014	Additions	Disposals	Transfers	Translation differences and other	December 31, 2014
<b>COST</b>						
Development costs and patents	49,225	3,626	(111)	(1,668)	12	51,084
Administrative concessions	86,517	46,834	(8)	-	4,630	137,973
Installation rights	208,706	266,818	(23,321)	1,251	(2,720)	450,734
Transfer rights	6,958	193	(464)	-	7	6,694
Software	28,456	1,503	(107)	1,668	(100)	31,420
Prepayments and other	978	1,251	(565)	(1,251)	-	413
	<b>380,840</b>	<b>320,225</b>	<b>(24,576)</b>	<b>-</b>	<b>1,829</b>	<b>678,318</b>
<b>AMORTIZATION</b>						
Development costs and patents	(42,906)	(2,699)	-	-	9	(45,596)
Administrative concessions	(29,784)	(9,372)	-	-	(2,598)	(41,754)
Installation rights	(104,235)	(55,491)	7,742	-	(8)	(151,992)
Transfer rights	(1,516)	(1,171)	321	-	5	(2,361)
Software	(20,786)	(3,045)	93	-	90	(23,648)
	<b>(199,227)</b>	<b>(71,778)</b>	<b>8,156</b>	<b>-</b>	<b>(2,502)</b>	<b>(265,351)</b>
Impairment loss	(3,354)	(3,464)	-	-	178	(6,640)
<b>Net carrying amount</b>	<b>178,259</b>	<b>244,983</b>	<b>(16,420)</b>	<b>-</b>	<b>(495)</b>	<b>406,327</b>

Additions in 2015 include the effects of business combinations (Note 4), which amounted to a gross value of 71,871 thousand euros (2014: 283,804 thousand euros) and accumulated amortization of 5,911 thousand euros (2014: 35,340 thousand euros). These amounts were almost entirely related to installation rights and, in 2014, also to administrative concessions.

Most of the rest of additions in 2015 and 2014 included in *Installation rights* mainly relate to the non-refundable payment in exchange of the exclusive rights to operate the premises where the slot machines are located. The disposals in this caption for both years mainly relate to installation rights pending amortization in premises which are closed, or it was decided not to operate the machine for profitability reasons.

## 6.2 Development costs and patents

They correspond mainly to the following:

- Industrial companies: Creation of new models of slot machines and technological innovations for them. Net value as of December 31, 2015 and 2014 is 1,568 and 3,064 thousand euros, respectively.
- Lottery and interactive products companies: Development of software applications for on-line games. Net value as of December 31, 2015 and 2014 is 815 and 2,765 thousand euros, respectively.

The internal cost of developing new models of slot machines and software for on-line games by the B2B division of the Group are capitalized as an increase in the value of developments costs and patents with a charge to the corresponding expenses according to their nature in the consolidated statement of comprehensive income. The total amount of works performed by the Group for the intangible assets in 2015 and 2014 amounted to 1,334 and 2,415 thousand euros, respectively.

Research and development expenses recognized as expenses in 2014 amounted to 80 thousand euros (2014: 298 thousand euros) (Note 21.2).

## 6.3 Administrative concessions

The gross balance of official licenses to operate as of December 31, 2015 mainly corresponds to:

- An official contract to operate slot machines in Panama amounting to 48,412 thousand euros (43,000 thousand euros at December 31, 2014). The net value of this concession at December 31, 2015 amounts to 18,984 thousand euros (19,399 thousand euros at December 31, 2014).
- An Argentinean company holds the concession of a lottery employing disabled people amounting to 663 thousand euros at December 31, 2015 (936 thousand euros at December 31, 2014). The net value of these concessions at December 31, 2015 and 2014 is zero.
- Licenses of video terminals acquired by Cirsa Italia S.p.A. for an amount of 40,052 thousand euros (40,056 thousand euros at December 31, 2014). The net value of this concession at December 31, 2015 is 23,325 thousand euros (27,211 thousand euros at December 31, 2014).
- Licenses arisen in the gain of control of Casino de Rosario, S.A. for an amount of 30,182 thousand euros at December 31, 2015 (41,271 thousand euros at December 31, 2014). The net value of these licenses at December 31, 2015 is 27,845 thousand euros (39,673 thousand euros at December 31, 2014).

## 6.4 Installation rights

Installation rights correspond to the amounts paid in exchange for the exclusive use of the premises in which slot machines are located.

## 6.5 Impairment losses

The balance of impairment losses basically covers the value of certain administrative concessions in Argentina (663 and 936 thousand euros at December 31, 2015 and 2014, respectively).

The impairment losses recognized during 2015 mainly correspond to exclusive rights to points of sale that will no longer be operational.

Note 10 includes several elements in relation to a test of the potential impairment of the Group's assets.

## 6.6 Other information

At December 31, 2015, the net value of intangible assets in foreign companies of the Group amounted to 172,406 thousand euros (2014: 139,252 thousand euros).

## 7. PROPERTY, PLANT AND EQUIPMENT

### 7.1 Movements

#### 2015

(Thousands of euros)	January 1, 2015	Additions	Disposals	Transfers	Translation differences and other	December 31, 2015
<b>Cost</b>						
Land and buildings	348,415	15,569	(59)	3,952	(71,962)	295,915
Installations	63,193	2,542	(1,334)	6,857	(2,338)	68,920
Machinery	537,498	94,925	(52,885)	19,881	(25,122)	574,297
Data processing equipment	54,731	5,674	(1,519)	246	(1,585)	57,547
Vehicles	16,651	1,448	(420)	173	(3,699)	14,153
Other installations, tools, and furniture	266,524	16,511	(3,603)	4,155	2,372	285,959
Assets in progress	26,117	33,926	(5,162)	(35,733)	(2,771)	16,377
	<b>1,313,129</b>	<b>170,595</b>	<b>(64,982)</b>	<b>(469)</b>	<b>(105,105)</b>	<b>1,313,168</b>
<b>Depreciation</b>						
Buildings	(67,925)	(18,229)	3	-	5,918	(80,233)
Installations	(45,596)	(6,910)	1,213	(30)	1,851	(49,472)
Machinery	(386,782)	(92,159)	47,041	30	16,066	(415,804)
Data processing equipment	(45,320)	(5,931)	1,299	(4)	901	(49,055)
Vehicles	(9,279)	(1,955)	260	-	2,139	(8,835)
Other installations, tools, and furniture	(177,665)	(28,069)	3,127	4	(1,483)	(204,086)
	<b>(732,567)</b>	<b>(153,253)</b>	<b>52,943</b>	<b>-</b>	<b>25,392</b>	<b>(807,485)</b>
Impairment losses	(2,514)	(2,733)	1,142	-	7	(4,098)
<b>Net carrying amount</b>	<b>578,048</b>	<b>14,609</b>	<b>(10,897)</b>	<b>(469)</b>	<b>(79,706)</b>	<b>501,585</b>

## 2014

(Thousands of euros)	January 1, 2014	Additions	Disposals	Transfers	Translation differences and other	December 31, 2014
<b>Cost</b>						
Land and buildings	106,586	252,388	(193)	4,295	(14,661)	348,415
Installations	52,658	9,851	(537)	1,043	178	63,193
Machinery	421,514	130,794	(35,680)	22,945	(2,075)	537,498
Data processing equipment	46,402	8,428	(1,146)	1,364	(317)	54,731
Vehicles	14,891	1,422	(165)	2,030	(1,527)	16,651
Other installations, tools, and furniture	225,322	40,255	(7,666)	2,240	6,373	266,524
Assets in progress	14,141	52,199	(5,642)	(33,917)	(664)	26,117
	<b>881,514</b>	<b>495,337</b>	<b>(51,029)</b>	<b>-</b>	<b>(12,693)</b>	<b>1,313,129</b>
<b>Depreciation</b>						
Buildings	(42,138)	(27,393)	36	(15)	1,585	(67,925)
Installations	(36,324)	(9,914)	368	-	274	(45,596)
Machinery	(307,261)	(111,224)	31,206	(81)	578	(386,782)
Data processing equipment	(38,458)	(7,925)	482	78	503	(45,320)
Vehicles	(7,964)	(2,171)	156	-	700	(9,279)
Other installations, tools, and furniture	(143,096)	(36,471)	5,437	18	(3,553)	(177,665)
	<b>(575,241)</b>	<b>(195,098)</b>	<b>37,685</b>	<b>-</b>	<b>87</b>	<b>(732,567)</b>
Impairment losses	(2,996)	(1,284)	1,766	-	-	(2,514)
<b>Net carrying amount</b>	<b>303,277</b>	<b>298,955</b>	<b>(11,578)</b>	<b>-</b>	<b>(12,606)</b>	<b>578,048</b>

The column *Additions* in 2015 includes the effect of the business combinations (Note 4), which has amounted to a gross value of 42,746 thousand euros (350,240 thousand euros in 2014) and accumulated depreciation of 26,019 thousand euros (69,482 thousand euros in 2014).

Additions in 2015 also included investments in assets in Spain (22,006 thousand euros), Colombia (17,764 thousand euros), Argentina (14,204 thousand euros), Mexico (7,815 thousand euros), Peru (6,474 thousand euros) and Panama (19,868 thousand euros), mainly to renovate some already-installed halls, and additions of property, plant and equipment under construction amounting to 33,926 thousand euros as a result of the renovation and expansion of casinos, mainly in Latin American countries. It should be noted that most of the additions in the said caption of property, plant and equipment under construction in 2015 were recognized according to their nature, since most of the halls under construction were already put to use.

Moreover, additions in 2014 basically corresponded to purchases of machines in Spain (22,926 thousand euros), Colombia (14,187 thousand euros), Argentina (30,218 thousand euros), Mexico (9,633 thousand euros), and Peru (3,425 thousand euros), mainly to renovate some already-installed halls, and additions of property, plant and equipment under construction amounting to 52,199 thousand euros as a result of the renovation and expansion of casinos, mainly in Latin American countries. At December 31, 2014 most of the additions in the said caption of property, plant and equipment under construction in 2014 were also recognized according to their nature, for the same purpose as at 2015 year end.

Disposals in 2015 and 2014 show sales of assets and other disposals, mainly due to the substitution of slot machines, which represented a loss of 4,813 thousand euros in 2015 (a loss of 6,507 thousand euros in 2014).

## 7.2 Work performed by the Group for property, plant and equipment

The cost value of the slot machines manufactured by Group companies and sold to slot machine operators of the Cirsa Group, are recognized as property, plant and equipment by crediting the corresponding expenses in the consolidated statement of comprehensive income. The amount of work performed by the Group for property, plant and equipment in 2015 and 2014 amounted to 40,272 and 44,207 thousand euros, respectively.

## 7.3 Assets subject to guarantees

Several property, plant and equipment items, whose net value as of December 31, 2015 and 2014 was 12,488 thousand and 15,460 thousand euros, respectively, were used as guarantee for mortgage loan debts.

## 7.4 Assets subject to charges and limitations

All assets are unrestricted, except for assets subject to guarantees indicated in Note 7.3 and those acquired through financial lease contracts, whose net book value amounted to 9,227 thousand euros at December 31, 2015 (19,138 thousand euros at December 31, 2014) (Note 20.2).

## 7.5 Property, plant and equipment located abroad

The net value of property, plant and equipment located abroad was 201,424 thousand euros at December 31, 2015 (2014: 468,219 thousand euros).

## 7.6 Investment commitments

At December 31, 2014 firm investment commitments amount to 1,706 thousand euros (1,317 thousand euros at December 31, 2014).

## 8. INVESTMENTS IN ASSOCIATES

This caption includes the following investments:

### 2015

(Thousands of euros)	Carrying amount of the investment	Assets	Liabilities	Operating revenue	Profit/(loss) for the year
AOG, S.R.L.	24,384	59,268	(10,499)	83,289	1,949
Recreativos Pozuelo, S.L.	13,242	27,275	(790)	16,189	1,390
Binbaires, S.A.	9,569	33,465	(4,730)	40,494	6,552
Royal Games, S.R.L.	4,877	18,557	(8,803)	38,489	(398)
Juegos San Jose, S.A.	3,828	8,951	(893)	35,986	1,323
Montecarlo Andalucía, S.L.	3,258	6,862	(346)	22,037	1,343
Sportium Apuestas Deportivas, S.A.	2,861	49,955	(44,321)	18,931	3,509
Competiciones Deportivas, S.L.	1,657	3,436	(123)	-	-
Other	12,041	37,225	(16,805)	98,491	(515)
	<b>75,717</b>				

## 2014

(Thousands of euros)	Carrying amount of the investment	Assets	Liabilities	Operating revenue	Profit/(loss) for the year
AOG, S.R.L.	23,410	45,264	(11,049)	80,501	3,380
Recreativos Pozuelo, S.L.	12,547	27,197	(2,103)	14,358	210
Binbaires, S.A.	7,387	26,906	(4,743)	26,164	4,447
Royal Games, S.R.L.	5,076	19,092	(8,940)	31,003	(72)
Juegos San Jose, S.A.	3,199	7,924	(1,189)	36,284	(178)
Montecarlo Andalucía, S.L.	2,587	5,481	(317)	21,555	1,441
Play to Win, S.L.	2,317	5,139	(505)	-	895
Sportium Apuestas Deportivas, S.A.	2,086	18,693	(14,521)	17,450	1,448
Bingo Electrónico de México, S.L.	1,844	4,161	(677)	3,771	336
Competiciones Deportivas, S.L.	1,657	1,345	(110)	-	-
Other	7,814	73,324	(51,538)	104,992	(8,352)
	<b>69,924</b>				

Associates consolidated using the equity method had no contingent liabilities or capital commitments at December 31, 2014 and 2015.

The variation for the year of the caption "Investments in associates" is as follows:

(Thousands of euros)	2015	2014
Balance at January 1	69,924	116,340
Share in profit for the year	9,004	8,589
Share in losses for the year	(3,651)	(10,099)
Other changes	440	(44,906)
<b>Balance at December 31</b>	<b>75,717</b>	<b>69,924</b>

"Other changes" includes the derecognition deriving from the business combinations of the year, exchange differences and dividends received from companies consolidated using the equity method.

Transactions in 2015 and 2014 between the companies mentioned above and other companies consolidated using the full and/or proportional consolidation methods are irrelevant.

## 9. FINANCIAL ASSETS

This caption is composed by the following balances:

(Thousands of euros)	2015			2014		
	Non-current	Current	Total	Non-current	Current	Total
<u>Loans and receivables</u>						
Nortia Business Corporation, S.L.	70,883	-	70,883	68,559	-	68,559
Loans to jointly-controlled companies and associates	2,746	9,430	12,176	1,391	5,209	6,600
Loans to third parties	27,564	-	27,564	25,624	-	25,624
Deposits and guarantees	7,173	42,288	49,461	6,912	40,581	47,493
Fixed-income securities and deposits	-	18,486	18,486	-	9,113	9,113
Trade and other receivables	-	204,282	204,282	-	212,603	212,603
Other	2,750	1,513	4,263	2,980	4,937	7,917
	111,116	275,999	387,115	105,466	272,443	377,909
Impairment losses	(865)	(33,613)	(34,478)	(831)	(35,438)	(36,269)
	<b>110,251</b>	<b>242,386</b>	<b>352,637</b>	<b>104,635</b>	<b>237,005</b>	<b>341,640</b>

The Group estimates that fair values of these assets do not differ significantly from the recorded amounts.

The accumulated balance of impairment loss of non-current financial assets mainly corresponds to loans to third parties, while impairment loss of current financial assets corresponds to trade and other receivables (32,477 and 34,318 thousand euros at December 31, 2015 and 2014, respectively).

## 9.1 Loans and receivables

### Nortia Business Corporation, S.L.

The non-current debtor balance of Nortia Business Corporation, S.L. includes the following entries:

<b>(Thousands of euros)</b>	<b>2015</b>	<b>2014</b>
Loan maturing in 2017, at 8.75% interest rate	31,381	31,381
Long-term promissory notes from the sale of assets, discounted at 5% interest rate	2,638	3,060
Accrued interests	36,864	34,118
	<b>70,883</b>	<b>68,559</b>

The effective interest rate of the loan granted to Nortia Business Corporation (5.73%) does not match the nominal interest rate (8.75%), since interest will be paid upon the maturity of the loan.

At December 31, 2015 and 2014 the carrying amount of this loan was similar to its fair value.

### Credits to jointly-controlled companies and associates

This caption is broken down as follows (\*):

<b>(Thousands of euros)</b>	<b>2015</b>	<b>2014</b>
Current accounts with jointly-controlled companies and associates	11,137	5,508
Other	1,039	1,092
	<b>12,176</b>	<b>6,600</b>

(\*) Receivable balances from jointly-controlled companies shown above are the remaining balances after the eliminations derived from the consolidation process.

The maturity date of these assets is as follows:

<b>(Thousands of euros)</b>	<b>2015</b>	<b>2014</b>
Within one year	9,430	5,209
Between one and two years	686	348
Between two and three years	687	347
Between three and four years	686	348
Between four and five years	687	348
	<b>12,176</b>	<b>6,600</b>

The average interest rate of these assets in 2015 and 2014 was 8.75%.

### Loans to third parties

The breakdown of non-current loans to third parties is as follows:

<b>(Thousands of euros)</b>	<b>2015</b>	<b>2014</b>
Mortgage loan in US dollars to a company that owns a hotel in Dominican Republic where a casino operated by the Group is located. It earns an annual interest of 7.25%	719	853
Loan granted in USD to a former shareholder of a Mexican company at an 8.75% interest rate, and with a tangible security	-	188
Deferred collection of the sale of a minority interest in a Spanish company engaged in the operation of a bingo hall.	285	391
Deferred collection of the sale of ownership interests in Spanish companies engaged in the operation of three bingo halls (effective rate of the transaction: 8.75%)	1,722	2,176
Current accounts with third parties for Group purposes, at a floating interest rate of Euribor plus 3% with a minimum of 4%	8,064	7,739
Other	16,774	14,277
	<b>27,564</b>	<b>25,624</b>

The breakdown of maturity dates for non-current loans to third parties is as follows:

<b>(Thousands of euros)</b>	<b>2015</b>	<b>2014</b>
Between one and two years	15,714	8,208
Between two and three years	343	6,317
Between three and four years	369	264
Between four and five years	396	1,023
More than five years	2,678	2,073
Indefinite	8,064	7,739
	<b>27,564</b>	<b>25,624</b>

The balances with indefinite maturity relate to current accounts with third parties and accrue a floating interest rate (Euribor + 3% with a minimum of 4%). The current accounts are recorded as current financial assets since the Directors of the Company consider that they will be collected in more than 12 months, and they have powers of decision in this regard.

### Trade and other receivables

This caption is broken down as follows:

<b>(Thousands of euros)</b>	<b>2015</b>	<b>2014</b>
Trade receivables	43,778	40,188
Impairment losses	(32,477)	(34,318)
Other related parties	1,201	1,105
Receivables from Public administrations	32,536	32,493
Other receivables	126,767	138,817
	<b>171,805</b>	<b>178,285</b>

Receivables from Public administrations mainly correspond to payments on account of income tax, VAT and other tax receivables.

The balance of trade and other receivables is shown net of impairment loss. The movements in the impairment loss allowance are as follows:

(Thousands of euros)	2015	2014
Balance at January 1	35,438	27,855
Net charge for the year	2,264	6,133
Utilized	(4,089)	(3,270)
Additions of companies	-	4,720
<b>Balance at December 31</b>	<b>33,613</b>	<b>35,438</b>

The Group has established credit periods between 90 and 150 days, while the average collection period is approximately of 120 days at December 31, 2015 (120 days at December 31, 2014).

## 10. IMPAIRMENT TEST

### 10.1 Goodwill

#### Cash-generating units

Goodwill acquired through business combinations and intangible assets with indefinite useful lives have been attributed to cash-generating units for impairment test. The breakdown of cash-generating units is as follows:

- Industrial companies, as a whole
- Each regional branch of slot machines
- Each group of bingos jointly acquired
- Each casino managed individually
- Each differentiated interactive activity

#### Key assumptions

- Budgeted gross margins - to determine the value assigned to the budgeted gross margins, the average gross margin achieved in the year immediately preceding the year budgeted is used, increased by the expected efficiency improvements. The period used in these projections is 5 years. From the fifth year the figures are extrapolated using a growth rate similar to expected inflation.
- Increase in costs - to determine the value assigned to the increase in raw materials prices, the price index expected during the year for each country where the Group operates is used. The values assigned to key assumptions are consistent with respect to external sources of information.
- The discount rate applied to projected cash flows is determined by the specific risk of each cash-generating unit, taking into account the type of activity and country where it is located. The following chart shows the discount rates used based on business and geographic area for the CGUs with significant goodwill associated to them.

Country	Activity	Discount rate (before tax)
Spain	Gaming	10.82% - 14.49%
Spain	Industrial	13.65%
Spain	Interactive	13.65%
Italy	Gaming	13.18% - 14.97%
Peru	Gaming	14.94% - 15.46%
Colombia	Gaming	17.16%
Mexico	Gaming	16.40%

## Test results

Based on the tests performed, impairment adjustments on goodwill were recorded in 2015 for an amount of 12,500 thousand euros, mainly due to the reduction in the estimates of future cash flows for certain operators and bingos in Spain (4,900 and 2,600 thousand euros, respectively), as well as due to the taxes imposed by the Italian government on slot machines to be paid by the operators, which have significantly reduced their cash flow estimates (5,000 thousand euros). In 2014 impairment adjustments on goodwill were recognized in 2014 amounting to 12,675 thousand euros, mainly due to the reduction in the estimate of future cash flows of certain operators in Spain (1,900 thousand euros), of certain bingo halls (9,300 thousand euros) and certain casinos (1,475 thousand euros).

The breakdown of the recoverable amounts of the CGUs for which, during 2015 and 2014, an impairment loss on related goodwill has been recognized is as follows:

### 2015

(Thousands of euros) CGU	Recoverable amount of the CGU	Impairment loss	
		On goodwill	On other assets
Recreativos Rodés, S.A.U.	465	800	-
Electrónicos Radisa, S.L.U.	2,908	3,600	200
Group of operators of which Orlando Play, S.A. is the parent	49,781	-	8,000
Automáticos Siglo XXI, S.L.U.	4,741	500	-
Cirsagest, S.P.A.U.	26,080	5,000	-
Romgar, S.L.	5,392	2,600	-
<b>Impairment loss recognized</b>		<b>12,500</b>	<b>8,200</b>

### 2014

(Thousands of euros) CGU	Recoverable amount of the CGU	Impairment loss	
		On goodwill	On other assets
Group of bingos of which Global Bingo Corporation, S.A.U. is the parent	53,700	9,300	-
Recreativos Rodés, S.A.U.	1,300	300	-
Electrónicos Radisa, S.L.U.	5,300	300	-
Casino Cirsa Valencia, S.A.U.	11,000	1,475	-
Group of which Global Amusement Partners Corporation, S.A.U. is the parent	12,700	1,300	-
<b>Impairment loss recognized</b>		<b>12,675</b>	<b>-</b>

## 10.2 Other assets

Impairment indicators used by the Group to determine the need of an impairment test on other non-current assets, amongst others, are as follows:

- Significant drop of the result over the same period in the prior year, and/or over the budget.
- Legislative changes in progress or planned, which could lead to negative effects.
- Change of strategy or internal expectations regarding a particular business or country.
- Position of competitors and their launches of new products.
- Slowdown of income or difficulties in selling at expected prices.
- Change in habits and attitudes of users, and other elements specific to each division.

As indicated in Note 10.1 impairment losses have been recognized during the year amounting to 8,200 thousand euros (fully corresponding to Spanish operators' assets).

During 2014 as a result of the tests performed, no impairment losses other than those described above were recognized.

## 11. INTERESTS IN JOINT OPERATIONS AND JOINTLY CONTROLLED COMPANIES

Jointly controlled companies have been incorporated in the consolidated financial statements through the equity method. However, the Argentinian joint operations (temporary joint venture CBA-CIESA and temporary joint venture CBA-Magic Star), have been incorporated in accordance with Note 2.5.

The information on the related companies is detailed in Appendix. Other relevant information related to the joint operations is detailed in the following table:

(Thousands of euros)	Data affected by % of ownership interest	
	2015	2014
Non-current assets	4,147	1,401
Current assets	175,416	162,992
Non-current liabilities	(1,379)	(1,394)
Current liabilities	(10,840)	(7,610)
Operating revenues	141,499	91,696
Expenses	(86,440)	(55,917)
Net profit for the year	55,059	35,779

Additionally, at December 31, 2015 the overall amount of assets, operating revenues and profit after tax of the jointly controlled companies amount to 188,883, 248,458 and 16,003 thousand euros, respectively (149,851, 181,972 and 31,281 thousand euros, respectively, at December 31, 2014).

## 12. INVENTORIES

The breakdown of inventories by category, net of impairment, is as follows:

(Thousands of euros)	2015	2014
Raw and auxiliary materials	2,650	3,873
Spare parts and other	6,041	6,156
Finished products	450	218
Work in progress	3,068	799
Prepayments to suppliers	2,032	1,893
	<b>14,241</b>	<b>12,939</b>

Inventories correspond mainly to the manufacture and trade of slot machines carried out by Group companies.

The balance of inventories is shown net of impairment loss. Movements in the impairment loss allowance are as follows:

(Thousands of euros)	2015	2014
Balance at January 1	871	1,163
Net charge for the year	465	89
Write-off	(195)	(381)
<b>Balance at December 31</b>	<b>1,141</b>	<b>871</b>

The write-off in 2015 and 2014 corresponds to the destruction of several inventories from the industrial division.

### 13. CASH AND CASH EQUIVALENTS

For consolidated cash-flow statement purposes, cash and cash equivalents include the following items:

(Thousands of euros)	2015	2014
Cash	13,205	12,525
Current accounts	96,955	58,836
Deposits under 3 months	4,760	7,024
	<b>114,920</b>	<b>78,385</b>

These assets are unrestricted and earn market interest rates.

### 14. EQUITY

#### 14.1 Share capital

At December 31, 2015 and 2014 the Company's share capital consisted of 122,887,121 shares with a par value of 0.20 euros each. All shares bear the same political and economic rights.

The breakdown of the Company's shareholders and their equity interest at December 31 is as follows:

	2015	2014
Nortia Business Corporation, S.L., company belonging to Mr. Manuel Lao Hernández and his family	52.43%	52.43%
Mr. Manuel Lao Hernández	46.65%	46.65%
Treasury shares	0.92%	0.92%
	<b>100.00%</b>	<b>100.00%</b>

Part of the Company's shares (26.04% at December 31, 2015 and 2014) and shares of several subsidiaries are pledged in favor of Institut Català de Finances as a guarantee for a loan granted to Nortia Business Corporation S.L., main shareholder of the Company.

#### 14.2 Treasury shares

At December 31, 2015 and 2014, the Parent Company has 1,131,421 treasury shares at an average cost of 0.1626 each, which are shown reducing the Group's net equity.

#### 14.3 Retained earnings

The balance of this caption includes two reserves of the Company, which are non-distributable.

##### Legal reserve

In accordance with the Spanish Capital Companies Law, Spanish companies obtaining profit will assign 10% of profit to the legal reserve, until its balance is equivalent to at least 20% of share capital. As long as it does not exceed this limit, the legal reserve can only be used to offset losses if no other reserves are available. This reserve can also be used to increase capital by the amount exceeding 10% of the new capital after the increase.

At December 31, 2015 and 2014 the Parent Company's legal reserve amounted to 4,915 thousand euros.

Additionally, the Group Spanish subsidiaries have provided the reserves at the amount required by the prevailing legislation.

#### Treasury shares reserve

As indicated in Note 14.2 above, the Parent Company acquired treasury shares. In accordance with prevailing mercantile legislation, the Group has provided the corresponding non-distributable reserve by the amount of treasury shares, maintained until sold or amortized.

#### 14.4 Non-controlling interests

The balances related to non-controlling interests are as follows:

(Thousands of euros)	Balance in statement of financial position		Share in profit	
	2015	2014	2015	2014
Division				
Casinos	166,194	164,492	23,386	15,742
Slots	73,861	78,420	2,785	4,144
B2B	2,562	2,504	348	279
Bingos	4,235	4,180	922	381
	<b>246,852</b>	<b>249,596</b>	<b>27,441</b>	<b>20,546</b>

The inter-annual variation of balances in the consolidated statement of financial position is as follows:

(Thousands of euros)	2015	2014
Balance at January 1	249,596	86,108
Share in profit for the year	27,441	20,546
Translation differences	(14,139)	(4,265)
Additions for acquisition / creation of companies, changes in consolidation methods (from proportional to full) or changes in the % of ownership in companies consolidated under the full consolidation method (Note 4.1)	8,493	170,494
Sale of companies	(609)	2,915
Dividends paid	(23,930)	(26,202)
<b>Balance at December 31</b>	<b>246,852</b>	<b>249,596</b>

#### 15. BONDS

At December 31, 2014 this caption basically referred to the issue of bonds by a group company located in Luxembourg amounting to a nominal of 900 million euros, including an initial amount of 400 million euros, issued in 2010 below par, at a 97.89% price; an additional issue in January 2011 of 280 million euros as an extension of the former one; another issue of 100 million euros at 99.75% of the par value in January 2013 also as an extension of the first one and an issue of 120 million euros at 105.0% of the par value in January 2015 which was carried out once again as an extension of the issue made in 2010. These bonds are listed on the Luxembourg Stock Exchange, accruing an annual interest of 8.75% paid every six months, and maturing in 2018.

Notwithstanding the abovementioned, in April 2015 the same company domiciled in Luxembourg made an issue for an overall amount of 500 million euros below par, at a 99.211% price. These bonds, which accrue an annual interest of 5.878% paid every six months and maturing in 2013, were partially used for early redemption of a portion of the bonds commented in the paragraph above for a par value of 450 million euros.

Consequently, at December 31, 2015 the Group has issued bonds for a par value of 450 million euros maturing in 2018 and bonds for a par value of 500 million euros maturing in 2023.

Contracts subscribed in relation to the bonds issued by the subsidiaries in Luxembourg regulate certain obligations and commitments by the Group, which include, among others, the supply of periodic information, the maintenance of titles of ownership in subsidiaries, the restriction on disposal of significant assets, the compliance with certain debt ratios, the limitation on payment of dividends, the limitation on starting-up new businesses, and the restriction on the Group granting guarantees and endorsements to third parties. The Parent Company's Directors consider that all contractual obligations have been met. The shares of several Group companies have been assigned as security for these liabilities.

At December 31, 2015 the quoted price of the bonds recognized in the liabilities side of the balance sheet maturing in 2018 was 100.5% of their par value (102.6% at 2014 year end) and 94.25% of their par value for the bonds maturing in 2023.

## 16. BANK BORROWINGS

The breakdown of bank borrowings at December 31, 2015 and 2014 is as follows:

(Thousands of euros)	2015			2014		
	Non-current	Current	Total	Non-current	Current	Total
Mortgage and pledge loans	23,725	2,282	26,007	22,353	3,974	26,327
Other loans	62,128	21,516	83,644	71,714	26,044	97,758
Financial lease agreements (Note 20.2)	4,508	6,594	11,102	7,327	8,529	15,856
Credit and discount lines	6,000	14,623	20,623	8,000	10,703	18,703
	<b>96,361</b>	<b>45,015</b>	<b>141,376</b>	<b>109,394</b>	<b>49,250</b>	<b>158,644</b>

Average interest rates accrued by these borrowings are as follows:

	%	
	2015	2014
Loans	4.06%	4.46%
Financial lease agreements	6.06%	5.33%
Credit and discount lines	3.06%	4.33%

The annual maturity date of these liabilities is as follows:

(Thousands of euros)	2015	2014
Within one year	45,015	49,250
Between one and two years	29,544	32,110
Between two and three years	44,881	19,223
Between three and four years	10,451	40,779
Between four and five years	3,983	7,534
More than five years	7,502	9,748
	<b>141,376</b>	<b>158,644</b>

At December 31, 2015 part of these liabilities, equal to 17,689 thousand euros is denominated in U.S. dollars (26,182 thousand euros at December 31, 2014).

At December 31, 2015, the shares of several subsidiaries were pledged in favor of Deutsche Bank London AG as a security for the credit line, whose utilization limit amounted to 75 million euros (50 million euros at December 31, 2014). At December 31, 2015 and 2014 the Group has not drawn down any balance of this credit line.

At December 31, 2015 the undrawn amount of credit and discount lines is 8,481 and 4,774 thousand euros, respectively, without considering the credit line commented in the paragraph above. These figures amounted to 13,911 and 2,544 thousand euros, respectively, at 2014 year end.

Finally, at December 31, 2015 and 2014 the guarantees given by credit institutions and insurance companies to the Group, in connection with official gaming concessions and licenses were 107,607 and 99,807 thousand euros, respectively.

## 17. OTHER CREDITORS

The breakdown of this caption is as follows:

(Thousands of euros)	2015			2014		
	Non-current	Current	Total	Non-current	Current	Total
Public administrations	1,803	74,182	75,985	1,075	60,836	61,911
Bills payable	786	4,710	5,496	2,399	5,194	7,593
Sundry creditors	35,678	100,000	135,678	36,138	88,285	124,423
	<b>38,267</b>	<b>178,892</b>	<b>217,159</b>	<b>39,612</b>	<b>154,315</b>	<b>193,927</b>

At 2015 and 2014 year end the non-current portion of liabilities with Public administrations referred mainly to deferral on gaming taxes granted by the corresponding authorities, which have accrued an annual interest rate of 4.375% in 2015 (2014: 5%). The current portion corresponds to gaming taxes with a short-term maturity (2015: 43,692 thousand euros, 2014: 28,595 thousand euros), personal income tax, VAT, social security contributions and similar concepts pending to be filed.

*Bills payable* correspond mainly to debts arising from the acquisition of companies and operations of slot machines with deferred payment, discounted at market interest rate.

The caption *Non-current sundry creditors* mainly includes:

- Asset suppliers amounting to 9,863 thousand euros (5,428 thousand euros at prior year end).
- Non-current payable amount related to certain investments in Panama amounting to 3,586 thousand dollars (3,294 thousand euros at year end). The debt derived from this investment will be settled through 47 equal monthly instalments of 395 thousand dollars, including interest, the first payment being in January 2014 until December 2017. At prior year end the non-current payable amount was 7,449 thousand US dollars (6,135 thousand euros).
- Several payables for ordinary transactions amounting to 11,774 thousand euros, with an undetermined maturity (10,191 thousand euros at prior year end).

The caption *Current sundry creditors* mainly includes:

- Asset suppliers amounting to 34,570 thousand euros (33,527 thousand euros at prior year end).
- Payables for the rendering of services amounting to 31,431 thousand euros (20,401 thousand euros at December 31, 2014).
- Current borrowings amounting to 4,255 thousand euros (7,540 thousand euros at prior year end), notably including the payable portion in 2016 for the investments in Panama mentioned above, amounting to 3,548 thousand euros (3,387 thousand euros at prior year end).
- Employee benefits payable amounting to 23,405 thousand euros (2014: 21,590 thousand euros) (Note 21.1).

## 18. PROVISIONS

The breakdown of this caption is as follows:

(Thousands of euros)	2015	2014
Obligations in relation to employees	16,015	15,844
Tax contingencies	9,611	1,059
Other	3,216	2,726
<b>Balance at December 31</b>	<b>28,842</b>	<b>19,629</b>

The amount recognized in *Obligations in relation to employees* mainly consists of probable contingencies with the personnel in Italy, the bonus plan for the Group's executives, and retirement incentives.

The amount recognized at December 31, 2015 as "Tax contingencies" mainly relates to certain liabilities in Mexico and Panama amounting to 3,492 and 4,588 thousand euros, respectively.

At December 31, 2015 and 2014 the amount shown under the caption *Others* mainly consisted of provisions for several risks, fines and labor trials that are individually irrelevant.

The inter-annual variation of the balance is as follows:

(Thousands of euros)	2015	2014
Balance at January 1	19,629	21,680
Net charge for the year	14,219	3,347
Provisions utilized	(5,702)	(6,534)
Additions due to sale of companies	696	1,136
<b>Balance at December 31</b>	<b>28,842</b>	<b>19,629</b>

## 19. TAXES

### 19.1 Tax Group

The Parent Company, together with 71 Spanish group companies, which comply with tax legislation requirements, files tax returns on a consolidated basis. Additionally, there is another Spanish consolidated tax group in Spain, comprising 8 companies, of which the subsidiary Orlando Play, S.A. is the parent.

The other Group companies file income tax returns separately in accordance with applicable tax legislation.

### 19.2 Accrued and payable income tax

The income tax expense in the consolidated statement of comprehensive income is broken down as follows:

(Thousands of euros)	2015	2014
Current	47,470	33,791
Deferred for (increase) decrease in tax loss carryforwards capitalized and tax credits	(9,523)	(11,333)
Deferred for temporary differences	5,463	19,058
Deductibility of the fine imposed to Italy during 2013	-	(11,429)
Adjustment in the Mexican income tax for the prior year	1,249	1,948
<b></b>	<b>44,659</b>	<b>32,035</b>

The breakdown of current income tax payable is as follows:

(Thousands of euros)	2015	2014
Current income tax	47,470	33,791
Withholdings and payments on account	(18,815)	(7,643)
	<b>28,655</b>	<b>26,148</b>

### 19.3 Analysis of income tax expense

(Thousands of euros)	2015	2014
Profit before tax	56,378	108,508
Tax rate prevailing in Spain	28%	30%
Theoretical income tax expense	15,786	32,552
Adjustments – Effect of:		
Different tax rates prevailing in other countries	7,761	5,025
Changes in the general tax rate in Spain (Note 19.4)	508	4,992
Countries with no income taxation and/or compensation of tax losses	(1,398)	(1,202)
Impairment losses on goodwill solely for consolidation purposes	3,500	3,169
Cancelled (recognized) prior years' deferred tax assets from the tax group whose parent is Cirsá Gaming Corporation, S.A.	(15,000)	8,053
Cancelled prior years' tax deferred tax assets from companies that file taxes separately (net of those that have been recognized)	1,818	1,204
Translation differences deductible / taxable for tax purposes	1,691	78
Revaluation of previous investments in business combinations (Note 1.3)	-	(28,985)
Fine to Cirsá Italia, Spa	-	(11,429)
Adjustment in the Mexican income tax for the prior year	1,249	1,948
Limitation on the deductibility of financial expenses in Spanish companies that will not be recovered	9,261	8,691
Non-recoverable withholdings and charges abroad	5,741	-
Tax gains arisen in the dissolution of SCB del Caribe that have not been recognized for accounting purposes	4,840	-
Other non-deductible expenses and other	8,902	7,939
	<b>44,659</b>	<b>32,035</b>

At December 31, 2015 and 2014 the effect of corrections in different tax rates mainly corresponds to the higher taxes applied in Argentina and Colombia.

Cancelled prior years' deferred tax assets in companies that file taxes separately in 2015 (1,818 thousand euros) corresponded to Spanish and Italian subsidiaries (in 2014 derecognized assets amounting to 1,204 thousand euros fully corresponded to Spanish companies).

The fine to Cirsá Italia, Spa is a contingency agreed to in 2013 with Corte dei Conti (CdC) for an amount of 36 million euros plus interest amounting to 1.5 million euros. At December 31, 2013, out of prudence, this contingency was considered non-deductible for income tax purposes. However, in May 2014 the Group sent a formal request ("Interpello") to the tax authorities for the recognition of the deductibility of such expenses. Since on June 16, 2014 such tax authorities answered positively to the deductibility, the Group recognized in 2014 a positive impact on the consolidated statement of comprehensive income for the current year amounting to 11,429 thousand euros (tax effect of the tax contingency paid in the prior year).

The partial recognition of deferred tax assets arisen in prior years in the tax consolidated Group, of which Cirsá Gaming Corporation, S.A. is the parent, for an amount of 15,000 thousand euros corresponds to a change in the estimate regarding their recoverability due to their improved performance in 2015, which is why future estimates have been increased.

The impact of assets impairment merely for consolidation purposes basically relates to the prevailing tax rate applicable to the impairment of goodwill in Spain amounting to 12.5 million euros (12.7 million euros at December 31, 2014).

At December 31, 2015 and 2014 non-deductible expenses mainly consisted of financial investment impairment allowances carried out by subsidiaries in Latin American countries.

#### 19.4 Deferred tax assets and liabilities

(Thousands of euros)	2015	2014
<b>Assets</b>		
Tax loss carryforwards from the tax group whose parent is Cirsa Gaming Corporation	37,761	23,556
Tax loss carryforwards from the tax group whose parent is Orlando Play, S.A.	659	421
Tax loss carryforwards from other group companies	16,212	21,132
Deductible temporary differences:		
--- Impaired receivables	649	6,245
--- Impaired securities portfolio	5	5
--- Goodwill impaired in individual books	1,062	1,256
--- Intragroup margin write-off	5,293	6,014
--- Non-accounting impairment for tax purposes	8,959	9,628
--- Non-deductible amortization for accounting purposes	3,955	9,347
--- Non-deductible financial expenses	2,123	977
--- Other	13,996	6,827
	<b>90,674</b>	<b>85,408</b>
<b>Liabilities</b>		
Taxable temporary differences:		
--- Provision for maximum gaming prizes	(8,596)	(7,708)
--- Difference between tax depreciation and accounting depreciation	(1,653)	(2,297)
--- Non-accounting impairment for tax purposes	(10,687)	(12,042)
--- Margin write-offs	(2,001)	(2,162)
--- Business combinations (Initial statement of non-current assets at fair value)	(118,537)	(133,425)
--- Other	(4,831)	(6,639)
	<b>(146,305)</b>	<b>(164,273)</b>

Law 27/2014 of November 27 on the Income Tax modified the general tax rate in Spain, which decreased from 30% in 2014 to 28% in 2015 and to 25% in subsequent years. As a result, at December 31, 2014 the Spanish companies adjusted prior deferred tax assets and liabilities based on the tax rate prevailing at the estimated date of reversion. The effect of such adjustment resulted in a charge in the 2014 income tax amounting to 4,992 thousand euros.

The Group estimates the taxable profits which it expects to obtain within the utilization period based on budgeted projections. It also analyzes the reversal period of taxable temporary differences, identifying those that reverse in the years in which unused tax loss carryforwards may be used. Based on this analysis, the Group has recorded deferred tax assets for unused tax loss carryforwards as well as deductions pending application and deductible temporary differences for which it is considered probable that sufficient taxable profit will be generated in the future against which they can be utilized within a reasonable period of time.

The breakdown of unused tax losses carryforwards at December 31, 2015 for the two tax groups whose parent companies are, respectively, the Parent Company and the subsidiary Orlando Play, S.A., is as follows:

(Thousands of euros)	Taxable basis	
	Tax group whose parent is the Parent Company	Tax group whose parent is Orlando Play, S.A.
Arising in		
1997	317	-
1998	74	-
1999	1,047	-
2000	1,125	-
2001	15,002	-
2002	2,605	-
2003	10,237	-
2004	14,681	-
2005	35,707	-
2006	2,064	937
2007	17,566	396
2008	2,293	-
2009	10,297	-
2010	17,603	-
2011	41,425	-
2012	12,274	-
2013	3,246	-
2014	27,044	-
2015	-	1,795
	<b>214,607</b>	<b>4,894</b>

Tax group whose parent is the Company

At December 31, 2015 and 2014 the said tax group recognized deferred tax assets amounting to 37,761 and 23,556 thousand euros, respectively, relating to unused tax loss carryforwards of the tax group. No deferred tax assets were recorded for the rest of unused tax losses carryforwards, which at December 31, 2015 amount to 15,891 thousand euros (2014: 27,926 thousand euros), since their future application is uncertain within a reasonable period of time.

In addition to tax loss carryforwards, the tax group whose parent is the Parent Company holds additional tax credits amounting to 55,939 thousand euros at December 31, 2015 (2014: 55,438 thousand euros), for unused tax deductions that were not capitalized for not having met the terms to be used.

(Thousands of euros)	Unused deductions at December 31, 2015
Last year for utilization	
2016	842
2017	2,265
2018	1,058
2019	3,577
2020	2,856
2021	6,692
2022	983
2023	998
2024	1,429
2025	1,155
2026	503
2027	1,751
2028	771
2029	255
2030	284
2031	268
2032	228
No time limit for their utilization	30,024
	<b>55,939</b>

Tax group whose parent is Orlando Play, S.A.

In 2010 the tax group whose parent is Orlando Play, S.A. was constituted.

At December 31, 2015 the Group had recognized deferred tax assets amounting to 659 thousand euros (421 thousand euros at prior year end) corresponding to unused tax loss carryforwards.

Additionally, the said tax group has deferred tax assets related to unused tax loss carryforwards and unused tax credits amounting to 564 and 810 thousand euros, respectively (354 and 1,061 thousand euros, respectively, in the prior year) for which the deferred tax assets have not been recognized, since the requirements established by the applicable framework for financial information are not met.

## 19.5 Other tax information

Under prevailing tax regulations, tax returns may not be considered final until they have either been inspected by tax authorities or until the inspection period has expired. At December 31, 2015 Spanish companies (which mostly file taxes under a consolidated tax group) are open to inspection of all taxes to which they are liable for the last four years. In general, the prescription periods for countries where the Group has significant presence are between four and five years after the end of the statutory period for filing tax returns.

## 20. LEASES

### 20.1 Operating leases

The Group has leases on several buildings for an average term between three and five years, with no renewal clauses.

The future minimum payments under non-cancellable operating leases at December 31 are as follows:

(Thousands of euros)	2015	2014
Within one year	72,930	64,835
Between one and five years	314,265	279,383
More than 5 years	84,546	75,162
	<b>471,741</b>	<b>419,380</b>

### 20.2 Finance leases

The Group has financed several acquisitions of property, plant and equipment (mainly slot machines) through financial lease agreements. The future minimum payments under financial leases and their present value are as follows:

(Thousands of euros)	2015		2014	
	Minimum payments	Present value of payments (Note 16)	Minimum payments	Present value of payments (Note 16)
Within one year	8,241	6,594	10,659	8,529
Between one and five years	7,077	4,508	11,503	7,327
	<b>15,318</b>	<b>11,102</b>	<b>22,162</b>	<b>15,856</b>

Acquisition of property, plant and equipment through financial lease agreements, not recorded as cash flows in investing activities in the consolidated statements of cash flows, amounted to 3,137 thousand euros in 2015 and 3,546 thousand euros in 2014.

## 21. INCOME AND EXPENSES

### 21.1 Personnel

(Thousands of euros)	2015	2014
Wages and salaries	223,229	185,502
Social security	53,486	44,195
Indemnities	5,165	4,078
Other personnel expenses	14,033	12,267
	<b>295,913</b>	<b>246,042</b>

Remunerations pending payment at year end of 2015 and 2014 (23,405 and 21,590 thousand euros, respectively) are recognized in the caption *Other creditors* (Note 17).

The breakdown of the average headcount by professional category and gender is as follows:

	2015			2014		
	Men	Women	Total	Men	Women	Total
Executives	357	115	472	356	84	440
Technicians, production and sales staff	6,655	5,402	12,057	6,202	5,068	11,270
Administrative personnel	963	728	1,691	902	730	1,632
	<b>7,975</b>	<b>6,245</b>	<b>14,220</b>	<b>7,460</b>	<b>5,882</b>	<b>13,342</b>

The headcount at December 31, 2015 and 2014 by category and gender does not significantly differ from the breakdown shown in the table above regarding the average headcount for those years.

### 21.2 Supplies and external services

(Thousands of euros)	2015	2014
Rent and royalties	79,925	73,480
Advertising, promotion and public relations	50,743	41,918
Professional services	25,659	19,520
Sundry services	19,876	12,406
Supplies	32,863	29,381
Travel expenses	12,098	12,232
Repair and maintenance	22,509	20,562
Security	9,941	8,304
Postal services, communications and telephone	11,450	11,970
Insurance premiums	5,910	8,133
Cleaning services	8,022	6,767
Bank services and similar	7,139	5,682
Transportation	3,020	2,366
Research and development expenses (Note 6.2)	80	298
	<b>289,235</b>	<b>253,019</b>

### 21.3 Exchange gains/(losses)

(Thousands of euros)	2015	2014
Gains	14,047	5,814
Losses	(17,812)	(18,641)
	<b>(3,765)</b>	<b>(12,827)</b>

Net exchange gains/(losses) from translation of financial balances in foreign currency between Group companies are recognized in *Translation differences*, as a component that decreases the shareholders' equity at December 31, 2015 by 6,040 thousand euros (2014: it decreased the shareholders' equity by 259 thousand euros), since they are considered as exchange gains/(losses) arising from monetary components of a net investment in a foreign business.

## 22. RELATED PARTIES

The Group conducts several trade and financial transactions with its main shareholder Nortia Business Corporation, S.L., and its subsidiaries, which are broken down as follows:

(Thousands of euros)	2015	2014
Sale of slot machines	482	302
Revenues from the rendering of services	1,083	1,024
Operating expenses	(11,305)	(12,482)
Interest income	4,590	3,745
Interest expenses	-	(73)

Transactions with related entities correspond to Group normal trading activity and are carried out at market prices in a manner similar to transactions with unrelated parties.

Accounts receivable derived from these transactions at year end are described in Note 9.

Accounts payable from trade transactions amount to 1,034 and 2,127 thousand euros at December 31, 2015 and 2014, respectively, and are included in *Trade Payables*.

## 23. CONTINGENCIES

### Argentina

In October 1999, an Argentinean group company opened a floating casino in waters of Río de la Plata on the basis of an official license granted by the Federal Authorities. The Government of the Autonomous City of Buenos Aires (GCABA) challenged the competence of the Federal Authorities ("Lotería Nacional, SE") in gaming matters. In particular, it claimed that gaming activities fell under its jurisdiction in the City of Buenos Aires, and hence, raised objections against the license granted to the subsidiary Casino Buenos Aires, S.A. (CBA).

These circumstances led to a co-participation agreement for gaming matters that was signed between the Federal Authorities (LNSE) and the Government of the Autonomous City of Buenos Aires. Conveniently, this agreement was ratified by Decree 1155/2003 of PEN, dated December 1, 2003 (B.O. 02/12/2003) and Law 1,182 of the Legislation of the Government of the Autonomous City of Buenos Aires, dated November 13, 2003 (BOCBA 01/12/2003). The agreement matured four years after, but it was renewed since there was a clause that stated that if neither party –the City or the State- notified the other to the contrary, it would be renewed automatically for four more years.

Despite the abovementioned agreement, the Government of the Autonomous City of Buenos Aires continued to request CBA to pay the tax on gross revenues from the activity carried out by the Group since 1999 as operator of an Argentinean floating casino in waters of Río de la Plata. This fact prompted CBA to request precautionary measures against the Government of the Autonomous City of Buenos Aires to stop the latter from conducting any action to collect taxes on gross revenues derived from the floating casino's turnover. The last precautionary measures requested by CBA were accepted by the Federal Authorities in November 2011. The Government of the Autonomous City of Buenos Aires lodged an appeal against the abovementioned precautionary measures.

Subsequently, on November 1, 2013, the GCABA summoned the blocks of Buenos Aires legislation to find a way to start receiving the said tax on gross revenues. On December 4, 2013 the LNSE and the GCABA signed an addendum to the agreement (hereinafter "the addendum"). Among others, the addendum established that the CBA would pay a special monthly supplementary charge of 3% (three per cent) over the income from slot machines and casino card games after certain deductions (rather than over gross revenues). In accordance with the addendum, the special charge started to accrue as of January 1, 2014, payable in monthly instalments in the following month, and the payment was subject to compliance with certain conditions, which most notably include:

- The receipt of the abovementioned charge entailed the extinguishment of the claims or credits related to the payment of the tax on gross revenues by the GCABA.
- CBA reserves the inalienable and irrevocable right to render ineffective and automatically interrupt the payment of such special supplementary charge should the GCABA intend to claim the payment of the tax on gross revenues.

Although the addendum was pending final approval by the National Executive Authority, on December 15, 2014 the Group paid an amount of 23.4 million pesos to the LNSE. Additionally, from January to April 2015 it paid approximately 8.4 million pesos.

Despite the addendum, on May 22, 2015 the GCABA notified the LNSE of the intention of not extending the agreement. In light of this, CBA notified the LNSE of the decision to discontinue the payment of the special charge and compensate the balances paid from January 2014 to April 2015, which was resolved favorably by the LNSE on July 1, 2015.

In this regard, at the date of approval of these consolidated financial statements, CBA's Management considers that it is highly probable that the parties reach an agreement, and therefore, have to pay the amounts that would arise as a result of the application of the addendum mentioned above for the years 2014 and 2015. Consequently, the Group has recognized the corresponding provision in order to include this liability, which amounts to 52.3 million pesos plus 19.2 million euros corresponding to legal fees and other expenses related to the aforementioned agreement (equal to an overall amount of 5 million euros at December 31, 2015).

The Group and its legal advisors consider that the rights conveniently agreed upon with LNSE are consolidated and rejects the payment of the tax on gross revenues from the activity conducted in floating casinos based on: a) the interpretation that no territorial basis can be claimed to collect taxes on the operation of a casino located in a boat anchored in river waters, b) the signing of the agreement between LNSE and the Bet and Gambling Institute of the Autonomous City of Buenos Aires, and c) the described addendum signed in the 2013 and that at December 31, 2015 has been duly provisioned for as indicated in the paragraph above. Therefore, the Group's legal advisors consider that an unfavorable result of this matter for the Group's interest for 2014 and prior years is not probable.

## 24. INFORMATION ON ENVIRONMENTAL ISSUES

Given the activities and features of the Group, neither capital expenditures nor expenses took place in connection with the prevention, reduction or damage repair of environmental matters

## 25. AUDIT FEES

Fees and expenses referred to the audit of the 2014 financial statements of the Group's companies rendered by the main auditors and other firms belonging to the auditor's international network amounted to 1,617 thousand euros in 2015 and 1,397 thousand euros in 2014.

In addition, fees and expenses paid during the year corresponding to other services rendered by the main auditors or other related entities amounted to 244 thousand euros in 2015 and 386 thousand euros in 2014.

## 26. DIRECTORS AND SENIOR EXECUTIVES

The breakdown of the remuneration earned by members of the Company's Board of Directors and senior executives is as follows:

(Thousands of euros)	2015	2014
Directors		
Salaries	2,010	1,817
Senior executives		
Salaries	5,000	4,800
	<b>7,010</b>	<b>6,617</b>

At December 31, 2015 the group companies have no debit or credit balances in current accounts with the Parent Company's Directors. At December 31, 2014 debit balances in current accounts with the Parent Company's Directors were recorded for an amount of 478 thousand euros. These accounts accrued an annual interest of 4.25%.

The Group companies have no pension plans, life insurance policies or dismissal indemnities for former or current members of the Board of Directors and senior executives of the Company.

Pursuant to article 229 of the Spanish Capital Companies Law, the Directors have informed the Company that there are no situations representing a conflict for the Group.

## 27. OBJECTIVES AND POLICIES OF FINANCIAL RISK MANAGEMENT

The Group is exposed to credit risk, interest risk, exchange risk and liquidity risk during the normal development of its activities.

The Group's main financial instruments include bonds, bank loans, credit and discount lines, financing obtained through the deferral of gaming taxes, financial leases, deferred payments for purchase of businesses, and cash and current deposits.

The Group's policy establishes that no trading in derivatives (exchange rates insurance) to manage exchange rate risks arising from certain fund sources in U.S. dollars will be undertaken. The Group neither uses financial derivatives to cover fluctuations in interest rates.

## 27.1 Credit risk

Most of the operations carried out by the Group are in cash. For receivables from other activities, the Group has established a credit policy and risk exposure in collection is managed in the ordinary course of business. Credit assessments are carried out for all customers who require a limit higher than 60 thousand euros.

Guarantees on loans and the credit risk exposure are shown in Note 9.

## 27.2 Interest rate risk

External finance is mainly based on the issuance of corporate bonds at fixed interest rate. Bank borrowings (credit policies, trading discounts, financial lease agreements) as well as deferred payments with public administrations and other long-term non-trade debts have a variable interest rate that is reviewed annually. Previous Notes show interest rates of debt instruments.

The breakdown of liabilities that accrue interests at 2015 and 2014 year end is as follows:

(Thousands of euros)	2015		2014	
	Fixed interest rate	Floating interest rate	Fixed interest rate	Floating interest rate
Bonds	935,520	-	897,242	-
Bank borrowings	-	141,376	-	158,644
Other creditors	-	25,654	-	28,769
	<b>935,520</b>	<b>167,030</b>	<b>897,242</b>	<b>187,413</b>

At December 31, 2015 financial liabilities at a fixed interest rate represented 85% of total liabilities (83% at 2014 year end). In this regard, the Group's sensitivity to fluctuations in interest rates is low: a variation of 100 basis points in floating rates would lead to a change in the result amounting to 1,670 thousand euros and 1,874 thousand euros in 2014.

The Group estimates that fair value of the financial liabilities' instruments does not differ significantly from the accounted amounts, except for the comment in Note 15.

The breakdown of assets that accrue interests at 2015 and 2014 year end is as follows:

(Thousands of euros)	2015		2014	
	Fixed interest rate	Floating interest rate	Fixed interest rate	Floating interest rate
Nortia Business Corporation, S.L.	70,883	-	68,559	-
Loans to jointly-controlled companies and associates	11,137	1,039	5,508	1,092
Loans to third parties	2,726	24,838	3,608	22,016
Deposits and guarantees	49,461	-	47,493	-
Fixed-income securities and deposits	18,486	-	9,113	-
	<b>152,693</b>	<b>25,877</b>	<b>134,281</b>	<b>23,108</b>

The Group estimates that the fair value of the assets' financial instruments does not differ significantly from the net book value.

## 27.3 Foreign currency risk

The Group is exposed to foreign currency risk in businesses located in Latin America, mainly in Argentina, which affect significantly revenues and expenses, Group results and the value of certain assets and liabilities in currencies other than the euro. It is also affected to a lesser extent by granted and received loans. Currencies that basically generate exchange risks are the Argentinean peso and the US dollar.

In order to reduce risks, the Group conducts policies aimed to keep balanced collection and payments in cash of assets and liabilities in foreign currency.

The following study on sensitivity shows the foreign currency risk:

- Sensitivity of the profit for the year before tax against fluctuations of the exchange rate US dollar/euro

Variation	Thousands of euros	
	2015	2014
+ 10%	(2,468)	(2,974)
+ 5%	(1,293)	(1,558)
- 5%	1,429	1,722
- 10%	3,016	3,635

- Sensitivity of the profit for the year before tax against fluctuations of the exchange rate Argentinean peso/euro

Variation	Thousands of euros	
	2015	2014
+ 10%	(5,238)	(9,691)
+ 5%	(2,726)	(5,032)
- 5%	3,091	5,757
- 10%	6,484	12,050

These variations correspond basically to the impact on operating magnitudes, and not on financial figures, since approximately 97% of Group financial liabilities, in both years, are paid in euros.

#### 27.4 Liquidity risk

The exposure to unfavorable situations of debt markets can make difficult or prevent from hedging the financial needs required for the appropriate development of Group activities.

At December 31, 2015 and 2014, like in prior years, the Group shows negative working capital. This should be read within the context of the Group's activities, which are mostly based on revenues that generate cash every day, resulting in very high cash flows from operations, as observed in the consolidated statement of cash flows. Additionally, the Group obtains very high EBITDA, as shown in the consolidated statement of comprehensive income, which allows it to face debt service without cash difficulties.

Additionally, to manage liquidity risk, the Group applies different measures:

- Diversification of financing sources through the access to different markets and geographical areas. In this regard, the Group has an additional borrowing capacity (see data in Note 16).
- Credit facilities committed for the sufficient amount and flexibility. Accordingly, the Group has available cash and cash equivalents amounting to 115 million euros at December 31, 2015 (2014: 78 million euros), to meet unexpected payments.
- The length and repayment schedule for financing through debt is established based on the financed needs.

In this regard, the Group's liquidity police ensure to meet its payment obligations without requiring the access to funds in costly terms.

Additionally, it is noteworthy that both at Group and individual business level, the Group performs projections regularly on the generation and expected cash needs, in order to determine and monitor the Group's liquidity position.

The relevant information on the maturity dates of financial liabilities based on contractual terms is broken down in Notes 15, 16 and 17.

## 28. CAPITAL MANAGEMENT POLICY

The main objectives of the Group's capital management are to ensure financial stability in the short and long term, appropriate return rates, increased business value and ensure proper and adequate financing of investments and projects to be conducted in a framework of controlled expansion.

The Group's strategy, both in 2015 and 2014, is to enhance the more profitable business and to act decisively on the deficit operations, to significantly improve the results and net cash flows. Control of investments and costs restraint have also been established as a priority action, with satisfactory results.

As stated in Note 15, the contracts entered into in relation to corporate bonds issued include limitations on the payment of dividends. The Company does not intend to distribute dividends in the short to medium term given that the Group policy is not to distribute dividends.

## 29. INFORMATION ON THE AVERAGE PAYMENT PERIOD TO SUPPLIERS. ADDITIONAL PROVISION THREE "DUTY OF DISCLOSURE" OF LAW 15/2010, OF JULY 5

In accordance with the single additional provision included in the Resolution of January 29, 2016 issued by the Spanish Accounting and Audit Institute, on the information to be included in the notes to the financial statements regarding the average payment period to suppliers in commercial transactions made by the Spanish subsidiaries, no comparative information is included, and accordingly, the accompanying 2015 financial statements are considered to be initial financial statements solely for such purposes, regarding the application of the principles of uniformity and comparability.

The information on the average payment period to suppliers is as follows:

	<b>2015</b>
<b>(Days)</b>	
Average payment period to suppliers	26.8
Ratio of transactions paid	29.0
Ratio of transactions pending payment	12.4
<b>(Euros)</b>	
Total payments made	343,421
Total payments outstanding	43,699

## 30. EVENTS AFTER THE BALANCE SHEET DATE

At the date of approval of these financial statements no events worth reporting occurred after the balance sheet date.

### **31. ADDITIONAL NOTE FOR ENGLISH TRANSLATION**

These consolidated financial statements were originally prepared in Spanish. In the event of discrepancy, the Spanish-language version prevails.

These financial statements are presented on the basis of the International Financial Reporting Standards adopted by the European Union which for the purposes of the Group are not different from those issued by the International Accounting Standards Board (IASB). Consequently, certain accounting practices applied by the Group might not conform with generally accepted principles in other countries.

March 31, 2016

## CIRSA GAMING CORPORATION GROUP

### Management Report

Year ended December 31, 2015

Despite the complex economic situation, and the depreciation of some currencies of the Latin American countries (Colombian pesos) in which the Group carries out a significant part of its activity, the Group's operating revenues (net of variable rent) have increased by 245,916 thousand euros (18.2%) during the twelve months of 2015.

EBITDA amounts to 380,009 thousand euros, compared to 328,102 thousand euros in the prior year, which represents a 15.8% increase (+51,907 thousand euros) mainly due to the improvement in the way the Group has managed its business, focusing on achieving profitable growth and consolidating its already existing business activities. In particular, we highlight the performance of the activities in Latin America.

In order to maintain the Group's position of leadership at a domestic level and offer a larger range of products in traditional sectors and in those related to new technologies, the Group has continued, as in previous years, to invest significant level of resources in research and development. This year the total amount allocated for projects carried out by the Group's Research and Development department amounted to 2,535 thousand euros.

The Group's strategy for the future is focused on three objectives:

- to continue to increase EBITDA through cost improvement and management of the mix of revenues.
- productivity programs applied in all the businesses and countries.
- selectively chosen investments, analyzed and conducted strictly.

On May 28, 2004, the parent Company acquired 2.47% of its shares at an acquisition cost of 31,007 thousand euros. On July 13, 2007, the Company transferred 1.55% of its treasury stock to Nortia Business Corporation, S.L. as a consideration for the acquisition of a bunch of slot machine operators. The remaining shares (0.92%) are being held in the treasury stock portfolio.

The Group has not recognized any derivatives or financial instruments in its financial statements that would be significant for measuring its assets, liabilities, financial situation or results.

March 31, 2016

List of subsidiaries

Company	Activity	Percentage of ownership 2015	Percentage of ownership 2014	Investment holder	Business address	City	Province/Country
Administradora de Salas de Juego Alfa, S.A.C.	Casinos	90,00%	90,00%	Gaming And Services, S.A.C.	C/ Mercaderes, 303	Arequipa	Peru
Administradores De Personal En Entretenimiento, SA de CV	Bingos	100,00%	100,00%	Bincamex, S.A. de CV.	Bosque de Duraznos, 61 3B	Mexico City	Mexico
Ajar, S.A.	Bingos	75,00%	75,00%	Global Bingo Corporation, S.A.U.	Av. Muñoz Vargas, 18	Huelva	Huelva
Alfematic, S.A.	Slots	50,00%	50,00%	Cirsa Slot Corporation, S.A.U.	Ctra. Rellinars, 345	Terrassa	Barcelona
Ancon Entertainment, INC.	Casinos	50,00%	50,00%	Cirsa International Gaming Corporation, S.A.U.	Calle 50 y 73 Este San Francisco	Panama City	Panama
Apple Games 2000, S.L.	Slots	49,50%	49,50%	Equatronic, S.A. Comercial de Recreativos Salamanca, S.A.U.	Sequia de Favara, 11	Picanya	Valencia
Apuestas Electrónicas, S.L.U.	Slots	51,00%	-	Orlando Play, S.A.	C/ del Toro, 3	Plasencia	Cáceres
Automáticos Laomar, S.L.U.	Slots	-	51,00%	Interservi, S.A.	C/ Sierra Telar, 40	Viator	Almería
Automáticos Mancheqos, S.L.	Slots	51,00%	51,00%	Juegomatic, S.A.U.	Ctra. Nacional 420, km 286	Juan	Ciudad Real
Automáticos Siglo XXI, S.L.U.	Slots	100,00%	100,00%	Global Bingo Corporation, S.A.U. y Madriñeta de Servicios para el Bingo, S.L.U.	Marfillo, 26	Sevilla	Sevilla
Bar Juegos, S.L.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U. y Madriñeta de Servicios para el Bingo, S.L.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Binale, S.A.	Bingos	100,00%	100,00%	Cirsa International Gaming Corporation, S.A.U.	General Ricardos, 176	Madrid	Madrid
Bincamex, S.A. de C.V.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U.	Cantiú, 9 - 601. Colonia Nueva Anzures	Mexico City	Mexico
Bincano, S.A.U.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U.	Elcano, 30-32	Bilbao	Vizcaya
Bingames, S.A.U.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U.	Ctra. Castellar	Terrassa	Barcelona
Bingaser, A.I.E.	Bingos	100,00%	100,00%	Varios	Fermina Sevillano, 5-7	Madrid	Madrid
Bingos Andalucés, S.A.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U.	Asunción, 3	Sevilla	Sevilla
Bingos Benidorm, S.A.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U.	Plaza Doctor Fleming, s/n	Benidorm	Alicante
Bingos de Madrid Reunidos, S.A.U.	Bingos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Bingos Electronicos De Panamá, S.A.U.	Casinos	100,00%	100,00%	Gaming & Services De Panamá, S.A.U.	Calle 50 y 73 Este San Francisco	Panama	Panama
Bingos Malaqueños, S.A.U.	Bingos	-	100,00%	Sobima, S.A.U.	Pz. Cruz de Humilladero, S/n	Málaga	Málaga
Bihred Madrid, S.A.U.	Bingos	100,00%	100,00%	Sata Versailles, S.A.	C/ Bravo Murillo, 309	Madrid	Madrid
Bumex Land, S.L.U.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U.	Elcano, 30-32	Bilbao	Vizcaya
Capitlan Haya 7, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U. y Global Bingo Stars, S.A.U.	Capitlan Haya, 7	Madrid	Madrid
Casino Buenos Aires, S.A.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation, S.A.U. y Gestión de Juego Integral, S.A.U.	Avda. Elvira Rawson de Dellepiane, s/n	Buenos Aires D.F.	Argentina
Casino Cirsa Valencia, S.A.U.	Casinos	100,00%	100,00%	Global Casino Technology Corporation,	Avda. de las Cortes Valencianas, 59	Valencia	Valencia
Casino de Rosario, S.A.	Casinos	50,00%	50,00%	Casino Buenos Aires, S.A.	C/ Córdoba, 1365, Piso 5 of. 508	Santa Fé-Rosario	Argentina
Casino El Cacique, S.A.U.	Casinos	100,00%	-	Grupo Cirsa De Costa Rica, S.A.U.	C/ 66-A, Sabana Norte, Apartado 249-1007	San José	Costa Rica
Casino Nueva Andalucía Marbella, S.A.U.	Casinos	100,00%	100,00%	Global Casino Technology Corporation,	Ctra. Cadiz-Málaga Km. 180	Marbella	Málaga
Casinos Pajaro Trueno, S.A.U.	Casinos	100,00%	100,00%	Grupo Cirsa De Costa Rica, S.A.U.	C/ 66-A, Sabana Norte, Apartado 249-1007	San José	Costa Rica
Centro de Apuestas, S.A.C.	Casinos	90,00%	90,00%	Gaming And Services, S.A.C.	C/ Mercaderes, 303	Arequipa	Peru
Cirsa+, S.R.L.	Slots	51,00%	51,00%	Cirsaquest, S.P.A.U.	Via Toscana, 31	Buccinasco	Milan
Cirsaecuador, S.A.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation, S.A.U.	Inglaterra E3263 y Ava. Amazonas	Quito	Ecuador
Cirsa Amusement France, S.A.U.	Slots	100,00%	100,00%	Cirsa Slot Corporation, S.L.U.	10 Impasse Leonce Coulture	Toulouse	Francia
Cirsa Caribe, C.A.	Casinos	70,00%	70,00%	Cirsa Venezuela, C.A.U.	Avda. 4 de Mayo, Centro Comercial, Local 41	Porlamar	Venezuela
Cirsa Casino Corporation, S.L.U.	Casinos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Cirsa Estrellas del Caribe, S.A.U.	Casinos	100,00%	-	Grupo Cirsa De Costa Rica, S.A.U.	C/ 66-A, Sabana Norte, Apartado 249-1007	San José	Costa Rica
Cirsa Funding Luxembourg, S.A.U.	Structure	100,00%	100,00%	Grupo Cirsa De Costa Rica, S.A.U.	C/ 66-A, Sabana Norte, Apartado 249-1007	Luxembourg	Luxembourg
Cirsa Gran Entretenimiento De Costa Rica,	Casinos	100,00%	100,00%	Grupo Cirsa De Costa Rica, S.A.U.	Rue Charles Martel, 58	San José	Costa Rica
Cirsa Insular, C.A.U.	Casinos	100,00%	100,00%	Cirsa Venezuela, C.A.U.	C/ 66-A, Sabana Norte, Apartado 249-1007	San José	Costa Rica
Cirsa Interactive Corporation, S.L.U.	Casinos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Estado de Nueva Esparta (Porlamar)	Isla Margarita	Venezuela
Cirsa International Gaming Corporation, S.A.U.	Casinos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Cirsa Italia Holding, S.p.A.U.	Slots	100,00%	100,00%	Cirsa Italia Holding, S.p.A.U.	Ctra. Castellar, 298	Terrassa	Italy
Cirsa Italia, S.p.A.U.	Slots	100,00%	100,00%	Cirsa Italia Holding, S.p.A.U.	Centro Direzionale Milanofiori, Strada 2	Assago (Milan)	Italy
Cirsa Panamá, S.A.U.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation,	Centro Direzionale Milanofiori, Strada 2	Panama City	Panama
Cirsa Servicios Corporativos, S.L.U.	Structure	100,00%	100,00%	Cirsa International Gaming Corporation,	Via Domingo Diaz	Terrassa	Barcelona
Cirsa Slot Corporation, S.A.U.	Slots	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Cirsa Venezuela, C.A.U.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation, S.A.U.	D. Marino, Nueva Esparta, Porlamar	Isla Margarita	Venezuela

List of subsidiaries

Company	Activity	Percentage of ownership 2015	Percentage of ownership 2014	Investment holder	Business address	City	Province/Country
Cirsaest, S.P.A.	Slots	100,00%	100,00%	Cirsa Italia Holding, S.p.A.U.	Centro Direzionale Milanofori, Strada 2	Assago	Italy
Club Privado De Fumadores Nuestro Espacio	Bingos	100,00%	100,00%	Bingos de Madrid Reunidos, S.A.U.	C/ Bravo Murillo, 309	Madrid	Madrid
Comidbal 2000, S. L.	B2B	51,00%	51,00%	Global Manufacturing Corporation, S.L.U.	Pi. Els Bellots, c/ del Aire, 1	Terrassa	Barcelona
Comercial de Desarrollos Electrónicos, S. A.U.	Slots	100,00%	100,00%	Global Game Machine Corporation, S.A.U. Technoappel, S.L.	Pi. Margall, 201	Terrassa	Barcelona
Comercial de Recreativos Salamanca, S.A.U.	Slots	51,00%	51,00%	Global Casino Technology Corporation, S.A.U.	C/ Cuarta, 17 P.I. El Montañavo	Sagrada	Salamanca
Complejo Hotelero Monte Picayo, S.A.U.	Casinos	100,00%	100,00%	Cirsa Slot Corporation, S.A.U.	Complejo Hotelero Monte Picayo	Sagunto	Valencia
Colectic 2000, S.L.U.	Slots	100,00%	-	Cirsa Slot Corporation, S.A.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Desarrollos Inmobiliarios Rocare Del Norte, S.A.U.	Casinos	100,00%	-	Grupo Cirsa De Costa Rica, S.A.U.	C/ 66-A, Sabana Norte, Apartado 249-1007	San José	Costa Rica
Egatronc, S.A.	Slots	51,00%	51,00%	Cirsa Slot Corporation, S.A.U.	C/ del Aire, 1 Pol. Ind. Els Bellots	Terrassa	Barcelona
Egatronc Servicios Centrales, A.I.E.	Slots	37,10%	37,10%	Apple Games 2000, S.L.	C/ del Aire, 1 Pol. Ind. Els Bellots	Terrassa	Barcelona
Electrónicos Radisa, S.L.U.	Slots	100,00%	100,00%	Cirsa Slot Corporation, S.A.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Electrónicos Trujillanos, S.L.U.	Slots	100,00%	100,00%	Global Amusement Partners Corporation, S.A.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Electronolo Firenze, S.R.L.U.	Slots	100,00%	100,00%	Cirsaest, S.P.A.U.	Palazzo D4	Assago	Milan
Entidad Gestora del Bingo Siglo XXI, S.L.U.	B2B	100,00%	100,00%	Cirsa Interactive Corporation, S.L.U.	Sena, nº 2	Sant Cugat del Valles	Barcelona
Ferroteq, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U. y Global Bingo Madrid, S.A.U.	Ferrocarril, 38	Madrid	Madrid
Flamingo Euromatic-100, S.L.U.	Slots	51,00%	51,00%	Oriando Play, S.A.	P.I. La Juada, C/Sierra Tejar, 40	Viator	Almería
Gaming & Services de Panamá, S.A.U.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation, S.A.U.	Corregimiento de San Francisco, calle 50 y 73	Panama City	Panama
Gaming & Services, S.A.C.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation, S.A.U.	Esle	Lima	Peru
Garbimatic, S.L.U.	Slots	50,00%	50,00%	Allematic, S.A.	Ctra. Rellinars, 345	Terrassa	Barcelona
Garrido Player, S.L.U.	Slots	100,00%	-	Cirsa Slot Corporation, S.A.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Gema, S.r.l.U.	Bingos	100,00%	100,00%	Cirsa Slot Corporation, S.A.U.	D4	Assago (Milan)	Italy
Genper, S.A.U.	Slots	100,00%	100,00%	Cirsa International Gaming Corporation, S.A.U.	Pi i Margall, 201	Terrassa	Barcelona
Gestión de Bingos Gobyán, S.A.U.	Bingos	100,00%	100,00%	Global Game Machine Corporation, S.A.U.	Pza. de la Iglesia, 10	Sta. C. de Tenerife	Tenerife
Gestión del Juego Integral, S.A.U.	Casinos	100,00%	100,00%	International Bingo Technology, S.A.U.	Ctra. Castellar, 298	Terrassa	Barcelona
Gestora de Inversiones Cobiman, S.L.U.	Slots	51,00%	51,00%	Interservi, S.A.	Ctra. Nacional 420, km 286	Juan	Ciudad Real
Global Amusement Partners Corporation, S.A.U.	Slots	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Global Betting Aragón, S.L.U.	Slots	100,00%	100,00%	Global Game Machine Corporation, S.A.U.	C/ Jaime Ferran, 5 Pol. Ind. La Coquilada	Zaragoza	Zaragoza
Global Bingo Madrid, S.A.U.	Bingos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Global Bingo Stars, S.A.U.	Bingos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Global Casino Technology Corporation, S.A.U.	Casinos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Global Casino Technology Corporation, S.A.U.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U. y Global Bingo Madrid, S.A.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Global Game Machine Corporation, S.A.U.	Slots	100,00%	100,00%	Cirsa Slot Corporation, S.A.U.	Pi i Margall, 201	Terrassa	Barcelona
Global Gaming Corporation Russia, S.L.U.	Slots	100,00%	100,00%	Cirsa Slot Corporation, S.A.U.	Ctra. Castellar, 298	Terrassa	Barcelona
Global Gaming, S.A.U.	Casinos	100,00%	100,00%	Winner Group, S.A.	Calle 38 Norte, 6 N-35	Call	Colombia
Global Manufacturing Corporation, S.L.U.	B2B	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Goldenplay, S.L.U.	Slots	51,00%	51,00%	Oriando Play, S.A.	German Bernacer, 22 P. i. Elche Parque Ind.	Elche	Alicante
Gonmatic, S.L.U.	Slots	100,00%	100,00%	Cirsa Slot Corporation, S.A.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Gran Casino de las Palmas, S.A.U.	Casinos	100,00%	100,00%	Global Casino Technology Corporation, S.A.U.	c/ Suarez Naranjo, 45	Las Palmas	Gran Canaria
Grasplat, S.A.U.	Bingos	100,00%	100,00%	Telma Enea, S.L.U.	Av. Generalitat, 6	Sta. Coloma	Barcelona
Grupo Cirsa De Costa Rica, S.A.U.	Casinos	100,00%	-	Cirsa International Gaming Corporation, S.A.	C/ 66-A, Sabana Norte, Apartado 249-1007	San José	Costa Rica
Hispania Investment, S.A.U.	Structure	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. de Castellar, 338	Terrassa	Barcelona
Hostebar 98, S.L.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U. y Madriñeta de Servicios para el Bingo, S.L.U.	Ferrocarril, 38	Madrid	Madrid
Iber Matic Games, S.L.	Slots	51,00%	51,00%	Cirsa Slot Corporation, S.A.U.	C/ Jaime Ferran, 2-4	Zaragoza	Zaragoza
Integración Inmobiliaria World de Mexico, S.A.	Bingos	100,00%	100,00%	Promociones e Inversiones de Guerrero, S.A.P.I. De C.V.	c/ Guillermo Gonzalez Camarena 600 Piso 8	Mexico City	Mexico
De C.V.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U.	Pi i Margall, 201	Terrassa	Barcelona
International Bingo Technology, S.A.U.	B2B	100,00%	100,00%	Cirsa Casino Corporation, S.L.U.	Ctra. Castellar, 298	Terrassa	Barcelona
International Gaming Manufacturing, S.L.U.	Slots	51,00%	51,00%	Egatronc, S.A.	C/ Francia, 26 y 27	Puerto Real	Cádiz

List of subsidiaries

Company	Activity	Percentage of ownership 2015	Percentage of ownership 2014	Investment holder	Business address	City	Province/Country
Intersevi, S.A.	Slots	51,00%	51,00%	Cirsa Slot Corporation, S.A.U.	Ctra. Nacional 420, km 289	Juan	Ciudad Real
Inversiones Interactivas, S.A.	Casinos	70,00%	70,00%	Orbis Development, S.A.U.	C/ 57 y Avenida Obarrio	Panama City	Panama
Investment & Securities Panama, S.A.U.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation,	Ctra. Castellar, 298	Terrassa	Barcelona
Ivisa - Casino Buenos Aires, U.T.E.	B2B	100,00%	100,00%	Casino Buenos Aires, S.A.	C/ Adolfo Alsina, 1729 P.B.	Buenos Aires	Argentina
Jesali, S.A.U.	Casinos	100,00%	100,00%	Complejo Hotelero Monte Picavo, S.A.U.	Complejo Hotelero Monte Picavo	Saquíno	Valencia
Juegomatic, S. A.U.	Slots	100,00%	100,00%	Global Game Machine Corporation, S.A.U.	Av. Velázquez, 91	Málaga	Málaga
Juegos y Bingos, S.A.U.	Bingos	-	100,00%	International Bingo Technology, S.A.U.	Entenza, 96 bajos	Barcelona	Barcelona
Juegos Del Oeste, S.L.U.	Slots	51,00%	-	Apuestas Electrónicas, S.L.U.	C/ del Toros, 3	Plasencia	Cáceres
La Barra Ancon, S.A.U.	Casinos	50,00%	50,00%	Ancon Entertainment, Inc	Calle 50 y 73 Este San Francisco	Panama City	Panama
La Barra Panama, S.A.U.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation, S.A.U.	Calle 50 y 73 Este San Francisco	Panama City	Panama
La Cafeteria del Bingo, S.L.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U.	Asunción, 3	Sevilla	Sevilla
La Selva Inversiones, S.A.C.	Casinos	90,00%	90,00%	Gaming And Services, S.A.C.	Hotel Atlantic Palace Secteur balneaire et touristique	Tambopala	Peru
Les Loisirs Du Paradis, S.A.R.L.U.	Casinos	82,00%	-	Resort Paradise AB	Ctra. Castellar, 298	Aqadir	Morocco
Lighthouse International 21, S.L.	Slots	100,00%	100,00%	Cirsa Slot Corporation, S.L.U.	Gran Passaig de Ronda, 87	Terrassa	Barcelona
Lisa Azul, S.A.U.	Bingos	100,00%	100,00%	Bingames, S.A.U.	Ctra. de Castellar, 298	Terrassa	Lleida
Mabel 95, S.L.U.	Slots	100,00%	100,00%	Global Game Machine Corporation, S.A.U.	Ctra. de Castellar, 298	Terrassa	Barcelona
Macroluegos, S.A.	Bingos	51,00%	51,00%	International Bingo Technology, S.A.U.	Dionisio Guardiola, 34	Albacete	Albacete
Madridña de Servicios para el Bingo, S.L.U.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U.	Femina Sevillano, 5-7	Madrid	Madrid
Maquillero, S.L.U.	Slots	100,00%	-	Cirsa Slot Corporation, S.A.U.	Femina Sevillano, 5-7	Madrid	Madrid
Marchamatic Indalo, S.L.U.	Slots	51,00%	51,00%	Oriando Play, S.A.	C/ Sierra Telar, 40	Viator	Almeria
Moniri, S.A.U.	Slots	51,00%	51,00%	Iber Matic Games, S.L.	C/ Rambla, 49	Barcelona	Barcelona
Multicasino, S.A.	Casinos	50,00%	50,00%	Gaming & Services de Panamá, S.A.U.	Calle 50, Calle 73 Este	Panama City	Panama
New Laomar, S.L.U.	Slots	51,00%	51,00%	Oriando Play, S.A.	c/Sierra Telar, 40	Viator	Almeria
Nightfall Construccions, S.R.L.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation, S.A.U.	Avda. Abraham Lincoln	Santo Domingo	Dominican Republic
Oper Ibiza, S.L.	Slots	51,00%	-	Cirsa Slot Corporation, S.A.U.	C/ dels Lauradors, 45	Sant Antoni de Portmany	Balearic Islands
Operación Banhsai, S.A.U.	Casinos	100,00%	-	Grupo Cirsa De Costa Rica, S.A.U.	C/ 66-A, Sabana Norte, Apartado 249-1007	San Carlos	Costa Rica
Operador Internacional de Recreativos, S.A.	Slots	51,00%	51,00%	Cirsa Slot Corporation, S.L.U.	C/ Colom	Gijón	Asturias
Oporto Juegos, S.A.U.	Bingos	100,00%	100,00%	Global 5 Estrellas, S.A.	Av. Oporto, 4	Madrid	Madrid
Orbis Development, S.A.U.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation,	Swiss Tower, 16th floor, World Trade Center	Panama City	Panama
Oriando Italia, S.r.l.	Slots	51,00%	51,00%	Oriando Play, S.A.	Milano Fiori, Strada 2, Palazzo D4	Assago	Italy
Oriando Play, S.A.	Slots	51,00%	51,00%	Global Game Machine Corporation, S.A.U.	Sierra Telar, 40 P.I. La Juajida	Viator	Almeria
Patterson Lake Business Services, S.A.U.	Casinos	-	100,00%	Grupo Cirsa De Costa Rica, S.A.U.	C/ 66-A, Sabana Norte, Apartado 249-1007	San José	Costa Rica
Playcat, S.A.U.	Bingos	100,00%	100,00%	Bingames, S.A.U.	Cádiz, 1	Terrassa	Barcelona
Pol Management Corporation, B.V. U.	Slots	100,00%	100,00%	Cirsa International Gaming Corporation,	Emancipatie Boulevard 29 New Haven e-Zone	Curacao	The Netherlands
Princesa 31, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U. y Bingos de Madrid Reunidos, S.A.U.	Princesa, 31	Madrid	Madrid
Promociones e Inversiones de Guerrero, S.A.P.I. de C.V.	Bingos	100,00%	100,00%	Bincamex, S.A. de CV,	Bosque de Duraznos, 61 3 b, Bosques Lomas	Mexico City	Mexico
Promociones Tauro, S.L.U.	Slots	100,00%	100,00%	Global Game Machine Corporation, S.A.U.	Mantillo, 26	Sevilla	Sevilla
Push Games, S.L.U.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U.	Ctra. Castellar, 298	Terrassa	Barcelona
Recreativos Arranz, S.L.U.	Slots	100,00%	100,00%	Cirsa Slot Corporation, S.L.U.	Femina Sevillano, 5-7	Madrid	Madrid
Recreativos Manchegos, S.L.U.	Slots	51,00%	51,00%	Intersevi, S.A.	Ctra. Nacional 420, Km 286	Juan	Ciudad Real
Recreativos Martos, S.L.U.	Slots	100,00%	100,00%	Global Game Machine Corporation, S.A.U.	Ctra. De Castellar, 298	Terrassa	Barcelona
Recreativos Ocotmar Levante, S.L.U.	Slots	51,00%	51,00%	Oriando Play, S.A.	Ctra. De Castellar, 298	Terrassa	Barcelona
Recreativos Panaemi, S.L.U.	Slots	51,00%	51,00%	Oriando Play, S.A.	c/ German Bernacer, 22 P.I. Elche	Murcia	Murcia
Recreativos Rodas, S.A.U.	Slots	100,00%	100,00%	Genper, S.A.U.	German Bernacer, 22 P.I. Elche Parque Ind.	Elche	Alicante
Red de Bingos Andaluces, A.I.E.	Bingos	54,00%	54,00%	Varios	Mantillo, 26	Sevilla	Sevilla
Red de Interconexión de Andalucía, S.L.U.	B2B	100,00%	100,00%	Cirsa Interactive Corporation, S.L.U.	Mantillo, 26	Sevilla	Sevilla
Red de salones de Aragón, S.L.U.	B2B	100,00%	100,00%	Cirsa Interactive Corporation, S.L.U.	Ctra. De Castellar, 298	Terrassa	Barcelona

List of subsidiaries

Company	Activity	Percentage of ownership 2015	Percentage of ownership 2014	Investment holder	Business address	City	Province/Country
Resort Paradise AB	Casinos	82.00%	-	Cirsa International Gaming Corporation, S.A.U.	Box, 1432	Stockholm	Sweden
Romgar, S.L.	Bingos	100.00%	100.00%	Telma Enea, S.L.U.	Cayetano del Toro, 23	Cádiz	Cádiz
S.A. Exploradora de Recreativos	Slots	61.40%	61.40%	Cirsa Slot Corporation, S.A.U.	C/ del Aire, 1 Pol. Ind. Els Bellots	Terrassa	Barcelona
Sadeju, S.L.U.	Bingos	65.00%	65.00%	Telma Enea, S.L.U.	c/ Carlota Alexandre, 106	Torremolinos	Málaga
Sala Valencia, S.A.	Bingos	50.00%	50.00%	Global Bingo Corporation, S.A.U.	Cuenca, 20	Valencia	Valencia
Sala Versailles, S.A.	Bingos	100.00%	100.00%	Global Bingo Corporation, S.A.U. y Global Bingo Stars, S.A.U.	Bravo Murillo, 309	Madrid	Madrid
Salón de Juegos Portal, S.A.	Casinos	90.00%	90.00%	Gaming And Services, S.A.C.	C/ Mercaderes, 303	Arequipa	Peru
Savoy Slot Machines, S.A.C.	Casinos	90.00%	90.00%	Gaming And Services, S.A.C.	C/ Dean Valdivia, 208	Arequipa	Peru
SCB Almirante Dominicana, S.R.L	Casinos	100.00%	100.00%	Cirsa International Gaming Corporation, S.A.U.	Av. A. Lincoln, 403, La Julia	Santo Domingo	Dominican Republic
SCB Anil Dominicana, S.R.L.	Casinos	100.00%	100.00%	Cirsa International Gaming Corporation, S.A.U.	Av. Máximo Gómez / Avda. 27 Febrero	Santo Domingo	Dominican Republic
SCB del Caribe, S.A.U.	Casinos	-	100.00%	Cirsa International Gaming Corporation, S.A.U.	C/ 53 Urb. Obarrio Swiss Tower, Piso 16	Panama City	Panama
SCB Grand Victoria Dominicana, SRL	Casinos	100.00%	-	Cirsa International Gaming Corporation, S.A.U.	Avda. Abraham Lincoln	Santo Domingo	Dominican Republic
SCB Hispaniola Dominicana, S.R.L.	Casinos	100.00%	100.00%	Cirsa International Gaming Corporation, S.A.U.	Av. A. Lincoln /Correa y Citron	Santo Domingo	Dominican Republic
SCB Malecon Dominicana, S.A.	Casinos	100.00%	100.00%	Cirsa International Gaming Corporation, S.A.U.	Av. George Washington, centro comercial Malecon	Santo Domingo	Dominican Republic
SCB Margarita, C.A.U.	Casinos	100.00%	100.00%	Cirsa International Gaming Corporation, S.A.U.	Estado de Nueva Esparta (Portlamar)	Isia Marqarita	Venezuela
Servicios Especializados Del Juego, S.A. De C.V.	Bingos	100.00%	100.00%	BincaMex, S.A. de CV.	Bosque de Duraznos, 61 3B	Mexico City	Mexico
Servicios Integres del Juego, A.I.E.	Structure	100.00%	100.00%	Varios	Ctra. Castellar, 298	Terrassa	Barcelona
SGR, S.R.L.	Slots	-	100.00%	CirsaGest, S.P.A.U	Via Bravanti, 7	Piacenza	Italy
Slot Games Online, S.L.	Bingos	100.00%	100.00%	Cirsa Slot Corporation, S.A.U.	Ctra. De Castellar, 298	Terrassa	Barcelona
Sobima, S.A.U.	Bingos	100.00%	100.00%	International Bingo Technology, S. A.U.	Av. Velázquez 91-93	Málaga	Málaga
Sobrequas, S.A.	Casinos	100.00%	100.00%	Casino Buenos Aires, S.A.	Av. Alicia Moreau de Justo, 1960, 1º, ofic 102	Buenos Aires	Argentina
Social Games Online, S.L.	Structure	-	100.00%	Global Manufacturing Corporation, S.L.U.	Medes, 4 -6	Barcelona	Barcelona
Sodemar, S.L.U.	Bingos	100.00%	100.00%	Telma Enea, S.L.U.	Sacramento, 16 duplicado	Cádiz	Cádiz
Sternal Bay, Venezuela, C.A.U	B2B	100.00%	100.00%	Cirsa Interactive Corporation, S.L.U.	Avda. Fco. de Miranda	Caracas	Venezuela
Techlotto Co., Ltd.U.	E2B	51.00%	100.00%	Red de Interconexión de Andalucía, S.L.U.	33, Youido-Dong, Yeondeungpo-Gu	Seoul	South Korea
Technoc, S.L.U.	Slots	51.00%	51.00%	Eqartonic, S.A.	Gremio de Jaboneros, 3B Pol. Son Castello	Palma de Mallorca	Mallorca
Tecnoappi, S.L.	Slots	51.00%	51.00%	Cirsa Slot Corporation, S.A.U.	Pol Ind Campolano, calle B1	Albacete	Albacete
Tefle, S.A.U.	Bingos	100.00%	100.00%	Global Bingo Corporation, S.A.U.	Tenor Flea, 57	Zaragoza	Zaragoza
Telma Enea, S.L.U.	Bingos	100.00%	100.00%	Casino Buenos Aires, S.A.	Sevilla, 10-14	Frontera	Cádiz
Traylon, S.A.	Casinos	55.00%	55.00%	Grupo Cirsa De Costa Rica, S.A.U.	Avda. Elvira Rawson de delleplane, s/h	Buenos Aires	Argentina
Tres Rios Hotiela Carpintera, S.A.U.	Casinos	100.00%	-	Cirsa Gaming Corporation, S.A.	Ccclom	San José	Costa Rica
Uniplay, S.A.U.	Slots	100.00%	100.00%	Cirsa Gaming Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Universal de Desarrollos Electrónicos, S.A.	B2B	100.00%	100.00%	Global Amusement Partners Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Urban Leisure, S.L.	Slots	75.00%	32.00%	Global Amusement Partners Corporation, S.A.	Ctra. Rellinars, 345	Terrassa	Barcelona
Verneda 90, S.A.U.	Bingos	100.00%	100.00%	International Bingo Technology, S.A.U.	Gupuzcoa, 70	Barcelona	Barcelona
Winner Group, S.A.	Casinos	50.01%	50.01%	Investments & Securities Panama, S.A.U.	Calle 90, nº 19c-32, Oficina 401	Bootá DC	Colombia
Yumbo San Fernando, S.A.	Bingos	60.00%	60.00%	Bingames, S.A.U. y Global Bingo Corporation, S.A.U.	San Fernando, 48	Santander	Cantabria

List of joint operations

Company	Activity	Percentage of ownership 2015	Percentage of ownership 2014	Investment holder	Business address	City	Province/Country
CBA-CIESA, UTE Magic Star, S.A. - Casino Buenos Aires, S.A. UTE	Casinos Casinos	50,00% 50,00%	45,00% 33,30%	Casino Buenos Aires, S.A. Casino Buenos Aires S.A.	Avda. Rawson de Dellepiane, s/n C/ Elvira Rawson de Dellepiane, s/n	Buenos Aires Buenos Aires	Argentina Argentina

List of associates

Company	Activity	Percentage of ownership 2015	Percentage of ownership 2014	Investment holder	Business address	City	Province/Country
Alavera, S.A.	Casinos	50,00%	50,00%	Casino Buenos Aires S.A.	Av. Eivira Rawson de Delleplane, s/n,	Buenos Aires	Argentina
Andy Games, S.R.L.	Slots	25,50%	25,50%	Royal Games, S.R.L.	Dársena Sur	Milan	Italy
AOG, S.r.l.	Bingos	50,00%	50,00%	Cirsa International Gaming Corporation, S.A.U. y Gema Srl. U.	Comune di Milano Via Galileo Galilei, 20	Silea (TV)	Italy
Ativ, S.A.	B2B	50,00%	50,00%	Cirsa International Gaming Corporation, S.A.U.	RioBamba, 927, 14-E	Buenos Aires	Argentina
Audiovisual Fianzas, S.G.R.	Structure	35,23%	35,23%	Varios	c/ Luis Buituel, 2 2ª	Madrid	Madrid
Binbáres, S.A.	Casinos	33,33%	33,33%	Cirsa International Gaming Corporation, S.A.	Pinamar	Pinamar	Argentina
Binelec, S.L.	B2B	50,00%	50,00%	Universa! de Desarrollos Electrónicos, S.A.	Atenas, 45	Málaga	Málaga
Bingo Amico, S.r.l.	Bingos	50,00%	50,00%	Gema, S.r.l.U.	Pz. Ferrel, 55 A	Mestre	Italy
Bingo Electrónico de Euskadi, S.L.	Bingos	-	25,00%	Play to Win, S.L.	C/ Antonio Cabezon, 89	Madrid	Madrid
Bingo Electrónico de México, S.L. De C.V.	Bingos	-	50,00%	Play To Win, S.L.	Lago Ladoga, 216 colonia Modelo	Mexico City	Mexico
Binsavo, S. A.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U.	Ruiz Morote, 5	Juan	Ciudad Real
Canaria de Explotaciones Recreativas y de Juego, S.L.	Bingos	-	50,00%	Play To Win, S.L.	C/ León y Casifllo, 244 Pl 7 Dpto. 703	Las Palmas G.C.	Gran Canaria
Casino de Asturias, S.A.	Casinos	40,00%	40,00%	Global Casino Technology Corporation, S.A.U.	Edif. Bellavista	Gijón	Asturias
Casino la Toja, S.A.	Casinos	50,00%	50,00%	Global Casino Technology Corporation, S.A.U.	Nava, 8	El Grove	Pontevedra
Cirsa Digital, S.A.U.	Slots	50,00%	50,00%	Sportium Apuestas Deportivas, S.A.	Isia de La Toja	Terrassa	Barcelona
Cludeen, S.L.	B2B	50,00%	50,00%	Universa! de Desarrollos Electrónicos, S.A.	C/ Enrique Marifias, 36 planta 5 local 1B	A Coruña	A Coruña
Compañia Europea de Salones Recreativos, S.L.	B2B	20,00%	20,00%	Universa! de Desarrollos Electrónicos, S.A.	C/ Toledo, 137	Madrid	Madrid
Competiciones Deportivas, S.A.	Casinos	50,00%	50,00%	Gaming & Services de Panamá, S.A.U.	Calle 50 y 73 Este San Francisco	Panama	Panama
Digital Gaming México, S.A.P.I.	Slots	65,00%	65,00%	Sportium Apuestas Deportivas, S.A.	Bosque de Duraznos, 61 3 b,	Mexico City	Mexico
Emiucasa, S.A.	Casinos	50,00%	50,00%	Cirsa International Gaming Corporation, S.A.U.	Bosques Lomas	Buenos Aires	Argentina
Enjoy With Us, S.L.	Bingos	-	50,00%	Play To Win, S.L.	Bacacay, 2789 piso 5-20	Madrid	Madrid
Extrêmea de explotaciones recreativas y de juego, S.L.	Bingos	-	50,00%	Play To Win, S.L.	C/Antonio Cabezon, 89	Madrid	Madrid
Giochigenova, S.R.L.	Slots	50,00%	50,00%	CirsaGest, S.P.A.	C/Antonio de Cabezón, 89	Genoa	Italy
Gironina de Bingos, S.L.	Bingos	20,60%	20,60%	International Bingo Technology, S.A.U.	Via Col Dino, 6	Barcelona	Barcelona
Intesa Giochi, S.R.L.U.	Slots	-	50,00%	Royal Games, S.R.L.	Via Laretana, 51	Milan	Italy
Juegos San José, S. A.	Bingos	47,50%	47,50%	Global Bingo Corporation, S.A.U.	Via Casali Felice, 32	Las Palmas G.C.	Gran Canaria
Madriñena de Explotaciones Recreativas y de Juego, S.A.	Bingos	-	50,00%	Play To Win, S.L.	General Mas De Gaminde, 47 Bajos	Madrid	Madrid
Majestic Food Services, S.A.U.	Casinos	50,00%	50,00%	Gaming & Services de Panamá, S.A.U.	C/Antonio de Cabezón, 89	Panama City	Panama
Mediterranea de explotaciones recreativas y de juego, S.L.	Bingos	-	50,00%	Play To Win, S.L.	Calle 50, Calle 73 Este	Madrid	Madrid
Meironia CR, S.A.	Bingos	-	50,00%	Play To Win, S.L.	C/Antonio de Cabezón, 89	Tibas	Costa Rica
Meironia Panama, S.A.	Bingos	-	50,00%	Play To Win, S.L.	San José-Tibas San Juan 100m norte	Panama	Panama
Metroservi Andalucía de Salones, S.L.	Bingos	25,00%	25,00%	Global Bingo Corporation, S.A.U.	Av. Barboo Edif.Bay Hall Plaza	Sevilla	Sevilla
Montecarlo Andalucía, S.L.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U.	C/ Rastrillo, 4	Sevilla	Sevilla
Opa Services, S.r.l.	Bingos	30,00%	30,00%	A.O.G., S.r.l.	Av. Cruz del Campo, 49	Roma	Italia
Operadora de Explotaciones Recreativas y de Juego, S.L.	Bingos	-	50,00%	Play To Win, S.L.	Torricella, 11	Madrid	Madrid
Ovidio Collado, S.L.U.	Slots	50,00%	50,00%	Recreativos Pozuelo, S.L.	Antonio Cabezon, 89	Alarcón	Madrid
Play to Win, S.L.	Bingos	-	50,00%	Global Bingo Corporation, S.A.U.	C/ Costanilla del Olivar, 2	Madrid	Madrid
Polispace, S.L.U.	B2B	50,00%	50,00%	Binelec, S.L.	Atenas, 45	Málaga	Málaga
Recreativos Pozuelo, S.L.	Slots	50,00%	50,00%	Global Amusement Partners Corporation, Varios	C/Costanilla del Olivar, 2	Alarcón	Madrid
Recreativos Trece, S.L.	Slots	32,00%	32,00%	Global Amusement Partners Corporation, Varios	C/ra. Rellinars, 345	Terrassa	Barcelona
Red de Juegos y Apuestas de Madrid, S.A.	Bingos	40,00%	40,00%	Royal Games, S.R.L.	C/Evaristo San Miquel, 2	Madrid	Madrid
Royalbet, S.R.L.	Slots	47,50%	47,50%	CirsaGest, S.P.A.	Via Rismondo, 4	Pavia	Italy
Royal Games, S.R.L.	Slots	50,00%	50,00%	CirsaGest, S.P.A.	Via F. Rismondo, nº 4	Pavia	Italy
Serdisga 2000, S. L.	B2B	50,00%	50,00%	Global Manufacturing Corporation, S.L.U.	Av. Finisterre, 283	La Coruña	La Coruña

List of associates

Company	Activity	Percentage of ownership 2015	Percentage of ownership 2014	Investment holder	Business address	City	Province/Country
Silver Cup Gaming, Inc.	Casinos	50,00%	50,00%	Cirsa Panamá, S.A.U.	Este	Panamá City	Panamá
Sportium Apuestas Catalunya, S.A.U.	Slots	50,00%	50,00%	Sportium Apuestas Deportivas, S.A.	C/ Sena, 2	Sant Cugat Del Valles	Barcelona
Sportium Apuestas Aragon, S.L.U.	Slots	50,00%	50,00%	Sportium Apuestas Deportivas, S.A.	C/ Jaime Ferrán, 5	Zaragoza	Zaragoza
Sportium Apuestas Asturias, S.A.U.	Slots	50,00%	-	Sportium Apuestas Deportivas, S.A.	C/ B. Parcela 45B pol. Int. Asipo	Cayes - Lanera	Asturias
Sportium Apuestas Canarias, S.L.U.	Slots	50,00%	50,00%	Sportium Apuestas Deportivas, S.A.	C/ Garcia Moriato, 1	Teide	Gran Canaria
Sportium Apuestas Castilla La Mancha, S.L.U.	Slots	50,00%	50,00%	Sportium Apuestas Deportivas, S.A.	C/ Santa Maria, 10 -12	Madrid	Madrid
Sportium Apuestas Deportivas, S.A.	Slots	50,00%	50,00%	Cirsa Slot Corporation, S.L.U.	C/ Santa Mª Magdalena, 10-12	Madrid	Madrid
Sportium Apuestas Galicia, S.L.U.	Slots	50,00%	50,00%	Sportium Apuestas Deportivas, S.A.	C/ Don Pedro, s/n	de la Toja	Pontevedra
Sportium Apuestas Levante, S.A.U.	Slots	50,00%	50,00%	Sportium Apuestas Deportivas, S.A.	c/ Ronda Guglielmo Marconi, 11	Palerna	Valencia
Sportium Apuestas Melilla, S.L.U.	Slots	50,00%	-	Sportium Apuestas Deportivas, S.A.	Avda. Candido Lobera, 5 Alíco 3	Melilla	Melilla
Sportium Apuestas Navarra, S.A.U.	Slots	50,00%	50,00%	Sportium Apuestas Deportivas, S.A.	Avda. Barañain, 27 1º A	Pamplona	Navarra
Sportium Apuestas Oeste, S.A.U.	Slots	50,00%	50,00%	Sportium Apuestas Deportivas, S.A.	C/ Nevero Doce, Parcela 21	Badajoz	Badajoz
Sportium Apuestas Panama, S.A.	Slots	60,00%	-	Sportium Apuestas Deportivas, S.A.	Corregimiento de San Francisco, calle 50 y 73 Este	Panamá	Panamá
Sportium Zona Norte, S.A.U.	Slots	50,00%	50,00%	Sportium Apuestas Deportivas, S.A.	C/ Las Balsas, 20 nave 49	Logroño	Logroño
Tejelin, S.A.U.	Bingos	47,50%	47,50%	Juegos San José, S.A.	General Mas De Gaminde, 47 Bajos	Las Palmas G.C.	Gran Canaria
TirrenoGames, SRL	Slots	50,00%	50,00%	CirsaGest, S.P.A.	Via Orosei, s/n	(Cascina)	Italy
Vasca de Explotaciones y de Juego, S.L.	Bingos	-	50,00%	Play To Win, S.L.	C/Antonio de Cabezón, 89	Madrid	Madrid



**INDEPENDENT AUDIT REPORT**

**CIRSA GAMING CORPORATION GROUP**  
**Consolidated Financial Statements and Consolidated Management Report**  
**for the year ended**  
**December 31, 2014**

Translation of a report and consolidated financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

## INDEPENDENT AUDIT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Cirsa Gaming Corporation, S.A.:

### Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Cirsa Gaming Corporation, S.A. (the parent company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position at December 31, 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement, and the notes thereto for the year then ended.

### *Directors' responsibility for the consolidated financial statements*

The directors of the parent company are responsible for the preparation of the accompanying consolidated financial statements so that they give a true and fair view of the consolidated equity and consolidated financial position and the consolidated results of Cirsa Gaming Corporation, S.A. and its subsidiaries, in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, and other provisions in the regulatory framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's responsibility*

Our responsibility is to express an opinion on the accompanying consolidated financial statements based on our audit. We conducted our audit in accordance with prevailing audit regulations in Spain. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of consolidated financial statements by the directors of the parent company in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

#### Ernst & Young, S.L.

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#### Cortés & Pérez Auditores y Asesores Asociados, S.L

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N.º I. F. B-08770002

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of Cirsa Gaming Corporation, S.A. and its subsidiaries at December 31, 2014, and its consolidated results and consolidated cash flow for the year then ended, in accordance with IFRS, as adopted by the EU, and other provisions in the regulatory framework for financial information applicable in Spain.

**Report on other legal and regulatory requirements**

The accompanying consolidated 2014 management report contains such explanations as the directors of the parent company consider appropriate concerning the situation of the Group, the evolution of its business and other matters; however, it is not an integral part of the consolidated financial statements. We have checked that the accounting information included in the aforementioned consolidated management report agrees with the 2014 consolidated financial statements. Our work as auditors is limited to verifying the consolidated management report in accordance with the scope mentioned in this paragraph, and does not include the review of information other than that obtained from the accounting records of Cirsa Gaming Corporation, S.A. and its subsidiaries.

ERNST & YOUNG, S.L.  
(Signature on the original in Spanish)

CORTÉS, PÉREZ & CIA. AUDITORES, S.L.P.  
(Signature on the original in Spanish)

\_\_\_\_\_  
Lorenzo López Carrascosa

\_\_\_\_\_  
Jaume Cetrà Oliva

April 10, 2015

## **Cirsa Gaming Corporation Group**

**Consolidated Financial Statements for the year ended December 31, 2014 in conformity with the international financial reporting standards adopted by the European Union (IFRS-EU) and Consolidated Management Report**

*(Translation of Consolidated Financial Statements and Consolidated Management Report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails)*

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- Consolidated statement of financial position at December 31, 2014 and 2013
- Consolidated statement of comprehensive income for the years ended December 31, 2014 and 2013
- Consolidated statement of changes in equity for the years ended December 31, 2014 and 2013
- Consolidated statement of cash flows for the years ended December 31, 2014 and 2013
- Notes to the consolidated financial statements for the year ended December 31, 2014

### Consolidated Management Report

Appendix Consolidation perimeter at December 31, 2014 and 2013

Cirsa Gaming Corporation Group  
Consolidated statement of financial position at December 31

**ASSETS**

(Thousands of euros)	Notes	2014	2013 Restated	January 1, 2013 Restated
<b>Non-current assets</b>		<b>1,376,238</b>	<b>956,221</b>	<b>942,338</b>
Goodwill	5	131,896	144,595	174,187
Other intangible assets	6	406,327	178,259	106,750
Property, plant and equipment	7	578,048	303,277	327,581
Investments accounted for using the equity method	8	69,924	116,340	130,582
Financial assets	9	104,635	117,016	127,813
Deferred tax assets	19.4	85,408	96,734	75,425
<b>Current assets</b>		<b>338,292</b>	<b>280,154</b>	<b>278,344</b>
Inventories	12	12,939	12,037	10,181
Trade and other receivables	9	183,494	182,312	179,335
Other financial assets	9	53,511	34,380	41,133
Other current assets		9,963	5,509	6,950
Cash and cash equivalents	13	78,385	45,916	40,745
<b>Total assets</b>		<b>1,714,530</b>	<b>1,236,375</b>	<b>1,220,682</b>

**EQUITY AND LIABILITIES**

(Thousands of euros)	Notes	2014	2013 Restated	January 1, 2013 Restated
<b>Equity</b>		<b>119,617</b>	<b>(31,643)</b>	<b>14,113</b>
Share capital	14.1	24,577	24,577	24,577
Share premium		9,500	9,500	9,500
Treasury shares	14.2	(184)	(184)	(184)
Retained earnings	14.3	(8,678)	43,320	54,274
Translation differences		(211,121)	(181,831)	(139,708)
Profit (loss) for the year attributable to equity holders of the parent		55,927	(13,133)	169
Non-controlling interests	14.4	249,596	86,108	65,485
<b>Non-current liabilities</b>		<b>1,224,116</b>	<b>957,416</b>	<b>853,208</b>
Bonds	15	891,208	764,720	663,844
Bank borrowings	16	109,394	89,259	107,825
Other creditors	17	39,612	33,461	23,279
Provisions	18	19,629	21,680	18,497
Deferred tax liabilities	19.4	164,273	48,296	39,763
<b>Current liabilities</b>		<b>370,797</b>	<b>310,602</b>	<b>353,361</b>
Bonds	15	6,034	5,290	4,644
Bank borrowings	16	49,250	36,118	32,952
Trade payables		135,050	109,191	123,929
Other creditors	17	154,315	141,279	164,020
Current income tax payable	19.2	26,148	18,724	27,816
<b>Total equity and liabilities</b>		<b>1,714,530</b>	<b>1,236,375</b>	<b>1,220,682</b>

**Cirsa Gaming Corporation Group**  
**Consolidated statement of comprehensive income**  
**for the years ended December 31**

<b>(Thousands of euros)</b>	<b>Notes</b>	<b>2014</b>	<b>2013 (restated)</b>
Gaming income		1,641,326	1,434,877
Other operating revenues		116,569	109,816
Bingo prizes		(166,372)	(174,603)
<b>Total operating revenues</b>		<b>1,591,523</b>	<b>1,370,090</b>
Variable rent		(238,088)	(209,293)
<b>Net operating revenues from variable rent</b>	<b>3.1</b>	<b>1,353,435</b>	<b>1,160,797</b>
Consumptions		(55,924)	(61,037)
Personnel	21.1	(246,042)	(199,801)
Supplies and external services	21.2	(253,019)	(222,340)
Gaming taxes		(470,348)	(423,882)
Depreciation, amortization and impairment	5, 6 & 7	(193,532)	(143,425)
Change in trade provisions		(6,190)	(5,015)
Financial income		14,587	10,472
Financial costs		(99,230)	(96,012)
Change in financial provisions		(2,693)	(5,137)
Profit/(loss) on investments in associates	8	(1,510)	11,697
Exchange gains/(losses), net	21.3	(12,827)	(1,649)
Profit/(loss) on sale/disposals of non-current assets	1.3	81,801	(3,032)
<b>Profit before income tax</b>		<b>108,508</b>	<b>21,636</b>
Income tax	19.2	(32,035)	(20,653)
<b>Net profit (loss) from continuing activities</b>		<b>76,473</b>	<b>983</b>
Translation differences		(46,983)	(44,802)
Tax effect		-	-
<b>Other comprehensive profit/(loss) that will be reclassified to profit/(loss) in subsequent years</b>		<b>(46,983)</b>	<b>(44,802)</b>
<b>Other comprehensive profit/(loss) that will not be reclassified to profit/(loss) in subsequent years</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive profit/(loss) for the year</b>		<b>29,490</b>	<b>(43,819)</b>
<i>Net profit (loss) attributable to:</i>			
<i>Equity holders of the parent</i>		55,927	(13,133)
<i>Non-controlling interests</i>	14.4	20,546	14,116
		<b>76,473</b>	<b>983</b>
<i>Total comprehensive income/(loss) attributable to:</i>			
<i>Equity holders of the parent</i>		13,209	(55,325)
<i>Non-controlling interests</i>	14.4	16,281	11,506
		<b>29,490</b>	<b>(43,819)</b>

**Cirsa Gaming Corporation Group**  
**Consolidated statement of changes in equity**  
**for the years ended December 31**

(Thousands of euros)	Share capital (Note 14.1)	Share premium	Treasury shares (Note 14.2)	Retained earnings (Note 14.3)	Translation differences	Non-controlling interests (Note 14.4)	Total
<b>At December 31, 2012 (*)</b>	<b>24,577</b>	<b>9,500</b>	<b>(184)</b>	<b>54,443</b>	<b>(139,708)</b>	<b>65,485</b>	<b>14,113</b>
Net profit (loss) for the year 2013	-	-	-	(13,133)	-	14,116	983
Other comprehensive income (loss)	-	-	-	-	(42,192)	(2,610)	(44,802)
<b>Total comprehensive income (loss) for the year 2013</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(13,133)</b>	<b>(42,192)</b>	<b>11,506</b>	<b>(43,819)</b>
<b>Other changes:</b>							
▪ Additions for the year – Business combinations	-	-	-	-	-	23,898	23,898
▪ Sale of companies	-	-	-	-	69	(1,448)	(1,379)
▪ Changes in the percentage of ownership	-	-	-	(11,123)	-	(99)	(11,222)
▪ Dividends paid	-	-	-	-	-	(13,234)	(13,234)
<b>At December 31, 2013 (*)</b>	<b>24,577</b>	<b>9,500</b>	<b>(184)</b>	<b>30,187</b>	<b>(181,831)</b>	<b>86,108</b>	<b>(31,643)</b>
Net profit (loss) for the year 2014	-	-	-	55,927	-	20,546	76,473
Other comprehensive income (loss)	-	-	-	-	(42,718)	(4,265)	(46,983)
<b>Total comprehensive income (loss) for the year 2014</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55,927</b>	<b>(42,718)</b>	<b>16,281</b>	<b>29,490</b>
<b>Other changes:</b>							
▪ Additions for the year – Business combinations	-	-	-	-	13,159	170,934	184,093
▪ Sale of companies	-	-	-	-	269	2,915	3,184
▪ Changes in the percentage of ownership	-	-	-	(38,865)	-	(440)	(39,305)
▪ Dividends paid	-	-	-	-	-	(26,202)	(26,202)
<b>At December 31, 2014</b>	<b>24,577</b>	<b>9,500</b>	<b>(184)</b>	<b>47,249</b>	<b>(211,121)</b>	<b>249,596</b>	<b>119,617</b>

(\*) As a result of the restatement described in Note 2.3 to the accompanying consolidated financial statements, the movements in the equity items included in the statement above show no changes over the items presented in the consolidated financial statements for the prior year.

**Cirsa Gaming Corporation Group**  
**Consolidated statement of cash flows**  
**for the years ended December 31**

<b>(Thousands of euros)</b>	<b>Notes</b>	<b>2014</b>	<b>2013 Restated</b>
<b>Cash-flows from operating activities</b>			
Profit before tax		108,508	21,636
Adjustments to profit:			
Changes in operating provisions		6,190	5,015
Depreciation, amortization and impairment	5, 6 & 7	193,532	143,425
Profit/(loss) on sale/disposals of non-current assets		(81,801)	3,032
Finance income and costs		88,846	78,980
Exchange gains/(losses), net	21.3	12,827	1,649
Other income and expenses		3,416	(5,928)
Change in:			
Inventories		(611)	(1,569)
Trade and other receivables		(6,926)	(6,289)
Suppliers and other payables		6,109	(10,480)
Gaming taxes payable		(10,995)	(12,792)
Other operating assets and liabilities, net		(17,175)	(11,031)
Income tax paid		(48,521)	(40,241)
<b>Net cash-flows from operating activities</b>		<b>253,399</b>	<b>165,407</b>
<b>Cash-flows from (used in) investing activities</b>			
Purchase of property, plant and equipment		(99,283)	(66,181)
Purchase of intangible assets		(24,327)	(33,292)
Proceeds from disposal of property, plant and equipment		564	20,694
Acquisition of investments in other companies, net of cash acquired		(55,959)	(22,536)
Current account with Nortia Business Corporation, S. L. – Outflows		(49,308)	(110,335)
Current account with Nortia Business Corporation, S. L. – Inflows		47,234	110,335
Other financial investments		(16,422)	(4,017)
Interest received and cash revenues from financial investments		6,426	6,890
<b>Net cash-flows used in investing activities</b>		<b>(191,075)</b>	<b>(98,442)</b>
<b>Cash-flows from (used in) financing activities</b>			
Proceeds from bank borrowings		1,357,900	1,333,845
Repayment of bank borrowings		(1,386,200)	(1,375,408)
Issue of bonds	15	127,721	101,694
Finance leases		(19,229)	(5,283)
Interest paid		(92,593)	(87,695)
Funds from loans from Nortia Business Corporation, S.L.		-	(12,301)
Dividends paid and other payments		(26,518)	(13,446)
<b>Net cash-flows used in financing activities</b>		<b>(38,919)</b>	<b>(58,594)</b>
<b>Net variation in cash and cash equivalents</b>		<b>23,405</b>	<b>8,371</b>
<b>Cash and cash equivalents from business combinations</b>		<b>11,565</b>	<b>-</b>
<b>Net foreign exchange difference on cash balances</b>		<b>(2,501)</b>	<b>(3,200)</b>
<b>Cash and cash equivalents at January 1</b>		<b>45,916</b>	<b>40,745</b>
<b>Cash and cash equivalents at December 31</b>	<b>13</b>	<b>78,385</b>	<b>45,916</b>

## Cirsa Gaming Corporation Group

### Notes to the consolidated statements for the year ended December 31, 2014

#### 1. DESCRIPTION OF THE GROUP

##### 1.1 Group activity

Cirsa Gaming Corporation, S. A. (hereinafter *the Company* or *the Parent Company*) and its controlled entities (hereinafter *the Group* or *the Cirsa Group*) consist of a set of companies operating in the gaming and leisure sector, carrying out the following activities:

- Designing and manufacturing slot machines, which are sold to Group companies and third parties, and development of interactive gaming systems
- Operating, both in Spain and abroad, slot machines, bingo halls, casinos and lotteries

##### 1.2 Composition and structure of the Group

The Company, domiciled in Terrassa (Barcelona) at Carretera Castellar, 298, belongs to a group, of which Nortia Business Corporation, S.L., also domiciled in Terrassa (Barcelona), is the parent company.

The companies invested by the Company at December 31, 2014 and 2013 are detailed in the Appendix, grouped in the following categories:

- The subsidiaries are companies where most of the voting rights are controlled either directly or indirectly by the Company so that it can manage the financial and operating policies in order to obtain profit from the investment.
- The jointly controlled companies are entities ruled by a contractual arrangement between the partners whereby they establish joint control on the business, and which requires the unanimous consent of the venturers regarding the operating decisions.
- The associates are enterprises not included in the previous two categories and in which there is an ownership interest on a long-term basis that favors their activity, but with limited influence over their management and control.

(NOTE: The column *Percentage of ownership* in the Appendix is obtained by multiplying the different successive percentages along the corresponding chain of control, thereby reflecting the final ownership at the Company's level).

### 1.3 Changes in the consolidation perimeter

During 2014 and 2013, the Group's legal structure has experienced certain changes, as described below:

#### 2014

- Acquisition of companies

(Thousands of euros)	% voting rights	Consolidation method	Total assets included in the consolidated statement of financial position at December 31, 2014	Operating revenues included in the 2014 consolidated statement of comprehensive income
Ibermatic Games, S.L. (*)	51%	Full	11,966	6,010
Tecnoappel, S.L. (**)	51%	Full	17,548	4,269
Gran Casino de las Palmas, S.A.	100%	Full	9,678	5,525
Operadora Internacional de Recreativos, S.L.	51%	Full	5,665	4,621
Grupo Portal (Peruvian casinos) (***)	90%	Full	31,755	8,811
Cirsa +, S.R.L.	51%	Full	3,024	6,630
Interplay, S.A.	51%	Full	8,965	8,721
Elettronolo Firenze, S.R.L.	100%	Full	8,390	6,842
Recreativos Martos, S.L.S.U.	100%	Full	1,505	86
Ovidio Collado, S.L.	50%	Equity	7	-
			<b>98,503</b>	<b>51,515</b>

(\*) At both the date of gaining control and December 31, 2014, Ibermatic Games, S.L. held equity instruments representing 100% of the company Montri, S.A.

(\*\*) Likewise, at both the date of gaining control and December 31, 2014, Tecnoappel, S.L. held equity instruments representing 100% of Sociedad Comercial Recreativos Salamanca, S.A.

(\*\*\*) Grupo Portal (Peruvian casinos) refers to 5 Peruvian companies that manage 9 casinos in Peru (Salón de Juegos Portal, S.A., Administradora de Salas de Juego Alfa, S.A.C., La Selva Inversiones, S.A.C., Centro de Apuestas, S.A.C. and Savoy Slot Machines, S.A.C.) which, although they have no shareholding relationship between them, have been acquired from the same seller.

All the acquisitions shown in the table above, except for the acquisition of the equity instruments representing 50% of the equity of Ovidio Collado, S.L., have resulted in a business combination. Such transactions are detailed in Note 4 on business combinations.

- Creation of companies

In 2014 the following companies have been created:

(Thousands of euros)	% of ownership held by the Group	Consolidation method	Total assets included in the consolidated statement of financial position at December 31, 2014	Operating revenues included in the 2014 consolidated statement of comprehensive income
Sportium Apuestas Canarias, S.L.U.	50%	Equity	501	-
Sportium Apuestas Oeste, S.A.U.	50%	Equity	498	-
Sportium Zona Norte, S.A.U.	50%	Equity	499	-
Global Betting Aragón, S.L.U.	100%	Full	1,014	-
			<b>2,512</b>	<b>-</b>

The assets shown in the table above for the companies that are consolidated using the equity method relate to the investments, deriving from using such method, recognized in the consolidated statement of financial position at December 31, 2014.

- Sale of companies resulting in loss of control

In 2014 the following companies have been sold, which resulted in a loss of control and/or significant influence on their business:

(Thousands of euros)	% of ownership at prior year end	Consolidation method at prior year end	% of ownership after the sale	Consolidation method after the sale
Gestión Integral de Máquinas Recreativas, S.L.	100%	Full	-	-
Postbintra, S.A.	50%	Equity	-	-
Residencial Tibidado, S.A.	50%	Equity	-	-
Mendoza Central Entretenimientos, S.A.	51%	Full	-	-
KLC Negocios y Proyectos, S.A.	70%	Full	-	-
Molljoc Siglo XXI, S.A.	50%	Equity	-	-
Inversiones Recreativas de Occidente, C.A.	67.5%	Full	-	-
CirsaCom, S.R.L.U.	100%	Full	-	-
Digital Gaming México, SAPI	100%	Full	65%	Equity

Profit/(loss) from these sales included in the consolidated financial statements is as follows:

(Thousands of euros)	Changes in non-controlling interests	Profit/(loss) from the sale
Gestión Integral de Máquinas Recreativas, S.L.	-	(263)
Postbintra, S.A.	-	(1,051)
Residencial Tibidado, S.A.	-	(1,209)
Mendoza Central Entretenimientos, S.A.	(1,865)	913
KLC Negocios y Proyectos, S.A.	182	268
Molljoc Siglo XXI, S.A.	-	-
Inversiones Recreativas de Occidente, C.A.	4,588	-
CirsaCom, S.R.L.U.	-	333
Digital Gaming México, SAPI	-	-
Other	10	-
	<b>2,915</b>	<b>(1,009)</b>

Total assets and operating revenues contributed by these companies to the consolidated statement of financial position at December 31, 2013 and to the consolidated statement of comprehensive income for the year 2013, respectively, are as follows.

(Thousands of euros)	Total assets included in the consolidated statement of financial position at December 31, 2013	Operating revenues included in the 2013 consolidated statement of comprehensive income
Gestión Integral de Máquinas Recreativas, S.L.	76	8
Postbintra, S.A.	431	-
Residencial Tibidado, S.A.	1,791	-
Mendoza Central Entretenimientos, S.A.	5,574	5,723
KLC Negocios y Proyectos, S.A.	261	-
Molljoc Siglo XXI, S.A.	418	-
Inversiones Recreativas de Occidente, C.A.	638	17
CirsaCom, S.R.L.U.	1,570	6,308
Digital Gaming México, SAPI	129	-
	<b>10,888</b>	<b>12,056</b>

The assets shown in the table above for the companies that at 2013 year end were consolidated using the equity method (Postbintra, S.A., Residencial Tibidado, S.A. and Molljoc Siglo XXI, S.A.) relate to the investments, deriving from using such method, recognized in the consolidated statement of financial position at December 31, 2013.

- Changes in the percentage of ownership or consolidation method

In 2014 changes in the percentage of ownership or consolidation method have been as follows:

	Consolidation method		Percentage	
	2014	2013	At December 31, 2014	At December 31, 2013
<u>Changes that give rise to business combinations</u>				
Multicasino, S.A.	Full	Equity	100.0%	65.34%
Casino de Rosario, S.A.	Full	Equity	50%	50%
Urban Leisure, S.L.	Full	Equity	32%	32%
Bingos Benidorm, S.A.	Full	Equity	50%	50%
Bingos Andaluces, S.A.	Full	Equity	50%	50%
Sala Valencia, S.A.	Full	Equity	50%	50%
La Cafetería del Bingo, S.L.	Full	Equity	50%	50%
Comdibal 2000, S.L.	Full	Equity	51%	50%
Orlando Play, S.A. (*)	Full	Equity	51%	50%
SGR, S.R.L.	Full	Equity	100%	25%
Automáticos Manchegos, S.L. (**)	Full	Equity	51%	50%
<u>Changes that do not give rise to business combinations</u>				
Sadeju, S.L.	Full	Full	65%	100%
Electrónicos Trujillanos, S.L.	Full	Full	100%	75%
Juegomatic, S.A. (***)	Full	Full	100%	75%
Garbimatic, S.L.	Full	Full	50%	25.5%

(\*) At December 31, 2014 and 2013 the company Orlando Play, S.A. held 100% of the equity instruments of 8 companies (Orlando Italia, S.R.L., Automáticos Laomar, S.L., Marchamatic Indalo, S.L., New Laomar, S.L., Flamingo Euromatic-100, S.L., Goldenplay, S.L., Recreativos Panaemi, S.L. and Recreativos Ociomar Levante, S.L.). Consequently, the change in the percentage of ownership has also affected the percentage of control that the Group holds in them.

(\*\*) Likewise, at December 31, 2014 and 2013 the company Automáticos Manchegos, S.L. fully owned Recreativos Manchegos, S.L., and therefore, the change in the ownership interest shown in the table above has also affected the percentage of control that the Group holds in the latter.

(\*\*\*) Additionally, at December 31, 2014 and 2013 the company Juegomatic, S.A. fully owned Automáticos Siglo XXI, S.L., and therefore, the change in the ownership interest has also affected the percentage of control that the Group holds in the latter.

As shown in the table above, during 2014, control has been gained over the companies Multicasino, S.A., Casino de Rosario, S.A., Urban Leisure, S.L., Bingos Benidorm, S.A., Bingos Andaluces, S.A., Sala Valencia, S.A. and La Cafetería del Bingo, S.L. without the percentage of ownership interest that the Group holds in them suffering any change over the prior year. This is due to the fact that at the beginning of 2014 agreements were signed with the other shareholders on the governance of the aforementioned companies, whereby the Group was given the exclusive power of unilateral decision-making on the relevant activities of the corresponding companies, which –in accordance with IFRS 10– has given it control over them, and consequently, the obligation to consolidate the aforementioned companies using the full consolidation method.

In accordance with the applicable regulatory framework for financial information, in the case of the business combinations carried out by stages shown in the table above (changes in percentages of ownership that have given rise to business combinations), the Group has measured at fair value, at the date of gaining control, its previous investment in the acquired Company's equity, recognizing in the consolidated statement of comprehensive income (Profit/(loss) on sale/disposals of non-current assets) the resulting gains or losses on the amount for which they were recognized. The breakdown of such impact is shown in the table below:

<b>(Thousands of euros)</b>	<b>Impact on the consolidated statement of comprehensive income</b>
Multicasino, S.A.	2,471
Casino de Rosario, S.A.	63,620
Urban Leisure, S.L.	-
Bingos Benidorm, S.A.	-
Bingos Andaluces, S.A.	-
Sala Valencia, S.A.	-
La Cafetería del Bingo, S.L.	-
Comdibal 2000, S.L.	-
Orlando Play, S.A.	32,200
SGR, S.R.L.	209
Automáticos Manchegos, S.L.	(1,884)
	<b>96,616</b>

To estimate the fair values of previous investments measurement techniques have been used for which some of the variables used are unobservable. Consequently, they have been categorized into level 3 of the fair value hierarchy.

The impact of changes in percentages of ownership on businesses that have not given rise to any business combination (those that at prior year end were already consolidated under the full consolidation method) is as follows:

<b>(Thousands of euros)</b>	<b>Changes in non-controlling interests</b>	<b>Changes in accumulated results ("Reserves")</b>
Sadeju, S.L.	-	-
Electrónicos Trujillanos, S.L.	(391)	(34)
Juegomatic, S.A. (*)	361	(38,383)
Garbimatic, S.L.	(410)	(448)
	<b>(440)</b>	<b>(38,865)</b>

(\*) The data shown above consider the change in the percentage of the Group's control over the company Automáticos Siglo XX, S.L., which is fully owned by Juegomatic, S.A.

- Other changes in the perimeter

In 2014 the companies Unidesa Perú, S.A., Luckyplay, S.A., O'donnell Juegos, S.A., Tecnostar, S.A., Cafeteria Miami, S.A., B2B Central Reporting S.A. de C.V. and Inverbingo, S.A., were dissolved and liquidated. The companies were dormant or showed low activity and their dissolution and liquidation have not generated significant results for the Group.

### **2013 (Restated)**

- Acquisition of companies

(Thousands of euros)	% voting rights	Consolidation method	Total assets included in the consolidated statement of financial position at December 31, 2013	Operating revenues included in the 2013 consolidated statement of comprehensive income
Lightmoon International 21	100%	Full	4,266	556
Alfematic, S.A.	50.004%	Full	7,230	3,863
Garbimatic, S.L.(*)	25.50%	Full	1,369	1,373
Interservi, S.A.	51%	Full	4,489	5,982
Gestora de Inversiones Cobiman, S.L.U. (**)	51%	Full	3	-
Egartronic, S.A.	50.99%	Full	36,145	14,049
Tecnijoc, S.L.U. (***)	50.99%	Full	5,540	3,495
Apple Games 2000, S.L. (***)	49.50%	Full	7,782	2,881
S. A. Explotadora de Recreativos	61.41%	Full	4,429	3,169
			<b>71,253</b>	<b>35,368</b>

(\*) Alfematic, S.A. owned 51% of Garbimatic, S.L. at the date of acquisition.

(\*\*) Interservi S.A. fully owned Gestora de Inversiones Cobiman, S.L.U. at the date of acquisition.

(\*\*\*) Egartronic, S.A. fully owned 100% and 97% of Tecnijoc, S.L.U. and Apple Games 2000, S.L., respectively, at the date of acquisition.

Note 4 includes the information on business combinations of the year.

In this regard, it should be noted that, during 2013, in addition to the business combinations shown in the table above, the Group gained control over 2 other companies, and therefore, the corresponding business combinations occurred in accordance with IFRS 3-revised, by means of an increase in the percentage of ownership that the Group already held at prior year end (during 2014. 5% of equity instruments in Traylon, S.A. and 25% in Electrónicos Trujillanos, S.L. has been acquired, reaching 55% and 75% of their equity, respectively). Such transactions are detailed in Note 4 on business combinations.

Additionally, it is important to note that, at 2012 year end (restated), these companies were considered jointly controlled companies and, consequently, were accounted for using the equity method in accordance with the percentage of ownership that the Group held in them. As a result of the increase in the ownership interest in the companies mentioned above, Traylon, S.A. and Electrónicos Trujillanos, S.L. are now considered Group subsidiaries, and therefore, they are accounted for using the full consolidation method.

At December 31, 2013, Traylon, S.A. contributed total assets amounting to 23,435 thousand euros to the consolidated statement of financial position and operating revenues amounting to 3,075 thousand euros to the consolidated statement of comprehensive income for the year then ended, whereas at December 31, 2013 Electrónicos Trujillanos, S.A. contributed total assets and operating revenues amounting to 2,090 thousand euros and 151 thousand euros, respectively.

- Creation of companies

In 2013 the following companies were created:

(Thousands of euros)	% of ownership held by the Group	Consolidation method	Total assets included in the consolidated statement of financial position at December 31, 2013	Operating revenues included in the 2013 consolidated statement of comprehensive income
Magic Star - Casino Buenos Aires, UTE.	33.34%	Proportional	260	311
Digital Gaming México, SAPI	100%	Full	129	-
Cirsa Italia Holding, S.A.	100%	Full	-	-
Social Games Online, S.L.	100%	Full	3	-
Sportium Apostes Catalunya, S.A.	50%	Equity	30	-
Sportium Apuestas Castilla La Mancha, S.L.	50%	Equity	1	-
Cirsagest, SpA	100%	Full	123	-
			<b>546</b>	<b>311</b>

The assets shown in the table above for the companies that were consolidated using the equity method relate to the investments, deriving from using such method, recognized in the consolidated statement of financial position at December 31, 2013.

- Sale of companies

In 2013 the following companies were sold:

(Thousands of euros)	% of ownership at prior year end	Consolidation method at prior year end	% of ownership after the sale	Consolidation method after the sale
Sociedad de Inversiones Cirsa Chile, Limitada (*)	100%	Full	-	-
Servitronic Andalucía, S.L.	50%	Equity	-	-
Sacres, S.A.	99%	Full	-	-
Cirsa Digital, S.A.U.	100%	Full	50%	Equity
Recreativos Bigar, S.L.	50%	Equity	-	-
Novojuegos, S.A.U.	100%	Full	-	-
Empresa Explotadora del Juego del Bingo, S.A.U.	100%	Full	-	-

(\*) Parent company of a fully owned subsidiary and 8 subsidiaries in which it held a 54.80% ownership interest.

Profit/(loss) from these sales included in the consolidated financial statements have been as follows:

(Thousands of euros)	Changes in non-controlling interests	Profit/(loss) from the sale
Sociedad de Inversiones Cirsa Chile, Limitada and subsidiaries	(1,448)	1,379
Servitronic Andalucía, S.L.	-	30
Sacres, S.A.	-	1,242
Cirsa Digital, S.A.U.	-	-
Recreativos Bigar, S.L.	-	(1,751)
Novojuegos, S.A.U.	-	(1,104)
Empresa Explotadora del Juego del Bingo, S.A.U.	-	(348)
	<b>(1,448)</b>	<b>(552)</b>

Total assets and operating revenues contributed by these companies to the consolidated statement of financial position (restated) at December 31, 2012 and to the consolidated statement of comprehensive income (restated) for the year 2012, respectively, are as follows.

(Thousands of euros)	Total assets included in the consolidated statement of financial position at December 31, 2012	Operating revenues included in the 2012 consolidated statement of comprehensive income
Sociedad de Inversiones Cirsa Chile, Limitada and subsidiaries	-	-
Servitronic Andalucía, S.L.	181	-
Sacres, S.A.	-	-
Cirsa Digital, S.A.U.	3,665	2,895
Recreativos Bigar, S.L.	631	-
Novojuegos, S.A.U.	1,303	10,011
Empresa Explotadora del Juego del Bingo, S.A.U.	3,088	4,654
	<b>8,868</b>	<b>17,560</b>

The assets shown in the table above for the companies that at 2012 year end were consolidated using the equity method (Servitronic Andalucía, S.L., and Recreativos Bigar, S.L.) relate to the investments, deriving from using such method, recognized in the consolidated statement of financial position at December 31, 2012.

- Changes in the percentage of ownership

In 2013 changes in the percentage of ownership were as follows:

	Consolidation method		Percentage	
	2013	2012	At December 31, 2013	At December 31, 2012
Bumex Land, S.L.	Full	Full	100.0%	65.34%
Juegomatic, S.A. (*)	Full	Full	75.0%	65.0%
Bincano, S.A.	Full	Full	100.0%	60.0%

(\*) At December 31, 2013 and 2012 the company Juegomatic, S.A. fully owned Automáticos Siglo XXI. Consequently, the change in the percentage of ownership also affected the percentage of control that the Group holds in it.

As observed in the table above, the changes in the percentage of ownership occurred in 2013 did not result in any change in the method of consolidation.

The impact of changes in percentages of ownership in companies that continued to be consolidated under the full consolidation method is as follows:

(Thousands of euros)	Changes in non-controlling interests	Changes in accumulated results ("Reserves")
Bumex Land, S.L.	1,310	(1,310)
Juegomátic, S.A. (*)	(44)	(10,894)
Bincano, S.A.	(1,365)	1,081
	<b>(99)</b>	<b>(11,123)</b>

(\*) The impacts derived from the change in the percentage of ownership in Juegomátic, S.A. also consider the change in the percentage of control over the company Automáticos Siglo XX, S.L., which is fully owned by Juegomatic, S.A.

- Other changes in the perimeter

In 2013 the companies Unidesa Argentina, S.A. and Cirsa Capital Luxembourg, S.A. were dissolved and liquidated. The companies were dormant and their dissolution and liquidation did not generate significant results for the Group.

## 2. BASIS OF PRESENTATION AND ACCOUNTING STANDARDS

### 2.1 Basis of presentation

The 2014 consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards adopted by the European (IFRS-EU) Union published by the International Accounting Standards Board (IASB) and further interpretations.

The Company belongs to a group, whose parent is Nortia Business Corporation, S.L. (Nortia Group), domiciled in Terrassa (Spain). The Company meets the criteria for exemption from preparing consolidated financial statements under article 43 of the Commercial Code. Consequently, these consolidated financial statements are considered voluntary. The consolidated financial statements of Nortia Group and the consolidated management report for the year ended December 31, 2013 were approved on March 31, 2014 and filed with the Barcelona Mercantile Registry together with the corresponding audit report. The consolidated financial statements and consolidated management report for the year ended December 31, 2014 will be approved in the due manner and filed, together with the audit report, with the Barcelona Mercantile Registry according to the legal deadlines.

The financial statements of the companies composing the Group for the year ended December 31, 2014 have not yet been submitted for approval by the shareholders in general meeting. Nevertheless, the Board of Directors of the Group's Parent Company expects that they will be approved without modification and, therefore, will not have any impact on the present consolidated financial statements.

The accounting policies applied in the preparation of the accompanying consolidated financial statements comply with the IFRS-EU prevailing at the date of their preparation. For certain cases, the IFRS-EU provide alternative applications. The options applied by the Group are described in the accounting policies listed in the accompanying notes.

For comparative purposes, the accompanying consolidated financial statements, which have been prepared at historical cost, include the figures of 2014 in addition to those of 2013 for each item of the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows, and the consolidated notes thereto, except when allowed by an accounting standard.

## 2.2 Estimates and judgments

The preparation of the consolidated financial statements requires the management of the Group to exercise judgment, to make estimates and to make assumptions which affect the application of the accounting policies and the recorded amounts of assets, liabilities, revenues and expenses. The estimates and assumptions taken into account have been based upon historical experience and other factors which were considered to be reasonable in the light of the circumstances. Consequently, the results obtained could differ from those assumptions.

The estimates and assumptions are reviewed periodically, such that any changes made in accounting estimates are posted in the period in which they are reviewed, in the event that such review only affects that period, or in the period of the review and future periods if the revision affects both. The key estimates and judgments are as follows:

- Impairment of assets

The Group assesses for impairment at year end for all non-financial assets which carrying amount could be unrecoverable. Goodwill and intangible assets with an indefinite useful life are tested for impairment annually, or when there is evidence of impairment, based on financial projections and estimates of future operating cash flows. In 2014 the Group has recognized impairment losses on goodwill amounting to 12.7 million euros (2013: 20.1 million euros) (Note 5).

- Non-current assets with finite useful life

The Group reviews periodically useful lives of non-current assets, adjusting prospectively amortization methods where applicable. In 2014 and 2013 it was not necessary to make any adjustment in the useful life of non-current assets with definite useful lives.

- Recoverability of deferred tax assets

When the Group recognizes deferred tax assets, the estimated taxable profits that will be generated in future years are reviewed at year end in order to assess their recoverability, and any impairment loss is recognized accordingly. At December 31, 2014 the Group has recognized deferred tax assets amounting to 85,408 thousand euros (2013: 96,734 thousand euros), as described in Note 19.4.

- Provisions for taxes and other risks

Provisions are recognized for taxes and risks that will probably arise based on related studies. At December 31, 2014 the Group has recognized provisions for taxes and other risks amounting to 19,629 thousand euros (2013: 21,680 thousand euros), as described in Note 18.

- Business combinations and goodwill

The Group assesses for each business combination, the fair value of assets, liabilities and acquired contingent liabilities, allocating the cost of the business combination to the identified elements. Likewise, goodwill arising from the acquisition is assigned to its corresponding cash-generating unit, based on expected synergies, for subsequent impairment tests (Note 10).

- Consolidation methods

The assessment of whether control is exercised when the Group does not have absolute majority of voting rights, but agreements with the other shareholders have been reached, requires the Group to make estimates and judgments to determine whether it has unilateral rights to manage relevant activities in accordance with IFRS 10. Additionally, in order to establish the consolidation method of certain entities over which control is not exercised also requires Group Management to make judgments and estimates to determine whether they are considered jointly controlled companies, joint operations or associates.

### **2.3 Standards and interpretations approved by the European Union and adopted for the first time in the current year**

The accounting policies used in the preparation of the consolidated financial statements for the year ended December 31, 2014 are the same as those applied in the consolidated financial statements for the year ended December 31, 2013, except for the coming into effect of the following standards:

- IFRS 10 - Consolidated Financial Statements.

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated, compared with the requirements that were in IAS 27.

Although its initial adoption has had no significant impact on the consolidated financial statements, it should be noted that in January 2014, through an agreement reached between the shareholders of the companies mentioned below, and with no change in the percentage of ownership held in them, the Group has gained control, as defined in IFRS 10, over six companies in which it holds a 50% interest (Casino de Rosario, S.A., Multicasinos, S.A., Bingos Andaluces, S.A., Bingos Benidorm, S.A., Sala Valencia, S.A. and La Cafetería del Bingo, S.L.) and a company in which it holds a 32% interest (Urban Leisure). In the current year the said companies, which were accounted for using the proportional consolidation method in the comparative figures, are accounted for using the full consolidation method as from the date of gaining control.

The impact of these business combinations is detailed in Note 4.

- IFRS 11, Joint Arrangements and IAS 28 Investments in associates and joint ventures

IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportional consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. Although the adoption of this new standard has had no impact on equity, there have been some substantial changes in the Group's financial position since the proportional consolidation has been eliminated.

In this regard, it should be indicated that all the companies listed as associates in Appendix I in the current year were consolidated using the proportional consolidation method, except for the companies Casino de Asturias, S.A., Compañía Europea de Salones Recreativos, S.L., Gironina de Bingos, S.L., Recreativos Trece, S.L., Urban Leisure, S.L. and Fianzas y Servicios Financieros, S.G.R. (since they were already consolidated using the equity method in the financial statements for the prior year). However, by adopting this new standard, the said companies have been recognized retroactively using the equity method instead of the proportional consolidation method, and thus, the comparative figures had to be restated.

The impact of the restatement on the financial statements is as follows:

Impact on the consolidated statements of financial position

<b>(Thousands of euros)</b>	<b>December 31, 2013</b>	<b>January 1, 2013</b>
Goodwill	(40,698)	(42,149)
Other intangible assets	(16,663)	(16,193)
Property, plant and equipment	(94,701)	(127,082)
Other non-current assets	(23,955)	(9,485)
Cash and cash equivalents	(12,460)	(14,489)
Other current assets	(21,370)	(32,086)
Derecognition of assets	(209,847)	(241,484)
Non-current bank borrowings	21,371	33,083
Other non-current creditors	10,371	22,031
Current bank borrowings	20,389	26,302
Other current liabilities	29,687	38,557
Derecognition of liabilities	81,818	119,973
Addition of investments accounted for using the equity method	128,029	121,511
<b>Impact</b>	<b>-</b>	<b>-</b>

Impact on the consolidated statement of comprehensive income for the year 2013

<b>(Thousands of euros)</b>	<b>2013</b>
Gaming income	(276,667)
Other operating revenues	(15,828)
Bingo prizes	77,650
<b>Total operating revenues</b>	<b>(214,845)</b>
Variable rent	12,652
Consumptions	6,128
Personnel	42,040
Supplies and external services	36,079
Gaming taxes	69,572
Depreciation, amortization and impairment of assets	19,562
Other income and expenses	9,386
Profit/(loss) on investments in associates	11,577
<b>Profit (loss) before tax</b>	<b>(7,849)</b>
Income tax	7,849
<b>Net profit (loss) for the year</b>	<b>-</b>

The amount broken down in "Other income and expenses" in the table above includes the effects that the retroactive adoption of the new regulations has had on the income and expenses for the year 2013 recognized in the captions "Changes in trade provisions", "Financial income and costs", "Changes in financial provisions", "Exchange gains/(losses), net" and "Profit/(loss) on sale/disposals of non-current assets".

### Impact on the consolidated cash flow statement for the year 2013

<b>(Thousands of euros)</b>	<b>Increase / (Decrease) 2013</b>
Net cash-flows from operating activities	(38,978)
Net cash-flows from (used in) investing activities	17,200
Net cash-flows from (used in) financing activities	22,724
Net foreign exchange difference on cash balances	1,083
<b>Impact on cash and cash equivalents</b>	<b>2,029</b>

### Impact on the consolidated statement of changes in equity

The retroactive adoption of this standard has had no impact on the consolidated statement of changes in equity.

- Amendments to IAS 36 - Recoverable Amounts Disclosures for Non-Financial Assets

These amendments remove the unintended consequences of IFRS 13 on the disclosures required under IAS 36. In addition, these amendments require disclosure of the recoverable amounts for the assets or CGUs for which impairment loss has been recognized or reversed during the period. These amendments are effective retrospectively as from the current year. These amendments have had an impact on the disclosures included in these financial statements, but will have had no impact on the other Group's statements.

- IFRS 12, Disclosures of Involvement with Other Entities.

IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required, but the standard has had no impact on the financial position or performance of the Group.

## **2.4 Standards and interpretations issued by the IASB, but not yet mandatory in 2014**

Upon coming into force, if applicable, the Group intends to adopt all standards, amendments and interpretations issued by the IASB but not mandatory in the European Union at the date of preparation of these consolidated financial statements. The Group is currently analyzing the impact of the adoption of these standards, amendments and interpretations. Based on the analysis performed to date, the Group estimates that their initial adoption will have no significant impact on the consolidated financial statements.

## **2.5 Consolidation methodology**

The consolidation methodology is described in the following sections:

### Consolidation methods

The methods applied in the consolidation process are as follows:

- Full consolidation method for subsidiaries
- Equity method for associates and jointly controlled companies

Additionally, as indicated in Note 11, the assets, liabilities, income and expenses of the Argentinian temporary joint ventures, since they are considered joint operations, have been incorporated as established in IFRS 11 for this type of joint arrangements. That is, the Group has recognized the following items in relation to its interest in the said joint operations:

- Its assets, including its share of any assets held jointly;
- Its liabilities, including its share of any liabilities incurred jointly;
- Its revenue from the sale of its share of the output arising from the joint operation, including its share of the revenue from the sale of the output by the joint operation;
- Its expenses, including its share of any expenses incurred jointly.

#### Harmonization

The financial year of the companies within the consolidation perimeter ends on December 31. For consolidation purposes the corresponding 2014 financial statements of each company have been used.

The accounting principles applied by the companies comply with Group policies and, accordingly, no harmonization adjustments were necessary.

#### Elimination of internal transactions

The intercompany balances arising from financial operations, rental agreements, payment of dividends, financial assets and liabilities, purchase and sale of inventories and non-current assets and rendering of services have been eliminated. In regard with purchase and sale transactions, the unrealized margin on assets, as well as depreciation, has been adjusted in order to show the assets at their original cost to the Group.

#### Translation of financial statements in foreign currency

- General method

The financial statements of foreign companies have been translated into euros prior to their consolidation following the year-end rate method, except for the financial statements of Venezuelan companies as stated below. Accordingly, assets and liabilities are translated at the spot rate prevailing at December 31, capital and reserves at the historical rates, and revenues and expenses at the averages rate for the year. Differences arisen from this process have been recorded directly under *Translation differences* in net equity.

- Method applied to companies in hyperinflationary countries

According to the applicable standard for companies operating in hyperinflationary economies, the translation of their financial statements into foreign currency entails:

- Adjusting the historical cost of non-monetary assets and liabilities and the various items of equity of these companies from their date of acquisition or inclusion in the consolidated statement of financial position to the end of the year to reflect the changes in purchasing power of the currency caused by the inflation.
- Adjusting the consolidated statement of comprehensive income to reflect the financial loss caused by the impact of inflation in the year on net monetary assets (loss of purchasing power).

- Adjusting the components of the consolidated statement of comprehensive income and of the consolidated statement of cash flows according to the inflation index since their generation, with a balancing entry in financial results.
- Translating all components of the financial statements of the companies operating in hyperinflationary by applying the closing exchange rate.

At December 31, 2014 and 2013 the Venezuelan economy continued to be considered hyperinflationary in terms of IFRS application.

In 2014 and 2013 the Venezuelan subsidiaries of the Group are dormant and have almost not incorporated any assets, liabilities, income or expenses in the consolidated financial statements for the years ended December 31, 2014 and 2013. Consequently, the Group's consolidated figures include almost no impacts in relation to the method described above applied in companies located in hyperinflationary countries.

The Venezuelan consumer price index issued by the Central Bank of Venezuela was used to identify inflation rates. Its value at December 31, 2014 and 2013 was 839.5 and 498.1, with an increase during 2014 and 2013 of 68.5% and 56.2%, respectively.

All components of the financial statements of the Venezuelan companies have been translated at the closing exchange rate, which at December 31, 2014 was 20.71 Bolivares fuertes per euro (23.53 Bolivares fuertes per euro at December 31, 2013).

## **2.6 Business combinations**

When Group gains control over one constituted business, or directly over a business' net assets, the consideration transferred is assigned to assets and liabilities, measured at fair value. The difference between the sum of fair values and the sum of the consideration transferred plus the amount of any non-controlling interest in the acquiree at acquisition date is recognized as goodwill where it is positive or as income in the consolidated statement of comprehensive income where the difference is negative.

The consideration transferred in a business combination is measured at fair value. This is calculated as the sum of the acquisition fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree, and the equity interests issued by the acquirer.

The costs related to the acquisition, such as finder's fees, advice, legal, accounting valuation and other professional or consulting fees, are recognized as expenses in the years when they are incurred and the services are provided.

## **2.7 Intangible assets**

Intangible assets are initially measured at acquisition cost less accumulated amortization and any impairment loss.

Goodwill is not amortized. Instead, it is tested for impairment at least annually as well as intangible assets with indefinite useful lives. Likewise, the net carrying amount of intangible assets having finite useful life is tested for impairment when there is evidence or changes of not recovering the carrying amount, similar to the criteria established for property, plant and equipment.

Research expenses are charged to expenses when incurred, while development costs related to an individual project are capitalized when the Group can demonstrate the technical feasibility and profitability, the availability of financing resources, and incurred costs can be measured reliably. Development expenses to be capitalized, including the cost of materials, personnel expenses directly attributable and a fair proportion of overheads, are amortized using a declining method (50% the first year) over the period for which they expect to obtain profits or income from such project, which generally comprises three years.

Amounts paid to the owners of the sites where the slot machines are located on an exclusivity basis are capitalized as installation rights. They are amortized on a straight-line basis over the contract term.

Administrative concessions are amortized on a straight-line basis, according to the concession term, as well as transfer rights of leased premise

Software is amortized on a straight-line basis over three years.

## 2.8 Property, plant and equipment

Property, plant and equipment are measured at acquisition cost less accumulated depreciation and any recognized impairment loss.

The Group assesses whether there is an indication that the net carrying amount of property, plant and equipment may be impaired. If any indication exists, assets or cash-generating units are recorded at their recoverable amount.

Expenses for repairs which do not extend the useful life of the assets, as well as maintenance expenses, are taken to the consolidated statement of comprehensive income in the year incurred. Expenses incurred for expansion or improvements which increase the productivity or prolong the useful life of the asset are capitalized. Future expenses for restoring and retirement are recognized, at present value, as a cost component, with a liability provision as counterpart.

Depreciation charges are calculated over the estimated useful lives of the assets. Property, plant and equipment are generally depreciated on a straight-line basis over their estimated useful life. A declining basis is used alternatively for some assets, basically slot machines, since it better follows the actual pattern of income related to these assets.

	Method	Rate
Commercial buildings (new/used) and plant	Straight line	2-4%
Riverboats	Straight line	6.6%
Production installations (new/used)	Straight line	8-16%
Other installations	Straight line	8-12%
Production machinery	Straight line	10%
Other production equipment	Straight line	20%
New slot machines ("A" and "B" / "V" and "C")	Declining/Straight line	20%
Used slot machines	Straight line	40%
Furniture (new/used)	Straight line	10-20%
Vehicles (new/used)	Declining/Straight line	10-32%
Tools and furniture (new/used)	Straight line	30-60%
Data processing equipment (new/used)	Declining/Straight line	25-50%
Molds and dices	Straight line	25%
Other PP&E items	Straight line	16%

The finite useful life of slot machines is necessarily subject to exogenous factors (mainly market and competence) of difficult forecast. In the event that such equipment completes its useful life before the base period used for depreciation, the net balance of the related good at the removal date is charged as depreciation for the year, given its recurrent and typical features, as well as its corrective nature of systematic depreciation performed on related goods.

## 2.9 Investments in associates

Investments are accounted for under the proportional consolidation method or the equity method, that is, they are accounted initially at cost and its carrying amount is increased or decreased in order to recognize the part of the result of the invested company attributed to the Group from the acquisition date.

Part of the profit (loss) for the year of the invested company is recorded in the Group consolidated statement of comprehensive income. Dividends received reduce the amount of the investment.

Changes in the invested company's equity different than those generated by income of the period are directly recorded as changes in the Group's net equity.

## 2.10 Financial assets

Financial assets are initially recorded at fair value. For investments not measured at fair value with changes in results, directly attributable transaction costs are added. The Group establishes the classification of financial assets at the initial recognition, and, when appropriate and allowed, the classification is assessed again at each year end.

### Loans and receivables

The Group recognizes in this category trade and non-trade receivables, which include financial assets with fixed or determinable payments not quoted on active markets and for which the Group expects to recover the full initial investment, except, where applicable, in cases of credit deterioration.

Following initial recognition, these financial assets are measured at amortized cost.

Nevertheless, non-trade receivables which mature within less than one year with no contractual interest rate, as well as prepayments and loans to personnel, the amount of which is expected to be recovered in the short term, are carried at nominal value both at initial and subsequent measurement, when the effect of not discounting cash flows is not significant.

## 2.11 Cancellation of financial assets and liabilities

Financial assets (or, when applicable, part of a financial asset or part of a group of similar financial assets) are derecognized when:

- Rights to related cash flows have expired;
- The Group has retained the right to receive related cash flows, but has assumed the liability of fully paying them within the established terms to a third party under a transfer agreement;
- The Group has transferred the rights to receive related cash flows and (a) has substantially transferred the risks and rewards incidental to the ownership of the financial asset, or (b) has not transferred or retained the asset's risks and rewards, but has transferred the control over the asset.

Financial liabilities are derecognized when the related liability is settled, cancelled or expired. When a financial liability is replaced for other from the same borrower but with substantially different terms, or the conditions of the existing liability are substantially modified, such change or modification is recorded as a disposal of the original liability and an addition of a new liability. Difference of related carrying amounts is recognized in the consolidated statement of comprehensive income.

## **2.12 Inventories**

Inventories are accounted for at the lower of the acquisition cost and the recoverable amount.

The recoverable amount of raw materials is the replacement cost. Nevertheless, no provision is set aside for raw materials and other consumables used in production, if the finished products in which they are to be incorporated will be sold above cost. The recoverable value of finished products corresponds to the estimated sales price less related selling expenses.

The cost value of finished products includes materials measured at the weighted average acquisition price, third-party work, labor and production overhead.

## **2.13 Cash and cash equivalents**

This heading includes cash, current accounts, bank deposits and other financial investments maturing within less than three months from the acquisition date, provided that risks of the substantial alteration of their value are not significant.

In terms of the consolidated statement of cash flows, cash and cash equivalents include the abovementioned concepts, net of bank overdrafts, if applicable.

## **2.14 Impairment of assets**

### Non-financial assets

The Group assesses at each year end whether there is an indication that a non-current asset may be impaired. If any indication exists, and when an annual impairment test is required, the Group estimates the asset's recoverable amount. The recoverable amount is the higher of the cash-generating unit (CGU) fair value less cost to sell and value in use, and it is established for each separate asset, unless for assets that do not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and its carrying amount is reduced to the recoverable amount. To assess value in use, expected cash flows are discounted to their present value using risk free market rates, adjusted by the risks specific to the asset. Impairment losses from continuing activities are recognized in the consolidated statement of comprehensive income.

The Group assesses at year end indicators of impairment losses previously recorded in order to verify whether they have disappeared or decreased. If there are indicators, the Group estimates a new recoverable amount. A previously recognized impairment loss is reversed only if the circumstances giving rise to it have disappeared, since the last loss for depreciation was recognized. In this regard, the asset's carrying amount increases to their recoverable amount. The reversal is limited to the carrying amount that would have been determined had no impairment loss been recognized for the asset.

The reversal is recognized in the consolidated statement of comprehensive income. Upon such reversal, the depreciation expense is adjusted in the following periods to amortize the asset's revised book value, net of its residual value, systematically over the asset's useful life.

## Financial assets

The Group assesses at year end if financial assets or group of financial assets are impaired. To assess the impairment of certain assets, the following criteria are applied:

- Assets measured at amortized cost

If there is objective evidence that there is an impairment loss of loans and other receivables recorded at amortized cost, the loss is measured as the difference between the net carrying amount and the present value of estimated cash flows, discounted at the current market rate upon initial recognition. The net carrying amount is reduced by an allowance, and the loss is recorded in the consolidated statement of comprehensive income.

Impairment loss is reversed only if the circumstances giving rise to it have ceased to exist. Such reversal is limited to the carrying amount of the financial asset that would have been recognized on the reversal date had no impairment loss been recognized.

In regard with trade and other receivables, when there is objective evidence of not collecting them, an adjustment is made based on identified bad debts risk.

- Available-for-sale financial assets

If a financial asset available-for-sale is impaired, the difference between its cost (net of any repayment) and present fair value, less any previous impairment loss recognized in equity is taken to the consolidated statement of comprehensive income. Reversals related to equity instruments classified as available-for-sale are not recognized in the consolidated statement of comprehensive income, but the associated increase in value is directly recorded in equity.

### **2.15 Treasury shares**

Treasury shares are recorded as a direct decline in the Group's equity. They are measured at cost value, without recognizing any impairment loss. No gain or loss is recognized in the consolidated statement of comprehensive income on the purchase or sale of the Group's own equity instruments.

### **2.16 Provisions**

Provisions are recognized when:

- the Group has a present obligation either legal, contractual or constructive as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation; and
- the amount of the obligation can be reliably measured.

When the effect of the cash temporary value is significant, the provision is estimated as the present value of the future cash flows required to settle the obligation.

The discount rate applied in the assessment of the obligation's present value only corresponds to the temporary value of money and does not include the risks related to the estimated future cash flows related to the provision. The increase of the provision derived from the aforementioned discount is recorded as a financial expense.

## **2.17 Interest yield loans and credits**

Loans and credits are initially measured at cost value, which is the fair value of the contribution received, net of issuance costs related to the debt.

Upon initial recognition, interest yield loans and credits are recognized at amortized cost using the effective interest rate method, including any issuance cost and discount or settlement premium.

## **2.18 Translation of balances in foreign currency**

Transactions in foreign currency are translated at the spot rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the spot rate prevailing at the closing date. Unrealized exchange gains or losses are recognized in the consolidated statement of comprehensive income. As an exception, exchange gains or losses arising from monetary assets and liabilities that reflect investments in foreign subsidiaries are recorded in *Translation differences* in equity, with no impact on the consolidated statement of comprehensive income.

## **2.19 Leases**

Leases are considered to be financial leases when all risks and rewards incidental to ownership of the leased item are substantially transferred to the Group. Assets acquired under financial lease arrangements are recognized as property, plant and equipment at the beginning of the lease term in the consolidated statement of financial position, recording an asset equivalent to the fair value of the leased item or, if lower, the present value at the commencement of the lease of the minimum lease payments. A financial liability is recorded for the same amount.

Lease payments are apportioned between finance charges and reduction of the lease liability, in order to maintain a constant interest rate of the outstanding debt. The finance charges are recorded directly in the consolidated statement of comprehensive income. These assets are depreciated, impaired, and derecognized using the same criteria applied to assets of a similar nature.

Leases are considered to be operating leases when all risks and rewards incidental to ownership of the leased item are substantially maintained by the lessor. Operating lease payments are recognized as expense in the consolidated statement of comprehensive income when accrued over the lease term.

## **2.20 Revenues**

Revenues are recognized when it is probable that the economic benefits from the transaction will flow to the Group and the amount of income and costs incurred or to be incurred can be reliably measured.

Revenues from exploiting slot machines are measured at the collected amount. The percentage of the amount collected from slot machines attributable to the owner of the premises where the machine is located is included as operating expense under *Variable rent*.

Revenues from bingo cards are recognized for the total amount of sold cards, based on their face value, while recognizing the prizes granted to players as a decrease in operating revenues. The card cost is recorded in *Consumptions*, and the gaming tax rate over purchased bingo cards is included under *Gaming taxes*.

Revenue from casinos is recorded for the net amount from the game ("win"), after deducting prizes removed by players.

Revenue from sale of finished products is measured when risks and significant benefits incidental to the ownership of the assets have been transferred to the buyer and the outcome can be estimated reliably, circumstance that generally arises with the effective goods delivery.

Interest income is recorded based on the time passed, including the asset's effective yield.

## **2.21 Restructuring expenses**

Expenses incurred in restructuring processes, mainly indemnities to personnel, are recognized when a formal and detailed plan exists to perform such process by identifying the main parameters (i.e. main locations, functions and approximate number of affected employees, estimated payments and the implementation schedule) and creating a real and valid expectation among affected employees in regard with the process.

## **2.22 Income tax**

Deferred income tax is recognized on all temporary differences at the closing date between the tax bases of assets and liabilities and their carrying amounts in the statement of financial position.

Deferred tax liabilities are recognized for all temporary differences, except for taxable temporary differences arisen from an acquired goodwill, which amortization is not tax deductible and those arisen upon the initial recognition of an asset or liability in a transaction, other than a business combination, and that at the transaction date did not affect the accounting or the tax result.

Likewise, a deferred tax liability is recognized for all taxable temporary differences from investments in subsidiaries, associates or jointly controlled companies, except when both the following conditions are met: (a) the Group is able to manage the reversal date of the temporary difference and (b) the temporary difference will not be reversed in the future. In this regard, when the results are generated in subsidiaries in countries where there is not an agreement to avoid double taxation and the Group's policy is the repatriation of dividends, the Group records a deferred tax related to the effective amount that would be filed when profits are repatriated.

Deferred tax assets are recognized for all deductible temporary differences, tax credits and unused tax loss carryforwards, to the extent that it is probable that future taxable profit will be available against which these assets may be utilized, except for deductible temporary differences arisen upon the initial recognition of an asset or liability in a transaction, other than a business combination, and that at the transaction date did not affect the accounting or the tax result.

Furthermore, only a deferred tax asset is recognized for all deductible temporary differences from investments in subsidiaries, associates or jointly controlled companies when both the following conditions met: (a) the temporary difference will be reversed in the future, and (b) it is probable that future taxable profit will be available against which these temporary differences may be utilized.

The recovery of deferred tax assets is reviewed at year end, reducing the amount in assets to the extent that it is probable that future taxable benefits will not be available and consequently these assets could not be utilized.

Deferred taxes are measured based on the tax legislation and charge rates enacted or to be enacted, at the date of consolidated statement of financial position.

Deferred tax assets and liabilities are not discounted and are classified as non-current assets or non-current liabilities, respectively.

### **2.23 Contingencies**

When unfavorable outcome of a situation that leads to a potential loss is likely to occur (i.e. more than 50% of possibilities), the Group establishes a provision which is recorded based on the best estimate of present value of expected future disbursement. On the other hand, if expectations of favorable resolution are more likely, no provision is recorded, which is reported in the notes of existing risks, unless the possibility of a negative outcome is clearly considered remote.

### **2.24 Classification of current and non-current assets and liabilities**

Assets and liabilities are classified in the consolidated statement of financial position as current and non-current according to their maturity date. Current assets mature within one year from the closing date, and non-current assets mature in more than such period.

## **3. SEGMENT INFORMATION**

The Group's activities are organized and managed separately based on the nature of the provided services and products. Each segment represents a strategic business unit, which provides several services and offers product to different markets. The related operating results are assessed regularly by the Group's Management in order to decide which resources should be allocated to the segment and to assess its yield.

The Group has classified as operating segment the identified Group component in charge of supplying a single product or service, or a group of them, which is subject to risks and returns of different nature to those related to other segments within the Group. The main factors considered in identifying the segments have been the nature of products and services, the nature of the production process and the type of customer.

Assets, liabilities, income and expenses by segments include those directly and reasonably assignable. The captions not assigned by the Group correspond to deferred tax assets and liabilities accounts.

The transfer prices between segments are calculated based on the actual costs incurred, which have been increased by a fair trading margin.

### 3.1 Operating segments

The distribution of detailed operating segments meets the information usually managed by the Management. Segments, as defined by the Group, are as follows:

#### Slots:

Owns and operates slot machines in bars, cafés, restaurants and recreation rooms in Spain and Italy. Also provides interconnected machines in Italy.

#### B2B:

Designs, manufactures and distributes slot machines and game kits for the Spanish and international market. The division sells directly or through distributors to other divisions of the Group, mainly slot division, and third parties.

#### Casinos:

The Group operates with two types of casinos, traditional casinos which include table games and casino slot machines, and electronic casinos which only operate with casino slot machines.

#### Bingos:

Operation of bingo halls mainly in Spain and to a lesser extent, in Italy and Mexico. The parlors operate through the sale of bingo cards to customers, and to a lesser extent through the operation of slot machines and restoration services.

#### Other segments:

Segments that aggregately represent less than 10% of total external and internal revenue, less than 10% of the combined result of all segments with added benefits and less than 10% of total assets, have been considered as irrelevant and no specific information has been provided, grouped under this generic title.

The following chart shows information on revenue and results, information about assets and liabilities, and other information related to the different operating segments as for December 31, 2014 and 2013.

**2014**

	<b>Slots</b>	<b>B2B</b>	<b>Casinos</b>	<b>Bingo</b>	<b>Eliminations and other</b>	<b>Total</b>
<b>(Thousands of euros)</b>						
<b>Assets by segment</b>						
Non-current assets assigned	301,267	79,178	474,851	95,166	340,368	1,290,830
Non-current assets not assigned	-	-	-	-	85,408	85,408
Current assets assigned	114,781	44,762	334,237	20,271	(175,759)	338,292
<b>Total assets</b>	<b>416,048</b>	<b>123,940</b>	<b>809,088</b>	<b>115,437</b>	<b>250,017</b>	<b>1,714,530</b>
<b>Liabilities by segment</b>						
Liabilities assigned	(426,755)	(61,546)	(553,559)	(153,529)	(235,251)	(1,430,640)
Liabilities not assigned	-	-	-	-	(164,273)	(164,273)
<b>Total liabilities</b>	<b>(426,755)</b>	<b>(61,546)</b>	<b>(553,559)</b>	<b>(153,529)</b>	<b>(399,524)</b>	<b>(1,594,913)</b>
<b>Net operating revenue from variable rent</b>						
Sales to external customers	543,734	44,031	623,545	161,779	(19,654)	1,353,435
Sales intra-group	1,060	40,046	1,012	1,839	(43,957)	-
<b>Total net operating revenue from variable rent</b>	<b>544,794</b>	<b>84,077</b>	<b>624,557</b>	<b>163,618</b>	<b>(63,611)</b>	<b>1,353,435</b>
<b>Profit for the year</b>						
EBITDA (*)	98,416	15,972	216,393	18,243	(20,922)	328,102
Financial income	5,708	10,789	15,847	472	(18,229)	14,587
Financial costs	(23,243)	(5,879)	(27,415)	(12,236)	(30,457)	(98,230)
Profit/(loss) before income tax	22,030	15,205	155,000	(22,459)	(61,268)	108,508
Income tax	14,725	(4,188)	(42,199)	(4,865)	4,492	(32,035)
Net profit/(loss) from continuing operations	36,755	11,016	112,801	(27,324)	(56,775)	76,473
<b>Non-monetary expenses</b>						
Depreciation, amortization and impairment	(72,338)	(3,373)	(96,439)	(28,323)	6,941	(193,532)
Changes in trade provisions	(3,453)	23	(2,336)	(423)	(1)	(6,190)
<b>Other significant expenses</b>						
Personnel	(52,835)	(18,289)	(131,572)	(34,764)	(8,582)	(246,042)
Supplies and external services	(72,257)	(18,276)	(133,936)	(53,726)	25,176	(253,019)
Gaming taxes	(289,258)	(1,350)	(130,559)	(49,045)	(136)	(470,348)
<b>Other information by segments</b>						
Investment in non-current assets	36,935	7,254	63,869	14,295	1,257	123,610
Investments in associates	23,496	3,269	5,167	37,992	-	69,924
Non-controlling interests	78,420	2,504	164,492	4,180	-	249,596

(\*) For financial information purposes, EBITDA is defined as profit (loss) before income tax, financial result, profit/(loss) on investments in associates, profit/(loss) on sale/disposals of non-current assets, change in trade provisions, and depreciation, amortization and impairment charges.

**2013 (Restated)**

	Slots	B2B	Casinos	Bingo	Eliminations and other	Total
<b>Assets by segment</b>						
Non-current assets assigned	232,081	89,653	436,078	114,776	(13,101)	859,487
Non-current assets not assigned	-	-	-	-	96,734	96,734
Current assets assigned	86,054	81,129	245,963	14,816	(147,808)	280,154
<b>Total assets</b>	<b>318,135</b>	<b>170,782</b>	<b>682,041</b>	<b>129,592</b>	<b>(64,175)</b>	<b>1,236,375</b>
<b>Liabilities by segment</b>						
Liabilities assigned	(306,212)	(111,746)	(450,454)	(165,357)	(185,953)	(1,219,722)
Liabilities not assigned	-	-	-	-	(48,296)	(48,296)
<b>Total liabilities</b>	<b>(306,212)</b>	<b>(111,746)</b>	<b>(450,454)</b>	<b>(165,357)</b>	<b>(234,249)</b>	<b>(1,268,018)</b>
<b>Net operating revenue from variable rent</b>						
Sales to external customers	482,225	50,316	467,239	161,914	(897)	1,160,797
Sales intra-group	2,872	36,954	1,068	1,890	(42,784)	-
<b>Total net operating revenue from variable rent</b>	<b>485,097</b>	<b>87,270</b>	<b>468,307</b>	<b>163,804</b>	<b>(43,681)</b>	<b>1,160,797</b>
<b>Profit for the year</b>						
EBITDA (*)	43,628	21,611	190,323	17,411	(19,236)	253,737
Financial income	2,937	10,171	11,182	1,345	(15,163)	10,472
Financial costs	(14,381)	(5,930)	(33,414)	(12,395)	(29,890)	(96,012)
Profit/(loss) before income tax	(35,781)	22,127	94,032	(31,185)	(27,557)	21,636
Income tax	(3,106)	(2,771)	(46,658)	30,082	1,800	(20,653)
Net profit/(loss) from continuing operations	(38,887)	19,356	47,374	(1,103)	(25,757)	983
<b>Non-monetary expenses</b>						
Depreciation, amortization and impairment	(47,819)	(3,334)	(61,170)	(35,658)	4,556	(143,425)
Changes in trade provisions	(3,502)	508	(1,979)	(56)	14	(5,015)
<b>Other significant expenses</b>						
Personnel	(44,693)	(17,129)	(92,096)	(33,676)	(12,207)	(199,801)
Supplies and external services	(69,730)	(17,358)	(102,062)	(54,007)	20,817	(222,340)
Gaming taxes	(292,914)	(1,298)	(77,984)	(51,176)	(510)	(423,882)
<b>Other information by segments</b>						
Investment in non-current assets	27,124	3,139	52,076	16,194	940	99,473
Investments in associates	11,546	4,303	61,407	39,084	-	116,340
Non-controlling interests	21,112	-	64,996	-	-	86,108

(\*) For financial information purposes, EBITDA is defined as profit (loss) before income tax, financial result, profit/(loss) on investments in associates, profit/(loss) on sale/disposals of non-current assets, change in trade provisions, and depreciation, amortization and impairment charges.

### 3.2 Geographic segments

In the presentation of information by geographic segments, sales are based on the destination country and the assets on their location. The following chart shows this information as for December 31, 2014 and 2013.

#### 2014

<b>(Thousands of euros)</b>	<b>Sales to external customers</b>	<b>Sales inter-segment</b>	<b>Total revenue by segment</b>	<b>Assets by segment</b>	<b>Investment in non-current assets</b>
Spain	401,547	98,743	500,290	510,687	42,513
Latin America	666,651	493	667,144	1,144,031	74,534
Italy	285,237	561	285,798	129,934	6,563
Eliminations and other	-	(99,797)	(99,797)	(70,122)	-
	<b>1,353,435</b>	<b>-</b>	<b>1,353,435</b>	<b>1,714,530</b>	<b>123,610</b>

#### 2013 (restated)

<b>(Thousands of euros)</b>	<b>Sales to external customers</b>	<b>Sales inter-segment</b>	<b>Total revenue by segment</b>	<b>Assets by segment</b>	<b>Investment in non-current assets</b>
Spain	391,106	67,467	458,573	516,610	29,180
Latin America	513,187	512	513,699	748,796	64,592
Italy	256,504	3,905	260,409	122,117	5,701
Eliminations and other	-	(71,884)	(71,884)	(151,148)	-
	<b>1,160,797</b>	<b>-</b>	<b>1,160,797</b>	<b>1,236,375</b>	<b>99,473</b>

## 4. BUSINESS COMBINATIONS

### 4.1 2014

The breakdown of the companies in which the Company has gained unilateral and exclusive control in 2014 is summarized as follows:

Name and description of companies and business	Acquisition date	(Thousands of euros)				
		Acquisition price	Fair value of acquired net assets	Non-controlling interests arisen in the business combination	Fair value of prior ownership interest	Goodwill arising on acquisition (Note 5)
Ibermatic Games, S.L. and subsidiary	February 2014	150	294	144	-	-
Tecnoappel, S.L. and subsidiary	February 2014	270	529	259	-	-
Gran Casino de las Palmas, S.A.	February 2014	-	-	-	-	-
Operadora Internacional de Recreativos, S.L.	January 2014	3,000	5,882	2,882	-	-
Grupo Portal (Peruvian casinos)	April 2014	20,348	20,348	-	-	-
Cirsa +, S.R.L.	February 2014	1,090	2,137	1,047	-	-
Interplay, S.A.	May 2014	2,900	5,683	2,783	-	-
Elettronolo Firenze, S.R.L.	August 2014	6,053	6,053	-	-	-
Recreativos Martos, S.L.S.U.	December 2014	506	506	-	-	-
Multicasino, S.A.	January 2014	-	2,993	3,006	3,006	3,019
Casino de Rosario, S.A.	January 2014	-	230,972	115,486	115,486	-
Urban Leisure, S.L.	October 2014	-	535	364	364	-
Bingos Benidorm, S.A.	July 2014	-	1,408	704	704	-
Bingos Andaluces, S.A.	July 2014	-	697	349	349	-
Sala Valencia, S.A.	July 2014	-	1,088	544	544	-
La Cafeteria del Bingo, S.L.	July 2014	-	37	18	18	-
Comdibal 2000, S.L.	February 2014	245	5,431	2,661	2,525	-
Orlando Play, S.A. and subsidiaries	July 2014	11,932	75,800	37,900	32,200	-
SGR, S.R.L.	December 2014	400	509	-	109	-
Automáticos Manchegos, S.L. and subsidiary	July 2014	487	5,688	2,787	2,434	-
		<b>47,381</b>	<b>366,590</b>	<b>170,934</b>	<b>157,739</b>	<b>3,019</b>

The figure shown in the column *Acquisition price* is lower than the amount shown for this concept in the consolidated statement of cash flows, since payments have been made for acquisitions carried out in prior years.

In accordance with applicable accounting standards (IFRS 3 revised), prior ownership interest held by the Group in the companies indicated in the paragraph above (See Note 1.3 – Changes in the percentage of ownership interest or consolidation methods) has been measured at fair value at the date of gaining control, recognizing gains amounting to 99,079 thousand euros in the caption “Profit/(loss) on sale/disposals of non-current assets” in the consolidated statement of comprehensive income for the year ended December 31, 2014.

The value of identifiable assets and liabilities at the date of gaining control over the business combinations was as follows:

(Thousands of euros)	Fair value recognized on acquisition	Carrying amount
Property, plant and equipment	280,758	123,622
Intangible assets	248,464	10,867
Other non-current assets	43,994	40,565
Current assets	60,096	60,096
Liabilities (including generated deferred taxes)	(266,722)	(147,144)
	<b>366,590</b>	<b>88,006</b>

If acquisitions had occurred at the beginning of the year, consolidated operating revenues in 2014 would have increased by 42,382 thousand euros and consolidated profit for the year 2014 would have decreased by 1,362 thousand euros. Additionally, the gains contributed to the Group by these companies since the date of acquisition amount to 13,682 thousand euros.

#### 4.2 2013

The breakdown of the companies in which the Company has gained unilateral and exclusive control in 2013 is summarized as follows:

Name and description of companies and business	Acquisition date	(Thousands of euros)				Goodwill arising on acquisition
		Acquisition price	Fair value of acquired net assets	Non-controlling interests arisen in the business combination	Fair value of prior ownership interest	
Lightmoon International 21	June 2013	260	260	-	-	-
Alfematic, S.A. and subsidiaries	July 2013	3,007	7,429	4,162	-	-
Interservi, S.A. and subsidiaries	July 2013	4,194	8,224	4,030	-	-
Egartronic, S.A. and subsidiaries	July 2013	8,698	17,058	8,360	-	-
S. A. Explotadora de Recreativos	July 2013	1,222	1,990	768	-	-
Traylon, S.A.	October 2013	689	13,773	6,198	6,886	-
Electronicos Trujillanos, S.L.	December 2013	380	1,520	380	760	-
		<b>18,450</b>	<b>50,254</b>	<b>23,898</b>	<b>7,646</b>	<b>-</b>

As mentioned in Note 1.3, control over the companies Traylon, S.A. and Electrónicos Trujillanos, S.L. was gained by means of an increase in the percentage of ownership already held by the Group at prior year end (during 2013, 5% of equity instruments in Traylon, S.A. and 25% in Electrónicos Trujillanos, S.L. was acquired, reaching 55% and 75% of their equity, respectively, after the acquisitions).

In accordance with applicable accounting standards (IFRS 3 revised), prior ownership interest held by the Group in the companies indicated in the paragraph above was measured at fair value at the date of gaining control, recognizing gains amounting to 6,996 thousand euros (gains amounting to 6,427 thousand euros in the case of the prior ownership interest in Traylon, S.A., and 569 thousand euros in the case of the prior ownership interest in Electrónicos Trujillanos, S.L.) in the caption "Results on sale/disposals of non-current assets" in the consolidated statement of comprehensive income for the year ended December 31, 2013.

The figure shown in the column *Acquisition price* is lower than the amount shown for this concept in the consolidated statement of cash flows, since payments have been made for acquisitions carried out in prior years.

The value of identifiable assets and liabilities at the date of gaining control over these acquisitions was as follows:

(Thousands of euros)	Recognized on acquisition	Carrying amount
Property, plant and equipment	16,338	14,458
Intangible assets	56,399	25,256
Other non-current assets	19,213	19,213
Current assets	22,516	22,516
Liabilities (including generated deferred taxes)	(64,212)	(54,305)
	<b>50,254</b>	<b>27,138</b>

If acquisitions had occurred at the beginning of the year, consolidated operating revenues and consolidated profit for the year 2013 would have increased by 46,639 and 2,656 thousand euros, respectively. Additionally, the gains contributed to the Group by these companies since the date of acquisition amount to 3,109 thousand euros.

## 5. GOODWILL

The breakdown of goodwill by operating segments is as follows:

(Thousands of euros)	2014	(Restated) 2013
Bingos	32,320	41,607
Slots	35,066	36,966
Casinos	64,510	66,022
	<b>131,896</b>	<b>144,595</b>

The amount of goodwill at December 31, 2014 and 2013 is shown net of impairment loss allowances, which according to the applicable accounting standards are not revertible, amounting to 98,381 and 85,706 thousand, respectively. During 2014 an impairment loss on goodwill amounting to 12,675 thousand euros has been recognized (2013: 20,113 thousand euros) (Note 10.1).

The evolution of the goodwill amount recorded in books, net of impairment loss, is as follows:

(Thousands of euros)	2014	(Restated) 2013
Balance at January 1	144,595	174,187
Impairment losses	(12,675)	(20,113)
Net exchange differences arising during the period	(3,043)	(8,928)
Sale of companies	-	(551)
Additions due to business combinations (Note 4.1)	3,019	-
<b>Balance at December 31</b>	<b>131,896</b>	<b>144,595</b>

## 6. OTHER INTANGIBLE ASSETS

### 6.1 Movements

2014

(Thousands of euros)	January 1, 2014	Additions	Disposals	Transfers	Translation differences and other	December 31, 2014
<b>COST</b>						
Development costs and patents	49,225	3,626	(111)	(1,668)	12	51,084
Administrative concessions	86,517	46,834	(8)	-	4,630	137,973
Installation rights	208,706	266,818	(23,321)	1,251	(2,720)	450,734
Transfer rights	6,958	193	(464)	-	7	6,694
Software	28,456	1,503	(107)	1,668	(100)	31,420
Prepayments and other	978	1,251	(565)	(1,251)	-	413
	<b>380,840</b>	<b>320,225</b>	<b>(24,576)</b>	<b>-</b>	<b>1,829</b>	<b>678,318</b>
<b>AMORTIZATION</b>						
Development costs and patents	(42,906)	(2,699)	-	-	9	(45,596)
Administrative concessions	(29,784)	(9,372)	-	-	(2,598)	(41,754)
Installation rights	(104,235)	(55,491)	7,742	-	(8)	(151,992)
Transfer rights	(1,516)	(1,171)	321	-	5	(2,361)
Software	(20,786)	(3,045)	93	-	90	(23,648)
	<b>(199,227)</b>	<b>(71,778)</b>	<b>8,156</b>	<b>-</b>	<b>(2,502)</b>	<b>(265,351)</b>
Impairment loss	(3,354)	(3,464)	-	-	178	(6,640)
<b>Net carrying amount</b>	<b>178,259</b>	<b>244,983</b>	<b>(16,420)</b>	<b>-</b>	<b>(495)</b>	<b>406,327</b>

2013 (Restated)

(Thousands of euros)	January 1, 2013	Additions	Disposals	Transfers	Translation differences and other	December 31, 2013
<b>COST</b>						
Development costs and patents	46,046	4,026	(755)	-	(92)	49,225
Administrative concessions	75,519	12,268	(1,545)	2,085	(1,810)	86,517
Installation rights	110,775	101,650	(5,009)	1,406	(116)	208,706
Transfer rights	2,261	4,951	(150)	-	(104)	6,958
Software	25,708	4,839	(1,107)	26	(1,010)	28,456
Prepayments and other	2,953	2,510	(966)	(3,517)	(2)	978
	<b>263,262</b>	<b>130,244</b>	<b>(9,532)</b>	<b>-</b>	<b>(3,134)</b>	<b>380,840</b>
<b>AMORTIZATION</b>						
Development costs and patents	(39,709)	(3,668)	469	-	2	(42,906)
Administrative concessions	(24,360)	(6,674)	1,006	-	244	(29,784)
Installation rights	(68,945)	(37,739)	2,449	-	-	(104,235)
Transfer rights	(1,048)	(552)	61	-	23	(1,516)
Software	(19,096)	(2,473)	20	-	763	(20,786)
	<b>(153,158)</b>	<b>(51,106)</b>	<b>4,005</b>	<b>-</b>	<b>1,032</b>	<b>(199,227)</b>
Impairment loss	(3,354)	-	-	-	-	(3,354)
<b>Net carrying amount</b>	<b>106,750</b>	<b>79,138</b>	<b>(5,527)</b>	<b>-</b>	<b>(2,102)</b>	<b>178,259</b>

Additions in 2014 include the effects of business combinations (Note 4), which amounted to a gross value of 283,804 thousand euros (2013: 82,861 thousand euros) and accumulated amortization of 35,340 thousand euros (2013: 26,462 thousand euros). These amounts were almost entirely related to installation rights and administrative concessions.

Most of the rest of additions in 2014 and 2013 included in *Installation rights* mainly relate to the non-refundable payment in exchange of the exclusive rights to operate the premises where the slot machines are located. The disposals in this caption for both years mainly relate to installation rights pending amortization in premises which are closed, or it was decided not to operate the machine for profitability reasons.

## **6.2 Development costs and patents**

They correspond mainly to the following:

- Industrial companies: Creation of new models of slot machines and technological innovations for them. Net value as of December 31, 2014 and 2013 is 3,064 and 3,052 thousand euros, respectively.
- Lottery and interactive products companies: Development of software applications for on-line games. Net value as of December 31, 2014 and 2013 is 2,765 and 1,608 thousand euros, respectively.

The internal cost of developing new models of slot machines and software for on-line games by the B2B division of the Group are capitalized as an increase in the value of developments costs and patents with a charge to the corresponding expenses according to their nature in the consolidated statement of comprehensive income. The total amount of works performed by the Group for the intangible assets in 2014 and 2013 amounted to 2,415 and 2,679 thousand euros, respectively.

Research and development expenses recognized as expenses in 2014 amounted to 298 thousand euros (2013: 140 thousand euros) (Note 21.2).

## **6.3 Administrative concessions**

The gross balance of official licenses to operate as of December 31, 2014 mainly corresponds to:

- An official contract to operate slot machines in Panama amounting to 43,000 thousand euros (37,493 thousand euros at December 31, 2013). The net value of this concession at December 31, 2014 amounts to 19,399 thousand euros (19,166 thousand euros at December 31, 2013).
- An Argentinean company holds the concession of a lottery employing disabled people amounting to 936 thousand euros at December 31, 2014 (1,114 thousand euros at December 31, 2013). The net value of these concessions at December 31, 2014 and 2013 is zero.
- Licenses of video terminals acquired by Cirsa Italia S.p.A. for an amount of 40,056 thousand euros (39,524 thousand euros at December 31, 2013). The net value of this concession at December 31, 2014 is 27,211 thousand euros (30,508 thousand euros at December 31, 2013).
- Licenses arisen in the gain of control of Casino de Rosario, S.A. for an amount of 41,271 thousand euros at December 31, 2014. The net value of these licenses at December 31, 2014 is 39,673 thousand euros.

## **6.4 Installation rights**

Installation rights correspond to the amounts paid in exchange for the exclusive use of the premises in which slot machines are located.

## 6.5 Impairment losses

The balance of impairment losses basically covers the value of certain administrative concessions in Argentina (936 and 1,114 thousand euros at December 31, 2014 and 2013, respectively), and investments in research and development projects based on implementing new technologies in the gaming industry (1,745 thousand euros at December 31, 2014 and 2013).

The impairment losses recognized during 2014 mainly correspond to exclusive rights to points of sale that will no longer be operational.

Note 10 includes several elements in relation to a test of the potential impairment of the Group's assets.

## 6.6 Other information

At December 31, 2014, the net value of intangible assets in foreign companies of the Group amounted to 139,252 thousand euros (2013: 94,579 thousand euros).

## 7. PROPERTY, PLANT AND EQUIPMENT

### 7.1 Movements

#### 2014

(Thousands of euros)	January 1, 2014	Additions	Disposals	Transfers	Translation differences and other	December 31, 2014
<b>Cost</b>						
Land and buildings	106,586	252,388	(193)	4,295	(14,661)	348,415
Installations	52,658	9,851	(537)	1,043	178	63,193
Machinery	421,514	130,794	(35,680)	22,945	(2,075)	537,498
Data processing equipment	46,402	8,428	(1,146)	1,364	(317)	54,731
Vehicles	14,891	1,422	(165)	2,030	(1,527)	16,651
Other installations, tools, and furniture	225,322	40,255	(7,666)	2,240	6,373	266,524
Assets in progress	14,141	52,199	(5,642)	(33,917)	(664)	26,117
	<b>881,514</b>	<b>495,337</b>	<b>(51,029)</b>	-	<b>(12,693)</b>	<b>1,313,129</b>
<b>Depreciation</b>						
Buildings	(42,138)	(27,393)	36	(15)	1,585	(67,925)
Installations	(36,324)	(9,914)	368	-	274	(45,596)
Machinery	(307,261)	(111,224)	31,206	(81)	578	(386,782)
Data processing equipment	(38,458)	(7,925)	482	78	503	(45,320)
Vehicles	(7,964)	(2,171)	156	-	700	(9,279)
Other installations, tools, and furniture	(143,096)	(36,471)	5,437	18	(3,553)	(177,665)
	<b>(575,241)</b>	<b>(195,098)</b>	<b>37,685</b>	-	<b>87</b>	<b>(732,567)</b>
Impairment losses	(2,996)	(1,284)	1,766	-	-	(2,514)
<b>Net carrying amount</b>	<b>303,277</b>	<b>298,955</b>	<b>(11,578)</b>	-	<b>(12,606)</b>	<b>578,048</b>

## 2013 (Restated)

(Thousands of euros)	January 1, 2013	Additions	Disposals	Transfers	Translation differences and other	December 31, 2013
<b>Cost</b>						
Land and buildings	104,750	4,954	(20)	2,587	(5,685)	106,586
Installations	53,769	2,604	(176)	783	(4,322)	52,658
Machinery	401,146	60,602	(27,250)	15,472	(28,456)	421,514
Data processing equipment	45,310	2,899	(1,911)	1,645	(1,541)	46,402
Vehicles	18,606	337	(168)	835	(4,719)	14,891
Other installations, tools, and furniture	223,589	11,442	(6,416)	3,061	(6,354)	225,322
Assets in progress	12,155	28,744	(302)	(24,383)	(2,073)	14,141
	<b>859,325</b>	<b>111,582</b>	<b>(36,243)</b>	-	<b>(53,150)</b>	<b>881,514</b>
<b>Depreciation</b>						
Buildings	(38,461)	(5,391)	-	-	1,714	(42,138)
Installations	(33,673)	(6,016)	70	-	3,295	(36,324)
Machinery	(283,924)	(68,045)	23,224	(31)	21,515	(307,261)
Data processing equipment	(36,706)	(4,597)	1,628	-	1,217	(38,458)
Vehicles	(8,389)	(1,799)	166	-	2,058	(7,964)
Other installations, tools, and furniture	(128,505)	(21,508)	3,230	31	3,656	(143,096)
	<b>(529,658)</b>	<b>(107,356)</b>	<b>28,318</b>	-	<b>33,455</b>	<b>(575,241)</b>
Impairment losses	(2,086)	(1,490)	580	-	-	(2,996)
<b>Net carrying amount</b>	<b>327,581</b>	<b>2,736</b>	<b>(7,345)</b>	-	<b>(19,695)</b>	<b>303,277</b>

The column *Additions* in 2014 includes the effect of the business combinations (Note 4), which has amounted to a gross value of 350,240 thousand euros (32,297 thousand euros in 2013) and accumulated depreciation of 69,482 thousand euros (17,839 thousand euros in 2013).

Additions in 2014 also included investments in assets in Spain (22,926 thousand euros), Colombia (14,187 thousand euros), Argentina (30,218 thousand euros), Mexico (9,633 thousand euros), and Peru (3,425 thousand euros), mainly to renovate some already-installed halls, and additions of property, plant and equipment under construction amounting to 52,199 thousand euros as a result of the renovation and expansion of casinos, mainly in Latin American countries. It should be noted that most of the additions in the said caption of property, plant and equipment under construction in 2014 were recognized according to their nature, since most of the halls under construction were already put to use.

Moreover, additions in 2013 basically corresponded to purchases of machines in Spain (13,377 thousand euros), Colombia (11,470 thousand euros), Argentina (1,031 thousand euros), Mexico (2,308 thousand euros), and Peru (1,637 thousand euros), for the same purpose as in 2014 mentioned above, and additions of property, plant and equipment under construction amounting to 6,802 thousand euros as a result of the opening of new halls or renovation of already-existing halls in Panama, and 7,451 thousand euros as a result of the opening of a bingo hall in Argentina.

Disposals in 2014 and 2013 show sales of assets and other disposals, mainly due to the substitution of slot machines, which represented a loss of 6,507 thousand euros in 2014 (a loss of 4,109 thousand euros in 2013).

## **7.2 Work performed by the Group for property, plant and equipment**

The cost value of the slot machines manufactured by Group companies and sold to slot machine operators of the Group, are recognized as property, plant and equipment by crediting the corresponding expenses in the consolidated statement of comprehensive income. The amount of work performed by the Group for property, plant and equipment in 2014 and 2013 amounted to 44,207 and 29,621 thousand euros, respectively.

## **7.3 Assets subject to guarantees**

Several property, plant and equipment items, whose net value as of December 31, 2014 and 2013 was 15,460 thousand and 13,353 thousand euros, respectively, were used as guarantee for mortgage loan debts.

## **7.4 Assets subject to charges and limitations**

All assets are unrestricted, except for assets subject to guarantees indicated in Note 7.3 and those acquired through financial lease contracts, whose net book value amounted to 19,138 thousand euros at December 31, 2014 (15,766 thousand euros at December 31, 2013) (Note 20.2).

## **7.5 Property, plant and equipment located abroad**

The net value of property, plant and equipment located abroad was 468,219 thousand euros at December 31, 2014 (209,811 thousand euros).

## **7.6 Investment commitments**

At December 31, 2014 firm investment commitments amount to 1,317 thousand euros (9,120 thousand euros at December 31, 2013).

## 8. INVESTMENTS IN ASSOCIATES

This caption includes the following investments:

### 2014

(Thousands of euros)	Carrying amount of the investment	Assets	Liabilities	Operating revenue	Profit/(loss) for the year
AOG, S.R.L.	23,410	45,264	(11,049)	80,501	3,380
Recreativos Pozuelo, S.L.	12,547	27,197	(2,103)	14,358	210
Binbaires, S.A.	7,387	26,906	(4,743)	26,164	4,447
Royal Games, S.R.L.	5,076	19,092	(8,940)	31,003	(72)
Juegos San Jose, S.A.	3,199	7,924	(1,189)	36,284	(178)
Montecarlo Andalucía, S.L.	2,587	5,481	(317)	21,555	1,441
Play to Win, S.L.	2,317	5,139	(505)	-	895
Sportium Apuestas Deportivas, S.A.	2,086	18,693	(14,521)	17,450	1,448
Bingo Electrónico de México, S.L.	1,844	4,161	(677)	3,771	336
Competiciones Deportivas, S.L.	1,657	1,345	(110)	-	-
Other	7,814	73,324	(51,538)	104,992	(8,352)
	<b>69,924</b>				

### 2013 (Restated)

(Thousands of euros)	Carrying amount of the investment	Assets	Liabilities	Operating revenue	Profit/(loss) for the year
Casino de Rosario, S.A.	38,985	128,594	(50,621)	161,233	14,838
AOG, S.R.L.	21,720	42,771	(11,936)	81,010	2,944
Recreativos Pozuelo, S.L.	12,442	26,925	(2,041)	12,864	31
Binbaires, S.A.	7,646	25,849	(2,909)	26,320	3,338
Royal Games, S.R.L.	5,112	21,512	(11,288)	31,183	1,135
Automáticos Manchegos, S.L.	4,299	9,155	(557)	4,516	119
Comdibal 2000, S.L.	3,974	12,208	(4,260)	14,939	684
Juegos San Jose, S.A.	3,388	8,128	(995)	39,375	422
Sportium Apuestas Deportivas, S.A.	2,565	6,662	(1,532)	11,690	(1,673)
Play to Win, S.L.	2,322	6,176	(1,532)	6	2,013
Montecarlo Andalucía, S.L.	1,896	4,202	(410)	20,655	1,247
Residencial Tibidabo, S.A.	1,791	1,129	(1,541)	33,721	197
Competiciones Deportivas, S.L.	1,771	1,779	(96)	-	-
Bingo Electrónico de México, S.L.	1,630	3,664	(608)	4,472	890
Bingos Andaluces, S.A.	1,587	2,379	(432)	10,628	78
Postbintra, S.A.	1,510	2,748	(673)	11,836	48
Other	3,702	152,346	(145,089)	147,697	(15,462)
	<b>116,340</b>				

Associates consolidated using the equity method had no contingent liabilities or capital commitments at December 31, 2013 and 2014.

The variation for the year of the caption "Investments in associates" is as follows:

<b>(Thousands of euros)</b>	<b>2014</b>	<b>Restated 2013</b>
Balance at January 1	116,340	130,582
Share in profit for the year	8,589	24,919
Share in losses for the year	(10,099)	(13,222)
Other changes	(44,906)	(25,939)
<b>Balance at December 31</b>	<b>69,924</b>	<b>116,340</b>

"Other changes" includes the derecognition deriving from the business combinations of the year, exchange differences and dividends received from companies consolidated using the equity method.

Transactions in 2014 and 2013 between the companies mentioned above and other companies consolidated using the full and/or proportional consolidation methods are irrelevant.

## 9. FINANCIAL ASSETS

This caption is composed by the following balances:

<b>(Thousands of euros)</b>	<b>2014</b>			<b>2013 (Restated)</b>		
	<b>Non- current</b>	<b>Current</b>	<b>Total</b>	<b>Non- current</b>	<b>Current</b>	<b>Total</b>
<b>Loans and receivables</b>						
Nortia Business Corporation, S.L.	68,559	-	68,559	66,372	-	66,372
Loans to jointly-controlled companies and associates	1,391	5,209	6,600	4,979	11,200	16,179
Loans to third parties	25,624	-	25,624	36,483	-	36,483
Deposits and guarantees	6,912	40,581	47,493	6,550	28,004	34,554
Fixed-income securities and deposits	-	9,113	9,113	-	1,727	1,727
Trade and other receivables	-	212,603	212,603	-	195,073	195,073
Other	2,980	4,937	7,917	3,682	8,543	12,225
	105,466	272,443	377,909	118,066	244,547	362,613
Impairment losses	(831)	(35,438)	(36,269)	(1,050)	(27,855)	(28,905)
	<b>104,635</b>	<b>237,005</b>	<b>341,640</b>	<b>117,016</b>	<b>216,692</b>	<b>333,708</b>

The Group estimates that fair values of these assets do not differ significantly from the recorded amounts.

The accumulated balance of impairment loss of non-current financial assets mainly corresponds to loans to third parties, while impairment loss of current financial assets corresponds to trade and other receivables (34,318 and 23,960 thousand euros at December 31, 2014 and 2013, respectively).

## 9.1 Loans and receivables

### Nortia Business Corporation, S.L.

The non-current debtor balance of Nortia Business Corporation, S.L. includes the following entries:

<b>(Thousands of euros)</b>	<b>2014</b>	<b>Restated 2013</b>
Loan maturing in 2017, at 8.75% interest rate	31,381	31,381
Long-term promissory notes from the sale of assets, discounted at 5% interest rate	3,060	3,619
Accrued interests	34,118	31,372
	<b>68,559</b>	<b>66,372</b>

The effective interest rate of the loan granted to Nortia Business Corporation (5.73%) does not match the nominal interest rate (8.75%), since interest will be paid upon the maturity of the loan.

At December 31, 2014 and 2013 the carrying amount of this loan was similar to its fair value.

### Credits to jointly-controlled companies and associates

This caption is broken down as follows (\*):

<b>(Thousands of euros)</b>	<b>2014</b>	<b>Restated 2013</b>
Loans granted to a jointly controlled company domiciled in Argentina. These loans were expressed in US dollars and accrued interest at an annual rate of Libor (six months) and matured in 2014	-	3,367
Current accounts with jointly-controlled companies and associates	5,508	10,819
Other	1,092	1,993
	<b>6,600</b>	<b>16,179</b>

(\*) Receivable balances from jointly-controlled companies shown above are the remaining balances after the eliminations derived from the consolidation process.

The maturity date of these assets is as follows:

<b>(Thousands of euros)</b>	<b>2014</b>	<b>Restated 2013</b>
Within one year	5,209	11,200
Between one and two years	348	1,244
Between two and three years	347	1,245
Between three and four years	348	1,245
Between four and five years	348	1,245
	<b>6,600</b>	<b>16,179</b>

The average interest rate of these assets in 2014 and 2013 was 8.75% and 7.00%, respectively.

### Loans to third parties

The breakdown of non-current loans to third parties is as follows:

<b>(Thousands of euros)</b>	<b>2014</b>	<b>Restated 2013</b>
Mortgage loan in US dollars to a company that owns a hotel in Dominican Republic where a casino operated by the Group is located. It earns an annual interest of 7.25%.	853	951
Loan to the minority shareholder of a Spanish operator of the Group (effective interest rate of the transaction: 8.0%)	-	9,591
Loan granted in USD to a former shareholder of a Mexican company at an 8.75% interest rate, and with a tangible security.	188	905
Deferred collection of the sale of a minority interest in a Spanish company engaged in the operation of a bingo hall.	391	493
Deferred collection of the sale of ownership interests in Spanish companies engaged in the operation of three bingo halls (effective rate of the transaction: 8.75%)	2,176	-
Current accounts between a group company and companies related to it (third parties for Group purposes), at a floating interest rate of Euribor plus 4% with a minimum of 5.5%.	7,739	16,637
Other	14,277	7,906
	<b>25,624</b>	<b>36,483</b>

The breakdown of maturity dates for non-current loans to third parties is as follows:

<b>(Thousands of euros)</b>	<b>2014</b>	<b>Restated 2013</b>
Between one and two years	15,947	9,643
Between two and three years	6,317	3,529
Between three and four years	264	3,666
Between four and five years	1,023	882
More than five years	2,073	18,763
	<b>25,624</b>	<b>36,483</b>

### Trade and other receivables

This caption is broken down as follows:

<b>(Thousands of euros)</b>	<b>2014</b>	<b>Restated 2013</b>
Trade receivables	40,188	26,698
Impairment losses	(34,318)	(23,960)
Other related parties	1,105	1,979
Receivables from Public administrations	32,493	25,017
Other receivables	138,817	141,363
Nortia Business Corporation, S.L. – Promissory notes from sale of assets	-	16
	<b>178,285</b>	<b>171,113</b>

Receivables from Public administrations mainly correspond to payments on account of income tax, VAT and other tax receivables.

The balance of trade and other receivables is shown net of impairment loss. The movements in the impairment loss allowance are as follows:

<b>(Thousands of euros)</b>	<b>2014</b>	<b>Restated 2013</b>
Balance at January 1	27,855	21,472
Net charge for the year	6,133	4,383
Utilized	(3,270)	(61)
Additions of companies	4,720	2,061
<b>Balance at December 31</b>	<b>35,438</b>	<b>27,855</b>

The Group has established credit periods between 90 and 150 days, while the average collection period is approximately of 120 days at December 31, 2014 (120 days at December 31, 2013).

## 10. IMPAIRMENT TEST

### 10.1 Goodwill

#### Cash-generating units

Goodwill acquired through business combinations and intangible assets with indefinite useful lives have been attributed to cash-generating units for impairment test. The breakdown of cash-generating units is as follows:

- Industrial companies, as a whole
- Each regional branch of slot machines
- Each group of bingos jointly acquired
- Each casino managed individually
- Each differentiated interactive activity

#### Key assumptions

- Budgeted gross margins - to determine the value assigned to the budgeted gross margins, the average gross margin achieved in the year immediately preceding the year budgeted is used, increased by the expected efficiency improvements. The period used in these projections is 5 years. From the fifth year the figures are extrapolated using a growth rate similar to expected inflation.
- Increase in costs - to determine the value assigned to the increase in raw materials prices, the price index expected during the year for each country where the Group operates is used. The values assigned to key assumptions are consistent with respect to external sources of information.
- The discount rate applied to projected cash flows is determined by the specific risk of each cash-generating unit, taking into account the type of activity and country where it is located. The following chart shows the discount rates used based on business and geographic area for the CGUs with significant goodwill associated to them.

<b>Country</b>	<b>Activity</b>	<b>Discount rate (before tax)</b>
Spain	Gaming	11.65% - 13.15 %
Spain	Industrial	13.71%
Spain	Interactive	13.71%
Italy	Gaming	12.87%
Peru	Gaming	14.26%
Colombia	Gaming	17.25%

## Test results

As a consequence of the tests performed, impairment adjustments have been recognized in 2014 amounting to 12,675 thousand euros, mainly due to the reduction in the estimate of future cash flows of certain operators in Spain (1,900 thousand euros), of certain bingo halls (9,300 thousand euros) and certain casinos (1,475 thousand euros). In 2013 impairment adjustments were recognized amounting to 20,113 thousand euros, mainly due to the reduction in the estimate of future cash flows of certain operators in Spain (3,713 thousand euros) and certain bingo halls (16,400 thousand euros).

The breakdown of the recoverable amounts of the CGUs for which, during 2014 and 2013, an impairment loss on related goodwill has been recognized is as follows:

### 2014

(Millions of euros)	Recoverable amount of the CGU	Impairment loss	
		On goodwill	On other assets
<b>CGU</b>			
Group of bingos of which Global Bingo Corporation, S.A.U. is the parent	53.7	9.3	-
Recreativos Rodés, S.A.U.	1.3	0.3	-
Electrónicos Radisa, S.L.U.	5.3	0.3	-
Casino Cirsá Valencia, S.A.U.	11.0	1.5	-
Group of which Global Amusement Partners Corporation, S.A.U. is the parent	12.7	1.3	-
<b>Impairment loss recognized</b>		<b>12.7</b>	<b>-</b>

### 2013 (Restated)

(Millions of euros)	Recoverable amount of the CGU	Impairment loss	
		On goodwill	On other assets
<b>CGU</b>			
Electrónicos Radisa, S.L.U.	4.9	1.3	-
Group of bingos of which Global Bingo Corporation, S.A.U. is the parent	59.1	5.4	-
Group of bingos of which Global Cinco Estrellas, S.A. is the parent	6.0	4.8	-
Bingos Malagueños, S.A.U.	(1.1)	0.7	0.2
Group of bingos of which Romgar, S.L. is the parent	7.8	5.5	-
Hispania Investment, S.A.U.	(0.2)	2.4	-
Other	-	-	0.6
<b>Impairment loss recognized</b>		<b>20.1</b>	<b>0.8</b>

## 10.2 Other assets

Impairment indicators used by the Group to determine the need of an impairment test on other non-current assets, amongst others, are as follows:

- Significant drop of the result over the same period in the prior year, and/or over the budget.
- Legislative changes in progress or planned, which could lead to negative effects.
- Change of strategy or internal expectations regarding a particular business or country.
- Position of competitors and their launches of new products.
- Slowdown of income or difficulties in selling at expected prices.
- Change in habits and attitudes of users, and other elements specific to each division.

During 2014 as a result of the tests performed, no impairment losses other than those described above have been recognized. In the prior year an impairment loss amounting to 800 thousand euros was recognized (impairment of casino assets amounting to 600 thousand euros and impairment of assets related to the bingo segment amounting to 200 thousand euros (Note 10.1).

## 11. INTERESTS IN JOINT OPERATIONS AND JOINTLY CONTROLLED COMPANIES

Jointly controlled companies have been incorporated in the consolidated financial statements through the equity method. However, the Argentinian joint operations (temporary joint venture CBA-CIESA and temporary joint venture CBA-Magic Star), have been incorporated in accordance with Note 2.5.

The information on the related companies is detailed in Appendix. Other relevant information related to the joint operations is detailed in the following table:

(Thousands of euros)	Data affected by % of ownership interest	
	2014	Restated 2013
Non-current assets	1,401	739
Current assets	162,992	142,460
Non-current liabilities	(1,394)	(1,357)
Current liabilities	(7,610)	(6,286)
Operating revenues	91,696	96,764
Expenses	(55,917)	(53,647)
Net profit for the year	35,779	43,117

The overall amount of assets, operating revenues and losses after tax of the jointly controlled companies amount to 149,851, 181,972 and 31,281 thousand euros, respectively.

## 12. INVENTORIES

The breakdown of inventories by category, net of impairment, is as follows:

(Thousands of euros)	2014	Restated 2013
Raw and auxiliary materials	3,873	2,888
Spare parts and other	6,156	3,075
Finished products	218	149
Work in progress	799	3,971
Prepayments to suppliers	1,893	1,954
	<b>12,939</b>	<b>12,037</b>

Inventories correspond mainly to the manufacture and trade of slot machines carried out by Group companies.

The balance of inventories is shown net of impairment loss. Movements in the impairment loss allowance are as follows:

(Thousands of euros)	2014	Restated 2013
Balance at January 1	1,163	2,051
Charge for the year	89	54
Write-off	(381)	(942)
<b>Balance at December 31</b>	<b>871</b>	<b>1,163</b>

The write-off in 2014 and 2013 corresponds to the destruction of several inventories from the industrial division.

### 13. CASH AND CASH EQUIVALENTS

For consolidated cash-flow statement purposes, cash and cash equivalents include the following items:

<b>(Thousands of euros)</b>	<b>2014</b>	<b>Restated 2013</b>
Cash	12,525	11,961
Current accounts	58,836	33,857
Deposits	7,024	98
	<b>78,385</b>	<b>45,916</b>

These assets are unrestricted and earn market interest rates.

### 14. EQUITY

#### 14.1 Share capital

At December 31, 2014 and 2013 the Company's share capital consisted of 122,887,121 shares with a par value of 0.20 euros each. All shares bear the same political and economic rights.

The breakdown of the Company's shareholders and their equity interest at December 31 is as follows:

	<b>2014</b>	<b>2013</b>
Nortia Business Corporation, S.L., company belonging to Mr. Manuel Lao Hernández and his family	52.43%	52.43%
Mr. Manuel Lao Hernández	46.65%	46.65%
Treasury shares	0.92%	0.92%
	<b>100.00%</b>	<b>100.00%</b>

Part of the Company's shares (26.04% at December 31, 2014 and 2013) and shares of several subsidiaries are pledged in favor of Institut Català de Finances as a guarantee for a loan granted to Nortia Business Corporation S.L., main shareholder of the Company.

#### 14.2 Treasury shares

At December 31, 2014 and 2013, the Company has 1,131,421 treasury shares at an average cost of 0.1626 each, which are shown reducing the Group's net equity.

### 14.3 Retained earnings

The balance of this caption includes two reserves of the Company, which are non-distributable.

#### Legal reserve

In accordance with the Spanish Capital Companies Law, Spanish companies obtaining profit will assign 10% of profit to the legal reserve, until its balance is equivalent to at least 20% of share capital. As long as it does not exceed this limit, the legal reserve can only be used to offset losses if no other reserves are available. This reserve can also be used to increase capital by the amount exceeding 10% of the new capital after the increase.

At December 31, 2014 and 2013 the Parent Company's legal reserve amounted to 4,915 thousand euros.

Additionally, the Group Spanish subsidiaries have provided the reserves at the amount required by the prevailing legislation.

#### Treasury shares reserve

As indicated in Note 14.2 above, the Parent Company acquired treasury shares. In accordance with prevailing mercantile legislation, the Group has provided the corresponding non-distributable reserve by the amount of treasury shares, maintained until sold or amortized.

### 14.4 Non-controlling interests

The balances related to non-controlling interests are as follows:

(Thousands of euros)	Balance in statement of financial position		Share in profit	
	2014	Restated 2013	2014	Restated 2013
Division				
Casinos	164,492	64,996	15,742	13,121
Slots	78,420	21,112	4,144	995
B2B	2,504	-	279	-
Bingos	4,180	-	381	-
	<b>249,596</b>	<b>86,108</b>	<b>20,546</b>	<b>14,116</b>

The inter-annual variation of balances in the consolidated statement of financial position is as follows:

(Thousands of euros)	2014	Restated 2013
Balance at January 1	86,108	65,485
Share in profit for the year	20,546	14,116
Translation differences	(4,265)	(2,610)
Additions for acquisition / creation of companies, changes in consolidation methods (from proportional to full) or changes in the % of ownership in companies consolidated under the full consolidation method (Note 4.1)	170,494	23,799
Sale of companies	2,915	(1,448)
Dividends paid	(26,202)	(13,234)
<b>Balance at December 31</b>	<b>249,596</b>	<b>86,108</b>

## 15. BONDS

This caption basically refers to the issue of bonds by a group company located in Luxembourg amounting to a nominal of 900 million euros, including an initial amount of 400 million euros, issued in 2010 below par, at a 97.89% price; an additional issue in January 2011 of 280 million euros as an extension of the former one; another issue of 100 million euros at 99.75% of the par value in January 2013 also as an extension of the first one and an issue of 120 million euros at 105.0% of the par value in January 2014 which was carried out once again as an extension of the issue made in 2010. These bonds are listed on the Luxembourg Stock Exchange, accruing an annual interest of 8.75% paid every six months, and maturing in 2018.

Contracts subscribed in relation to the bonds issued by the subsidiaries in Luxembourg regulate certain obligations and commitments by the Group, which include, among others, the supply of periodic information, the maintenance of titles of ownership in subsidiaries, the restriction on disposal of significant assets, the compliance with certain debt ratios, the limitation on payment of dividends, the limitation on starting-up new businesses, and the restriction on the Group granting guarantees and endorsements to third parties. The Parent Company's Directors consider that all contractual obligations have been met. The shares of several Group companies have been assigned as security for these liabilities.

At December 31, 2014 the quoted price of the bonds recognized in the liabilities side of the balance sheet was 102.6% of their par value (105.8% at 2013 year end).

## 16. BANK BORROWINGS

The breakdown of bank borrowings at December 31, 2014 and 2013 is as follows:

(Thousands of euros)	2014			Restated 2013		
	Non-current	Current	Total	Non-current	Current	Total
Mortgage and pledge loans	22,353	3,974	26,327	43,904	2,782	46,686
Other loans	71,714	26,044	97,758	36,168	22,739	58,907
Financial lease agreements (Note 20.2)	7,327	8,529	15,856	9,187	6,169	15,356
Credit and discount lines	8,000	10,703	18,703	-	4,428	4,428
	<b>109,394</b>	<b>49,250</b>	<b>158,644</b>	<b>89,259</b>	<b>36,118</b>	<b>125,377</b>

Average interest rates accrued by these borrowings are as follows:

	%	
	2014	Restated 2013
Loans	4.46%	4.69%
Financial lease agreements	5.33%	5.27%
Credit and discount lines	4.33%	4.54%

The annual maturity date of these liabilities is as follows:

(Thousands of euros)	2014	Restated 2013
Within one year	49,250	36,118
Between one and two years	32,110	20,758
Between two and three years	19,223	15,358
Between three and four years	40,779	9,319
Between four and five years	7,534	30,607
More than five years	9,748	13,217
	<b>158,644</b>	<b>125,377</b>

Part of these liabilities, equal to 26,182 and 21,084 thousand euros at December 31, 2014 and 2013, respectively, is denominated in U.S. dollars.

At December 31, 2014, the shares of several subsidiaries were pledged in favor of Deutsche Bank London AG as a security for the credit line, whose utilization limit amounted to 50 million euros (the same amount at December 31, 2013). At December 31, 2014 the Group has not drawn down any balance of this credit line. At December 31, 2013, 25 million euros had been drawn down, which were recognized as a non-current liability, since they matured in 2018. As a result of the issue of bonds carried out during January 2014 (described in Note 15) the Group settled the drawn amount of the said credit line.

At December 31, 2014 the undrawn amount of credit and discount lines is 13,911 and 2,544 thousand euros, respectively, without considering the credit line commented in the paragraph above. These figures amounted to 14,135 and 4,485 thousand euros, respectively, at 2013 year end.

Finally, at December 31, 2014 and 2013 the guarantees given by credit institutions and insurance companies to the Group, in connection with official gaming concessions and licenses were 99,807 and 71,534 thousand euros, respectively.

## 17. OTHER CREDITORS

The breakdown of this caption is as follows:

(Thousands of euros)	2014			Restated 2013		
	Non-current	Current	Total	Non-current	Current	Total
Public administrations	1,075	60,836	61,911	911	63,499	64,410
Bills payable	2,399	5,194	7,593	1,038	2,863	3,901
Sundry creditors	36,138	88,285	124,423	31,512	74,917	106,429
	<b>39,612</b>	<b>154,315</b>	<b>193,927</b>	<b>33,461</b>	<b>141,279</b>	<b>174,740</b>

In 2014 the non-current portion of liabilities with Public administrations refers mainly to deferral on gaming taxes granted by the corresponding authorities, which have accrued an annual interest rate of 5% (2013: 5%). The current portion corresponds to gaming taxes with a short-term maturity (2014: 28,595 thousand euros, 2013: 34,602 thousand euros), personal income tax, VAT, social security contributions and similar concepts pending to be filed.

*Bills payable* correspond mainly to debts arising from the acquisition of companies and operations of slot machines with deferred payment, discounted at market interest rate.

The caption *Non-current sundry creditors* mainly includes:

- Asset suppliers amounting to 5,428 thousand euros (4,304 thousand euros at prior year end).
- Non-current payable amount related to certain investments in Panama amounting to 7,449 thousand dollars (6,135 thousand euros). The debt derived from this investment will be settled through 47 equal monthly instalments of 395 thousand dollars, including interest, the first payment being in January 2014 until December 2017. At prior year end the non-current payable amount was 11,539 thousand US dollars (8,367 thousand euros).
- Several payables for ordinary transactions amounting to 10,191 thousand euros, with an undetermined maturity (7,427 thousand euros at prior year end).

The caption *Current sundry creditors* mainly includes:

- Asset suppliers amounting to 33,527 thousand euros (25,056 thousand euros at prior year end).
- Payables for the rendering of services amounting to 20,401 thousand euros (21,292 thousand euros at December 31, 2013).
- Current borrowings amounting to 7,540 thousand euros (8,752 thousand euros at prior year end), notably including the payable portion in 2015 for the investments in Panama mentioned above, amounting to 3,387 thousand euros (3,866 thousand euros at prior year end).
- Employee benefits payable amounting to 21,590 thousand euros (2013: 15,951 thousand euros) (Note 21.1).

## 18. PROVISIONS

The breakdown of this caption is as follows:

<b>(Thousands of euros)</b>	<b>2014</b>	<b>Restated 2013</b>
Obligations in relation to employees	15,844	12,275
Tax assessments appealed by the Group	1,059	2,926
Other	2,726	6,479
<b>Balance at December 31</b>	<b>19,629</b>	<b>21,680</b>

The amount recognized in *Obligations in relation to employees* mainly consists of probable contingencies with the personnel in Italy, the bonus plan for the Group's executives, and retirement incentives.

At December 31, 2014 and 2013 the amount shown under the caption *Others* mainly consisted of provisions for several risks, fines and labor trials that are individually irrelevant.

The inter-annual variation of the balance is as follows:

<b>(Thousands of euros)</b>	<b>2014</b>	<b>Restated 2013</b>
Balance at January 1	21,680	18,497
Charge for the year	3,347	4,714
Provisions utilized	(6,534)	(4,082)
Additions due to sale of companies	1,136	2,551
<b>Balance at December 31</b>	<b>19,629</b>	<b>21,680</b>

## 19. TAXES

### 19.1 Tax Group

The Parent Company, together with 71 Spanish group companies, which comply with tax legislation requirements, files tax returns on a consolidated basis. Additionally, there is another Spanish consolidated tax group in Spain, comprising 8 companies, of which the subsidiary Orlando Play, S.A. is the parent.

The other Group companies file income tax returns separately in accordance with applicable tax legislation.

### 19.2 Accrued and payable income tax

The income tax expense in the consolidated statement of comprehensive income is broken down as follows:

<b>(Thousands of euros)</b>	<b>2014</b>	<b>Restated 2013</b>
Current	33,791	28,425
Deferred for (increase) decrease in tax loss carryforwards capitalized and tax credits	(11,333)	(8,692)
Deferred for temporary differences	19,058	179
Deductibility of the fine imposed to Italy during 2013	(11,429)	-
Adjustment in the Mexican income tax for the prior year	1,948	-
Expenses from tax inspection	-	741
	<b>32,035</b>	<b>20,653</b>

The breakdown of current income tax payable is as follows:

<b>(Thousands of euros)</b>	<b>2014</b>	<b>Restated 2013</b>
Current income tax	33,791	28,425
Withholdings and payments on account	(7,643)	(9,701)
	<b>26,148</b>	<b>18,724</b>

### 19.3 Analysis of income tax expense

(Thousands of euros)	2014	Restated 2013
Profit before tax	108,508	21,636
Tax rate prevailing in Spain	30%	30%
Theoretical income tax expense	32,552	6,491
Adjustments – Effect of:		
Different tax rates prevailing in other countries	5,025	2,807
Changes in the general tax rate in Spain (Note 19.4)	4,992	-
Countries with no income taxation and/or compensation of tax losses	(1,202)	(1,773)
Impairment losses solely for consolidation purposes	3,169	6,274
Cancelled prior years' deferred tax assets from the tax group whose parent is Cirsa Gaming Corporation, S.A.	8,053	3,200
Cancelled prior years' tax deferred tax assets from companies that file taxes separately	1,204	334
Recognition of deferred tax assets arisen in prior years	-	(17,694)
Translation differences deductible / taxable for tax purposes	78	(630)
Expense from tax inspection	-	769
Unrecognized used tax credits	-	(2,264)
Revaluation of previous investments in business combinations (Note 1.3)	(28,985)	-
Fine to Cirsa Italia, Spa (Note 23)	(11,429)	10,800
Adjustment in the Mexican income tax for the prior year	1,948	-
Limitation on the deductibility of financial expenses in Spanish companies that will not be recovered	8,691	9,529
Other non-deductible expenses and other	7,939	2,810
	<b>32,035</b>	<b>20,653</b>

At December 31, 2014 and 2013 the effect of corrections in different tax rates mainly corresponds to the higher taxes applied in Argentina and Colombia.

Cancelled prior years' deferred tax assets in companies that file taxes separately in 2014 (1,204 thousand euros) and in 2013 (334 thousand euros) corresponded to Spanish subsidiaries.

In relation to the fine imposed on Cirsa Italia, Spa in the prior year, described in Note 23, it should be taken into account that at December 31, 2013, and out of prudence, it was considered non-deductible for income tax purposes. However, in May 2014 the Group sent a formal request ("Interpello") to the tax authorities for the recognition of the deductibility of such expenses. Since on June 16, 2014 such tax authorities answered positively to the deductibility, the Group has recognized a positive impact on the consolidated statement of comprehensive income for the current year amounting to 11,429 thousand euros (tax effect of the tax contingency paid in the prior year).

The recognition of deferred tax assets arisen in prior years for an amount of 17,694 thousand euros corresponds to a change in the estimate regarding the recoverability of temporary differences and tax loss carryforwards generated by a subsidiary in Mexico (Promociones e Inversiones de Guerrero, S.A.P.I. de C.V.).

The impact of assets impairment merely for consolidation purposes basically relates to the prevailing tax rate applicable to the impairment of goodwill or assets in Spain amounting to 12.7 million euros (20.1 million euros at December 31, 2013).

At December 31, 2014 and 2013 non-deductible expenses mainly consisted of financial investment impairment allowances carried out by subsidiaries in Latin American countries.

## 19.4 Deferred tax assets and liabilities

(Thousands of euros)	2014	Restated 2013
<b>Assets</b>		
Tax loss carryforwards from the tax group whose parent is Cirsa Gaming Corporation	23,556	14,968
Tax loss carryforwards from the tax group whose parent is Orlando Play, S.A.	421	-
Tax loss carryforwards from other group companies	21,132	18,808
Deductible temporary differences:		
--- Impaired receivables	6,245	8,238
--- Impaired securities portfolio	5	24,050
--- Goodwill impaired in individual books	1,256	483
--- Intragroup margin write-off	6,014	6,267
--- Non-accounting impairment for tax purposes	9,628	12,710
--- Non-deductible amortization for accounting purposes	9,347	4,589
--- Other	7,804	6,621
	<b>85,408</b>	<b>96,734</b>
<b>Liabilities</b>		
Taxable temporary differences:		
--- Provision for maximum gaming prizes	(7,708)	(6,736)
--- Difference between tax depreciation and accounting depreciation	(2,297)	(4,701)
--- Non-accounting impairment for tax purposes	(12,042)	(14,810)
--- Margin write-offs	(2,162)	(2,740)
--- Business combinations (Initial statement of non-current assets at fair value)	(133,425)	(16,624)
--- Other	(6,639)	(2,685)
	<b>(164,273)</b>	<b>(48,296)</b>

Law 27/2014 of November 27 on the Income Tax has modified the general tax rate, which decreases from the current 30% to 28% in 2015 and to 25% in subsequent years. As a result, the Company has adjusted prior deferred tax assets and liabilities based on the tax rate prevailing at the estimated date of reversion. The effect of such adjustment has resulted in a charge in the income tax amounting to 4,992 thousand euros.

The Group estimates the taxable profits which it expects to obtain within the utilization period based on budgeted projections. It also analyzes the reversal period of taxable temporary differences, identifying those that reverse in the years in which unused tax loss carryforwards may be used. Based on this analysis, the Group has recorded deferred tax assets for unused tax loss carryforwards as well as deductions pending application and deductible temporary differences for which it is considered probable that sufficient taxable profit will be generated in the future against which they can be utilized.

The breakdown of unused tax losses carryforwards at December 31, 2014 for the 2 tax groups whose parent companies are, respectively, the Parent Company and the subsidiary Orlando Play, S.A., is as follows:

(Thousands of euros)		Taxable basis	
Arising in	Last year for utilization	Tax group whose parent is the Parent Company	Tax group whose parent is Orlando Play, S.A.
1997	2015	317	-
1998	2016	74	-
1999	2017	1,047	-
2000	2018	1,141	-
2001	2019	17,885	-
2002	2020	2,605	-
2003	2021	10,237	-
2004	2022	14,681	-
2005	2023	35,712	-
2006	2024	2,064	937
2007	2025	17,599	396
2008	2026	1,764	378
2009	2027	8,500	1,388
2010	2028	15,904	-
2011	2029	40,301	-
2012	2030	10,327	-
2013	2031	-	-
2014	2032	25,770	-
		<b>205,928</b>	<b>3,099</b>

#### *Tax group whose parent is the Company*

At December 31, 2014 and 2013 the Group has recognized deferred tax assets amounting to 23,556 and 14,964 thousand euros, respectively, relating to unused tax loss carryforwards of the tax group. No deferred tax assets were recorded for the rest of unused tax losses carryforwards, which at December 31, 2014 amount to 27,926 thousand euros (2013: 39,333 thousand euros), since their future application is uncertain.

In addition to tax loss carryforwards, the tax group whose parent is the Company holds additional tax credits amounting to 55,438 thousand euros at December 31, 2014 (2013: 49,794 thousand euros), for unused tax deductions that were not capitalized for not having met the terms to be used.

(Thousands of euros)		Unused deductions at December 31, 2014
Last year for utilization		
2014		68
2015		36
2016		1,029
2017		4,207
2018		5,094
2019		9,579
2020		8,636
2021		15,893
2022		1,464
2023		1,524
2024		3,751
2025		566
2026		419
2027		1,647
2028		721
2029		252
2030		284
2031		268
		<b>55,438</b>

Tax group whose parent is Orlando Play, S.A.

In 2010 the tax group whose parent is Orlando Play, S.A. was constituted.

At December 31, 2014 the Group had recognized deferred tax assets amounting to 421 thousand euros, corresponding to unused tax loss carryforwards.

Additionally, the said tax group has unused tax loss carryforwards amounting to 1,415 thousand euros for which the deferred tax assets have not been recognized, since the requirements established by the applicable framework for financial information are not met.

#### **19.5 Other tax information**

Under prevailing tax regulations, tax returns may not be considered final until they have either been inspected by tax authorities or until the inspection period has expired. At December 31, 2014 Spanish companies (which mostly file taxes under a consolidated tax group) are open to inspection of all taxes to which they are liable for the last four years, except for those that, in accordance with the paragraph below, have already been reviewed. In general, the prescription periods for countries where the Group has significant presence are between four and five years after the end of the statutory period for filing tax returns.

On March 8, 2012, the Company's Management was notified of an inspection for all the years open to inspection, that is, from 2007 to 2010 (from 2008 to 2010 for VAT and withholdings), and for all taxes of Cirsa Gaming Corporation, S.A., Universal de Desarrollos Electrónicos, S.A, Global Game Machine Corporation, S.A., Cirsa International Gaming Corporation, S.A. and Cirsa Slot Corporation, S.A. All these companies belong to the Spanish tax group. On November 7, 2013 the corresponding inspection agreement assessment was signed, whereby tax loss carryforwards amounting to 40,576 thousand euros were regularized and sanctions were imposed for an amount of 769 thousand euros.

It is important to note that, in the regularization of tax loss carryforwards, no accounting expense arose, since no tax credits had been recognized relating to the said regularized tax loss carryforwards. Consequently, the sanctions imposed in such inspection were the only expense that had an impact on the consolidated statement of comprehensive income for the year ended December 31, 2013.

## 20. LEASES

### 20.1 Operating leases

The Group has leases on several buildings for an average term between three and five years, with no renewal clauses.

The future minimum payments under non-cancellable operating leases at December 31 are as follows:

<b>(Thousands of euros)</b>	<b>2014</b>	<b>Restated 2013</b>
Within one year	64,835	59,269
Between one and five years	279,383	263,239
More than 5 years	75,162	72,857
	<b>419,380</b>	<b>395,365</b>

### 20.2 Finance leases

The Group has financed several acquisitions of property, plant and equipment (mainly slot machines) through financial lease agreements. The future minimum payments under financial leases and their present value are as follows:

<b>(Thousands of euros)</b>	<b>2014</b>		<b>Restated 2013</b>	
	<b>Minimum payments</b>	<b>Present value of payments (Note 16)</b>	<b>Minimum payments</b>	<b>Present value of payments (Note 16)</b>
Within one year	10,659	8,529	7,711	6,169
Between one and five years	11,503	7,327	14,422	9,187
	<b>22,162</b>	<b>15,856</b>	<b>22,133</b>	<b>15,356</b>

Acquisition of property, plant and equipment through financial lease agreements, not recorded as cash flows in investing activities in the consolidated statements of cash flows, amounted to 3,546 thousand euros in 2014 and 4,348 thousand euros in 2013.

## 21. INCOME AND EXPENSES

### 21.1 Personnel

<b>(Thousands of euros)</b>	<b>2014</b>	<b>Restated 2013</b>
Wages and salaries	185,502	150,273
Social security	44,195	34,279
Indemnities	4,078	4,321
Other personnel expenses	12,267	10,928
	<b>246,042</b>	<b>199,801</b>

Remunerations pending payment at year end of 2014 and 2013 (21,590 and 15,951 thousand euros, respectively) are recognized in the caption *Other creditors* (Note 17).

The breakdown of the average headcount by professional category and gender is as follows:

	2014			Restated 2013		
	Men	Women	Total	Men	Women	Total
Executives	356	84	440	261	81	342
Technicians, production and sales staff	6,202	5,068	11,270	4,697	3,802	8,499
Administrative personnel	902	730	1,632	793	583	1,376
	<b>7,460</b>	<b>5,882</b>	<b>13,342</b>	<b>5,751</b>	<b>4,466</b>	<b>10,217</b>

The headcount at December 31, 2014 and 2013 by category and gender does not significantly differ from the breakdown shown in the table above regarding the average headcount for those years.

## 21.2 Supplies and external services

(Thousands of euros)	2014	Restated 2013
Rent and royalties	73,480	64,532
Advertising, promotion and public relations	41,918	35,296
Professional services	19,520	18,239
Sundry services	12,406	14,925
Supplies	29,381	25,352
Travel expenses	12,232	9,959
Repair and maintenance	20,562	14,798
Security	8,304	7,905
Postal services, communications and telephone	11,970	12,624
Insurance premiums	8,133	5,439
Cleaning services	6,767	5,472
Bank services and similar	5,682	5,253
Transportation	2,366	2,406
Research and development expenses (Note 6.2)	298	140
	<b>253,019</b>	<b>222,340</b>

## 21.3 Exchange gains/(losses)

(Thousands of euros)	2014	Restated 2013
Gains	5,814	1,839
Losses	(18,641)	(3,488)
	<b>(12,827)</b>	<b>(1,649)</b>

Net exchange gains/(losses) from translation of financial balances in foreign currency between Group companies are recognized in *Translation differences*, as a component that decreases the shareholders' equity at December 31, 2014 by 259 thousand euros (2013: it decreased the shareholders' equity by 2,100 thousand euros), since they are considered as exchange gains/(losses) arising from monetary components of a net investment in a foreign business.

## 22. RELATED PARTIES

The Group conducts several trade and financial transactions with its main shareholder Nortia Business Corporation, S.L., and its subsidiaries, which are broken down as follows:

<b>(Thousands of euros)</b>	<b>2014</b>	<b>Restated 2013</b>
Sale of slot machines	302	745
Revenues from the rendering of services	1,024	1,739
Operating expenses	(12,482)	(12,218)
Interest income	3,745	4,689
Interest expenses	(73)	(644)

Transactions with related entities correspond to Group normal trading activity and are carried out at market prices in a manner similar to transactions with unrelated parties.

Accounts receivable derived from these transactions at year end are described in Note 9.

Accounts payable from trade transactions amount to 2,127 and 1,896 thousand euros at December 31, 2014 and 2013, respectively, and are included in *Trade Payables*.

## 23. CONTINGENCIES

### Argentina

In October 1999, an Argentinean group company opened a floating casino in waters of Río de la Plata on the basis of an official license granted by the Federal Authorities. The Government of the Autonomous City of Buenos Aires (GCABA) challenged the competence of the Federal Authorities ("Lotería Nacional, SE") in gaming matters. In particular, it claimed that gaming activities fell under its jurisdiction in the City of Buenos Aires, and hence, raised objections against the license granted to the subsidiary Casino Buenos Aires, S.A. (CBA).

These circumstances led to a co-participation agreement for gaming matters that was signed between the Federal Authorities (LNSE) and the Government of the Autonomous City of Buenos Aires. Conveniently, this agreement was ratified by Decree 1155/2003 of PEN, dated December 1, 2003 (B.O. 02/12/2003) and Law 1,182 of the Legislation of the Government of the Autonomous City of Buenos Aires, dated November 13, 2003 (BOCBA 01/12/2003). The agreement matured four years after, but it was renewed since there was a clause that stated that if neither party –the City or the State- notified the other to the contrary, it would be renewed automatically for four more years.

Despite the abovementioned agreement, the Government of the Autonomous City of Buenos Aires continued to request CBA to pay the tax on gross revenues from the activity carried out by the Group since 1999 as operator of an Argentinean floating casino in waters of Río de la Plata. This fact prompted CBA to request precautionary measures against the Government of the Autonomous City of Buenos Aires to stop the latter from conducting any action to collect taxes on gross revenues derived from the floating casino's turnover. The last precautionary measures requested by CBA were accepted by the Federal Authorities in November 2011. The Government of the Autonomous City of Buenos Aires lodged an appeal against the abovementioned precautionary measures.

Subsequently, on November 1, 2013, the GCABA summoned the blocks of Buenos Aires legislation to find a way to start receiving the said tax on gross revenues. On December 4, 2013 the LNSE and the GCABA signed an addendum to the agreement (hereinafter "the addendum"). Among others, the addendum established that the CBA would pay a special monthly supplementary charge of 3% (three per cent) over the income from slot machines and casino card games after certain deductions (rather than over gross revenues). In accordance with the addendum, the special charge started to accrue as of January 1, 2014, payable in monthly instalments in the following month, and the payment was subject to compliance with certain conditions, which most notably include:

- The receipt of the abovementioned charge entailed the extinguishment of the claims or credits related to the payment of the tax on gross revenues by the GCABA.
- CBA reserves the inalienable and irrevocable right to render ineffective and automatically interrupt the payment of such special supplementary charge should the GCABA intend to claim the payment of the tax on gross revenues.

On December 18, 2013 the Authorities took precautionary measures whereby they suspended certain clauses of the addendum, invalidating the agreement for the moment. These measures were appealed against by the GCABA on December 20, 2013 and revoked during the current year due to formal non-compliance.

Although at the current date the addendum is pending final approval by the National Executive Authority, on December 15, 2014 the Group paid an amount of 42 million pesos to LNSE and continues to recognize a liability to LNSE for the remaining amount accrued for during the year 2014 in the caption "Other creditors" in the consolidated statement of financial position (5,040 thousand Argentinian pesos).

The Group and its legal advisors consider that the rights conveniently agreed upon with LNSE are consolidated and rejects the payment of the tax on gross revenues from the activity conducted in floating casinos based on: a) the interpretation that no territorial basis can be claimed to collect taxes on the operation of a casino located in a boat anchored in river waters, b) the signing of the agreement between LNSE and the Bet and Gambling Institute of the Autonomous City of Buenos Aires, and c) the described addendum signed in the prior year. Therefore, the Group's legal advisors consider that an unfavorable result of this matter for the Group's interest for 2014 and prior years is not probable.

#### Italy

In 2007 the Italian Court of Auditors (Corte dei Conti-CdC) started proceedings against Cirsa Italia, SpA and the rest of online slot machine operators, alleging that they had not fulfilled some obligations they had as authorized operators, and imposed a fine on such company amounting to 3,300 million euros (98,000 million euros on all the online operators as a whole). Cirsa and the rest of online operators lodged an appeal against such fine.

On February 17, 2012 the Italian Court of Auditors issued a ruling that imposed a fine of 120 million euros on Cirsa Italia (and 2,500 million euros for all the operators as a whole).

On April 23, 2012 the Group appealed against the ruling before a higher court, which suspended its execution. At December 31, 2012 no provision was recognized in the consolidated statement of financial position, but the contingency was disclosed in the notes to the consolidated financial statements for the year then ended, since the Group's Management and legal advisors considered unlikely that the contingency would have to be settled, based on several legal and factual reasons.

However, in the prior year, specifically on November 15, 2013, the Group announced that the settlement of the contingency had been agreed with Corte dei Conti (CdC) through the payment of 36 million euros (30% of 120 million euros) plus 1.5 million of interest. Such contingency was settled by Cirsa Italia, Spa in November 2013, which had an impact on the consolidated statement of comprehensive income for the comparative year (2013), specifically on the captions "Gaming taxes" (36 million euros) and "Financial costs" (1.5 million euros).

## 24. INFORMATION ON ENVIRONMENTAL ISSUES

Given the activities and features of the Group, neither capital expenditures nor expenses took place in connection with the prevention, reduction or damage repair of environmental matters

## 25. AUDIT FEES

Fees and expenses referred to the audit of the 2014 financial statements of the Group's companies rendered by the main auditors and other firms belonging to the auditor's international network amounted to 1,397 thousand euros in 2014 and 1,261 thousand euros in 2013.

In addition, fees and expenses paid during the year corresponding to other services rendered by the main auditors or other related entities amounted to 386 thousand euros in 2014 and 346 thousand euros in 2013.

## 26. DIRECTORS AND SENIOR EXECUTIVES

The breakdown of the remuneration earned by members of the Company's Board of Directors and senior executives is as follows:

<b>(Thousands of euros)</b>	<b>2014</b>	<b>Restated 2013</b>
Directors		
Salaries	1,817	1,157
Senior executives		
Salaries	4,800	4,800
	<b>6,617</b>	<b>5,957</b>

At December 31, 2014 there are debit balances in current accounts with the Company's Directors amounting to 478 thousand euros (815 thousand euros in 2013). These accounts accrue an annual interest of 4.25%.

The Group companies have no pension plans, life insurance policies or dismissal indemnities for former or current members of the Board of Directors and senior executives of the Company.

Pursuant to article 229 of the Spanish Capital Companies Law, the Directors have informed the Company that there are no situations representing a conflict for the Group.

## 27. OBJECTIVES AND POLICIES OF FINANCIAL RISK MANAGEMENT

The Group is exposed to credit risk, interest risk, exchange risk and liquidity risk during the normal development of its activities.

The Group's main financial instruments include bonds, bank loans, credit and discount lines, financing obtained through the deferral of gaming taxes, financial leases, deferred payments for purchase of businesses, and cash and current deposits.

The Group's policy establishes that no trading in derivatives (exchange rates insurance) to manage exchange rate risks arising from certain fund sources in U.S. dollars will be undertaken. The Group neither uses financial derivatives to cover fluctuations in interest rates.

## 27.1 Credit risk

Most of the operations carried out by the Group are in cash. For receivables from other activities, the Group has established a credit policy and risk exposure in collection is managed in the ordinary course of business. Credit assessments are carried out for all customers who require a limit higher than 60 thousand euros.

Guarantees on loans and the credit risk exposure are shown in Note 9.

## 27.2 Interest rate risk

External finance is mainly based on the issuance of corporate bonds at fixed interest rate. Bank borrowings (credit policies, trading discounts, financial lease agreements) as well as deferred payments with public administrations and other long-term non-trade debts have a variable interest rate that is reviewed annually. Previous Notes show interest rates of debt instruments.

The breakdown of liabilities that accrue interests at 2014 and 2013 year end is as follows:

(Thousands of euros)	2014		Restated 2013	
	Fixed interest rate	Floating interest rate	Fixed interest rate	Floating interest rate
Bonds	897,242	-	770,010	-
Bank borrowings	-	158,644	-	125,377
Other creditors	-	28,769	-	27,364
	<b>897,242</b>	<b>187,413</b>	<b>770,010</b>	<b>152,741</b>

At December 31, 2014 financial liabilities at a fixed interest rate represented 83% of total liabilities (the same percentage in 2013). In this regard, the Group's sensitivity to fluctuations in interest rates is low: a variation of 100 basis points in floating rates would lead to a change in the result amounting to 1,874 thousand euros and 1,527 thousand euros in 2013.

The Group estimates that fair value of the financial liabilities' instruments does not differ significantly from the accounted amounts, except for the comment in Note 15.

The breakdown of assets that accrue interests at 2014 and 2013 year end is as follows:

(Thousands of euros)	2014		Restated 2013	
	Fixed interest rate	Floating interest rate	Fixed interest rate	Floating interest rate
Nortia Business Corporation, S.L.	68,559	-	66,372	-
Loans to jointly-controlled companies and associates	5,508	1,092	10,819	5,360
Loans to third parties	3,608	22,016	13,343	23,140
Deposits and guarantees	47,493	-	34,554	-
Fixed-income securities and deposits	9,113	-	1,727	-
	<b>134,281</b>	<b>23,108</b>	<b>126,815</b>	<b>28,500</b>

The Group estimates that the fair value of the assets' financial instruments does not differ significantly from the net book value.

### 27.3 Foreign currency risk

The Group is exposed to foreign currency risk in businesses located in Latin America, mainly in Argentina, which affect significantly revenues and expenses, Group results and the value of certain assets and liabilities in currencies other than the euro. It is also affected to a lesser extent by granted and received loans. Currencies that basically generate exchange risks are the Argentinean peso and the US dollar.

In order to reduce risks, the Group conducts policies aimed to keep balanced collection and payments in cash of assets and liabilities in foreign currency.

The following study on sensitivity shows the foreign currency risk:

- Sensitivity of the profit for the year before tax against fluctuations of the exchange rate US dollar/euro

Variation	Thousands of euros	
	2014	Restated 2013
+ 10%	(2,974)	(2,700)
+ 5%	(1,558)	(1,415)
- 5%	1,722	1,563
- 10%	3,635	3,301

- Sensitivity of the profit for the year before tax against fluctuations of the exchange rate Argentinean peso/euro

Variation	Thousands of euros	
	2014	Restated 2013
+ 10%	(9,691)	(4,468)
+ 5%	(5,032)	(2,214)
- 5%	5,757	3,004
- 10%	12,050	6,048

These variations correspond basically to the impact on operating magnitudes, and not on financial figures, since approximately 90% of Group financial liabilities, in both years, are paid in euros.

### 27.4 Liquidity risk

The exposure to unfavorable situations of debt markets can make difficult or prevent from hedging the financial needs required for the appropriate development of Group activities.

At December 31, 2014 and 2013, like in prior years, the Group shows negative working capital. This should be read within the context of the Group's activities, which are mostly based on revenues that generate cash every day, resulting in very high cash flows from operations, as observed in the consolidated statement of cash flows. Additionally, the Group obtains very high EBITDA, as shown in the consolidated statement of comprehensive income, which allows it to face debt service without cash difficulties.

Additionally, to manage liquidity risk, the Group applies different measures:

- Diversification of financing sources through the access to different markets and geographical areas. In this regard, the Group has an additional borrowing capacity (see data in Note 16).
- Credit facilities committed for the sufficient amount and flexibility. Accordingly, the Group has available cash and cash equivalents amounting to 78 million euros at December 31, 2014 (2013: 46 million euros), to meet unexpected payments.
- The length and repayment schedule for financing through debt is established based on the financed needs.

In this regard, the Group's liquidity police ensure to meet its payment obligations without requiring the access to funds in costly terms.

Additionally, it is noteworthy that both at Group and individual business level, the Group performs projections regularly on the generation and expected cash needs, in order to determine and monitor the Group's liquidity position.

The relevant information on the maturity dates of financial liabilities based on contractual terms is broken down in Notes 15, 16 and 17.

## **28. CAPITAL MANAGEMENT POLICY**

The main objectives of the Group's capital management are to ensure financial stability in the short and long term, appropriate return rates, increased business value and ensure proper and adequate financing of investments and projects to be conducted in a framework of controlled expansion.

The Group's strategy, both in 2014 and 2013, is to enhance the more profitable business and to act decisively on the deficit operations, to significantly improve the results and net cash flows. Control of investments and costs restraint have also been established as a priority action, with satisfactory results.

As stated in Note 15, the contracts entered into in relation to corporate bonds issued include limitations on the payment of dividends. The Company does not intend to distribute dividends in the short to medium term given that the Group policy is not to distribute dividends.

## 29. INFORMATION ON THE AVERAGE PAYMENT PERIOD TO SUPPLIERS

In compliance with Law 15/2010 of July 5, modifying Law 3/2004 of December 29, which establishes measures to be taken in combating arrears in commercial transactions, below we include a breakdown of the total amount of payments made to suppliers during the year by the Spanish subsidiaries, disclosing those that exceeded the legal payment deadlines; the weighted average period of time exceeded for payments; and the balance pending payment to suppliers exceeding the legal deadline at year end:

	Payments made and payments outstanding at the balance sheet date			
	2014		Restated 2013	
	Amount	%	Amount	%
Within maximum legal payment period (*)	190,024	65.07%	212,915	65.15%
Other	102,011	34.93%	113,871	34.85%
<b>Total payments in the year</b>	<b>292,035</b>	<b>100.00%</b>	<b>326,786</b>	<b>100.00%</b>
Weighted average payment period exceeded (days)	36		40	
<b>Overdue payments exceeding the legal payment period at the closing date</b>	<b>13,169</b>		<b>8,992</b>	

(\*) The maximum legal payment period would be based, in each case, on the characteristics of the good or service received by the company in accordance with Law 3/2004 of December 29, which establishes measures to be taken in combating arrears in commercial transactions.

## 30. EVENTS AFTER THE BALANCE SHEET DATE

In February 2015 the Group has acquired 7 casinos in Costa Rica, which jointly operate with 1,200 slot machines and 21 tables. The price agreed upon in the acquisition amounts to 33.5 million dollars, approximately 5 times the Ebitda of such casinos, which has been settled through available cash. As a result of this acquisition, the Cirsa Group has become the leading casino operator in Costa Rica.

### **31. ADDITIONAL NOTE FOR ENGLISH TRANSLATION**

These consolidated financial statements were originally prepared in Spanish. In the event of discrepancy, the Spanish-language version prevails.

These financial statements are presented on the basis of the International Financial Reporting Standards adopted by the European Union which for the purposes of the Group are not different from those issued by the International Accounting Standards Board (IASB). Consequently, certain accounting practices applied by the Group might not conform with generally accepted principles in other countries.

March 31, 2015

## **Cirsa Gaming Corporation Group**

### **Consolidated Management Report**

**Year ended December 31, 2014**

#### Previous consideration

The coming into effect of IFRS 10, which redefines the concept of control, and IFRS 11, which eliminates the option of accounting for jointly-controlled companies using the proportional consolidation method, has forced the Group to restate the 2013 figures as indicated in the standards themselves. The breakdown of this impact is explained in Note 2.3.

#### Relevant information

Despite the complex economic situation, and generalized depreciation of the currencies of the Latin American countries in which the Group carries out part of its activity, the Group's operating revenues (net of variable rent) have increased by 192,638 thousand euros (16.6%) during the twelve months of 2014.

EBITDA amounts to 328,102 thousand euros, compared to 253,737 thousand euros in the prior year, which represents a 29.31% increase (+74,365 thousand euros) mainly due to the improvement in the way the Group has managed its business, focusing on achieving profitable growth and consolidating its already existing business activities. In particular, we highlight the performance of the activities in Latin America.

In order to maintain the Group's position of leadership at a domestic level and offer a larger range of products in traditional sectors and in those related to new technologies, the Group has continued, as in previous years, to invest significant level of resources in research and development. This year the total amount allocated for projects carried out by the Group's Research and Development department amounted to 3,626 thousand euros.

The Group's strategy for the future is focused on three objectives:

- to continue to increase EBITDA through cost improvement and management of the mix of revenues.
- productivity programs applied in all the businesses and countries.
- selectively chosen investments, analyzed and conducted strictly.

On May 28, 2004, the Company acquired 2.47% of its shares at an acquisition cost of 31,007 thousand euros. On July 13, 2007, the Company transferred 1.55% of its treasury stock to Nortia Business Corporation, S.L. as a consideration for the acquisition of a bunch of slot machine operators. The remaining shares (0.92%) are being held in the treasury stock portfolio.

The Group has not recognized any derivatives or financial instruments in its financial statements that would be significant for measuring its assets, liabilities, financial situation or results.

March 31, 2015

Company	Activity	Percentage of ownership 2014	Percentage of ownership 2013	Investment holder	Business address	City	Province/Country
Administradora de Salas de Juego Alfa, S A C	Casinos	90,00%	-	Gaming And Services, S A C	C/ Mercaderes, 303	Arequipa	Peru
Administradores De Personal En Entretenimiento, SA de CV	Bingos	100,00%	100,00%	Bincamex, S A de CV	Bosque de Duraznos, 61 3B	Mexico City	Mexico
Aidr, S A	Bingos	75,00%	75,00%	Global Bingo Corporation, S A U	Av Muñoz Varqas, 18	Huelva	Huelva
Alfemalic, S A	Slots	50,00%	50,00%	Cirsa Slot Corporation, S L U	Ctra Reilmars, 345	Terrassa	Barcelona
Ancon Entertainment, S A	Casinos	50,00%	50,00%	Cirsa International Gaming Corporation, S A U	Calle 50 y 73 Este San Francisco	Panama City	Panama
Apple Games 2000, S L	Slots	49,50%	49,50%	Epartonic, S A	Sequit de Favara, 11	Picanya	Valencia
Automáticos Laomar, S L U	Slots	51,00%	50,00%	Oriando Play, S A	C/Sierra Telar, 40	Viator	Almeria
Automáticos Manchegos, S L	Slots	51,00%	50,00%	Interservi, S A	Pio III, 13	Juan	Ciudad Real
Automáticos Siglo XXI, S L U	Slots	100,00%	75,00%	Juegomatic, S A	Martillo, 26	Sevilla	Sevilla
Bar Juegos, S L	Bingos	100,00%	100,00%	Global Bingo Corporation, S A U y Madriñeta de Servicios para el Bingo, S L U	Fermina Sevillano, 5-7	Madrid	Madrid
Binale, S A	Bingos	100,00%	100,00%	Global Bingo Corporation, S A U y Global Bingo Madrid, S A U	General Ricardos, 176	Madrid	Madrid
Bincamex, S A de CV	Bingos	100,00%	100,00%	Cirsa International Gaming Corporation, S A U	Cantu, 9 - 601, Colonia Nueva Anzures	Mexico City	Mexico
Bincano, S A U	Bingos	100,00%	100,00%	Global Bingo Corporation, S A U	Etcano, 30-32	Bilbao	Vizcaya
Bingames, S A U	Bingos	100,00%	100,00%	Global Bingo Corporation, S A U	Ctra. Castellar	Terrassa	Barcelona
Binqaser, A I E	Bingos	100,00%	100,00%	Vanos	Fermina Sevillano, 5-7	Madrid	Madrid
Bingos Andaluces, S A	Bingos	50,00%	50,00%	Global Bingo Corporation, S A U	Asunción, 3	Sevilla	Sevilla
Bingos Bendorm, S A	Bingos	50,00%	50,00%	Global Bingo Corporation, S A U	Plaza Doctor Fleming, s/n	Bendorm	Alicante
Bingos de Madrid Reunidos, S A U	Bingos	100,00%	100,00%	Cirsa Gaming Corporation, S A	Fermina Sevillano, 5-7	Madrid	Madrid
Bingos Electronicos De Panamá, S A U	Casinos	100,00%	100,00%	Gaming & Services De Panama, S A U	Calle 50 y 73 Este San Francisco	Panama City	Panama
Bingos Malaqueños, S A U	Bingos	100,00%	100,00%	Sobima, S A U	Pz Cruz de Humilladero, S/n	Málaga	Málaga
Binned Madrid, S A U	Bingos	100,00%	100,00%	Sala Versailles, S A	C/ Bravo Murillo, 309	Madrid	Madrid
Bumex Land, S L U	Bingos	100,00%	100,00%	Global Bingo Corporation, S A U	Etcano, 30-32	Bilbao	Vizcaya
B2B Central Reponing, S A De CV	B2B	100,00%	100,00%	Cirsa Interactive Corporation, S L	Bosque de Duraznos, 61 3 b, Bosques Lomas	Mexico City	Mexico
Cafeteria Miami, S A U	Casinos	-	100,00%	Gaming & Services, S A C	Av. La Manna, 1725	San Miguel (Luma)	Peru
Capitan Haya 7, S A	Bingos	100,00%	100,00%	Global Bingo Corporation, S A U y Global Bingo Stars, S A U	Capitán Haya, 7	Madrid	Madrid
Casino Buenos Aires, S A	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation, S A U y Gestion de Juego Integral, S A U	Avda Eivira Rawson de Dellepiane, s/n	Buenos Aires D F	Argentina
Casino Cirsa Valencia, S A U	Casinos	100,00%	100,00%	Global Casino Technology Corporation, S A U	Avda de las Cortes Valencianas, 59	Valencia	Valencia
Casino de Rosario, S A	Casinos	50,00%	50,00%	Casino Buenos Aires, S A	C/ Córdoba, 1365, Piso 5 of 508	Santa Fe-Rosario	Argentina
Casino Nueva Andalucía Marbella, S A U	Casinos	100,00%	100,00%	Global Casino Technology Corporation, S A U	Ctra. Cádiz-Málaga Km 180	Marbella	Málaga
Caterers Services, S A	Casinos	100,00%	100,00%	Gaming & Services de Panamá, S A U	Calle 50 y 73 Este San Francisco	Panama City	Panama
Cirsa*, S R L	Slots	51,00%	-	Cirsadesi, S P A U	Via Toscana, 31	Buccinasco	Milan
Centro de Apuestas, S A C	Casinos	90,00%	-	Gaming And Services, S A C	C/ Mercaderes, 303	Arequiba	Peru
Cirsaecuador, S A	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation, S A U	Inglatera E3263 y Ava Amazonas	Quito	Ecuador
Cirsa Amusement France, S A U	Slots	100,00%	100,00%	Cirsa Slot Corporation, S L U	10 Impasse Leonce Couliure	Toulouse	Francia
Cirsa Caribe, C A	Casinos	70,00%	70,00%	Cirsa Venezuela, C A U	Avda 4 de Mayo, Centro Comercial Local 41	Portofmar	Francia
Cirsa Casino Corporation, S L U	Casinos	100,00%	100,00%	Cirsa Gaming Corporation, S A	Ctra Castellar, 298	Terrassa	Venezuela
Cirsa Funding Luxembourg, S A U	Structure	100,00%	100,00%	Cirsa Gaming Corporation, S A	Rue Charles Martel, 58	Luxembourg	Barcelona
Cirsa Insular, C A U	Casinos	100,00%	100,00%	Cirsa Venezuela, C A U	Eslado de Nueva Esparta (Portofmar)	Luxembourg	Luxembourg
Cirsa Interactive Corporation, S L U	B2B	100,00%	100,00%	Cirsa Gaming Corporation, S A	Ctra Castellar, 298	Terrassa	Venezuela
Cirsa International Gaming Corporation, S A U	Casinos	100,00%	100,00%	Cirsa Gaming Corporation, S A	Ctra Castellar, 298	Terrassa	Barcelona
Cirsa Italia Holding, S A U	Slots	100,00%	100,00%	Cirsa International Gaming Corporation, S A U	Centro Direzionale Milanofon, Strada 2	Assago (Milan)	Italy
Cirsa Italia, S A U	Slots	100,00%	100,00%	Cirsa Italia Holding, S A U	Via Dominco Diaz	Assago (Milan)	Italy
Cirsa Panamá, S A U	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation, S A U	Ctra de Castellar, 298	Panama City	Panama
Cirsa Servicios Corporativos, S L U	Structure	100,00%	100,00%	Cirsa Gaming Corporation, S A	Ctra de Castellar, 298	Terrassa	Barcelona
Cirsa Slot Corporation, S L U	Slots	100,00%	100,00%	Cirsa Gaming Corporation, S A	Ctra de Castellar, 298	Terrassa	Barcelona
Cirsa Venezuela, C A U	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation, S A U	D Manno Nueva Esparta Portofmar	Isla Margarita	Venezuela



List of subsidiaries

Company	Activity	Percentage of ownership 2014	Percentage of ownership 2013	Investment holder	Business address	City	Province/Country
Interservi, S.A	Slots	51,00%	51,00%	Cirsa Slot Corporation, S.L.U.	Ctra. Nacional 420, km 289	Alcazar de San Juan	Madrid, Spain
Inversiones Interactivas, S.A	Casinos	70,00%	70,00%	Orbis Development, S.A.U	C/ 57 y Avenida Obarrio	Panama City	Panama
Inversiones Recreativas de Occidente, C.A	Casinos	-	67,50%	KLC Negocios y Proyectos, C.A. y Corporacion Hotelera Sun Beach, C.A	Calle 77, Edif. Bingo	Maracabo	Venezuela
Investment & Securities Panama, S.A.U	Casinos	100,00%	100,00%	Cirsa Internacional Gaming Corporation	Ctra. Castellar, 298	Terrassa	Barcelona
Ivsa - Casino Buenos Aires, U.T.E	B2B	100,00%	100,00%	Casino Buenos Aires, S.A	C/ Adolfo Alsina, 1729 P.B	Buenos Aires	Argentina
Jesali, S.A.U	Casinos	100,00%	100,00%	Complejo Hotelero Monte Picayo, S.A.U	Complejo Hotelero Monte Picayo	Sagunto	Valencia
Jucomatic, S.A	Slots	100,00%	75,00%	Global Game Machine Corporation, S.A.U	Av. Velazquez, 91	Malaga	Barcelona
Juegos y Bingos, S.A.U	Bingos	100,00%	100,00%	International Bingo Technology, S.A.U	Entenza, 96 bajos	Barcelona	Barcelona
KLC Negocios y Proyectos, S.A.	Casinos	-	70,00%	Cirsa Venezuela, C.A.U	Avda. Fco de Miranda	Caracas	Venezuela
La Barra Ancon, S.A.U	Casinos	50,00%	50,00%	Ancon Entertainment, S.A	Calle 50 y 73 Este San Francisco	Panama City	Panama
La Barra Panama, S.A.U.	Casinos	100,00%	100,00%	Cirsa Internacional Gaming Corporation S.A.U	Calle 50 y 73 Este San Francisco	Panama City	Panama
La Cafeteria del Bingo, S.L.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U	Asunción, 3	Sevilla	Sevilla
La Selva Inversiones, S.A.C	Casinos	90,00%	-	Gaming And Services, S.A.C	C/ Jr. Loreto, 228	Tambopala	Peru
Lista Azul, S.A.U	Bingos	100,00%	100,00%	Bingames, S.A.U	Gran Passeg de Ronda, 87	Lleida	Barcelona
Lightmoon International 21, S.L	Slots	100,00%	100,00%	Cirsa Slot Corporation, S.L.U	Ctra. Castellar, 298	Terrassa	Barcelona
Luckiplay, S.A	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U y Bingos de Madrid Reunidos, S.A.U	Luchana, 23	Madrid	Madrid
Mabel 96, S.L.U	Slots	100,00%	100,00%	Global Game Machine Corporation, S.A.U	Ctra. de Castellar, 298	Terrassa	Barcelona
Macroluegos, S.A.	Bingos	51,00%	51,00%	International Bingo Technology, S.A.U	Dionisio Guardiola, 34	Albacete	Albacete
Madridia de Servicios para el Bingo, S.L.U	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U	Fermín Sevillano, 5-7	Madrid	Madrid
Marchamatic Indalo, S.L.U.	Slots	51,00%	50,00%	Orlando Play, S.A	C/Sierra Tejar, 40	Vitor	Almeria
Mendoza Central Entretenimientos, S.A.U.	Casinos	-	51,00%	Cirsa Internacional Gaming Corporation, S.A.U.	9 de Julio nº municipal 318, esquina C	Ciudad de Mendoza	Argentina
Montin, S.A.U	Slots	51,00%	-	Iber-Matic Games, S.L.	C/ Rambla, 49	Barcelona	Barcelona
Multicasino, S.A	Casinos	50,00%	50,00%	Gaming & Services de Panama, S.A.U	Calle 50, Calle 73 Este	Panama City	Panama
New Laonar, S.L.U	Slots	51,00%	50,00%	Orlando Play, S.A	c/Sierra Tejar, 40	Vitor	Almeria
Nightfall Construcciones, S.R.L	Casinos	100,00%	100,00%	Cirsa Internacional Gaming Corporation, S.A.U.	Avda. Abraham Lincoln	Santo Domingo	Dominican Republic
O'donnell Juegos, S.A	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U y Bingos de Madrid Reunidos, S.A.U	O'Donnell, 21 y 23	Madrid	Madrid
Operadora Internacional de Recreativos, S.A	Slots	51,00%	-	Cirsa Slot Corporation S.L.U	c/ Cervantes, 14 1	Gijon	Asturias
Oporto Juegos S.A.U	Bingos	100,00%	100,00%	Global 5 Estrellas, S.A	Av Oporto, 4	Madrid	Madrid
Orbis Development, S.A.U	Casinos	100,00%	100,00%	Cirsa Internacional Gaming Corporation,	Swiss Tower, 16th floor, World Trade Center	Panama City	Panama
Orlando Italia, S.r.l	Slots	51,00%	50,00%	Orlando Play, S.A.	Milano Fion, Strada 2, Palazzo D4	Assago	Italy
Orlando Play, S.A	Slots	51,00%	50,00%	Global Game Machine Corporation, S.A.U.	Sierra Tejar, 40 P. I, La Juaida	Vitor	Almeria
Playcal, S.A.U	Bingos	100,00%	100,00%	Bingames, S.A.U	Cadiz, 1	Terrassa	Barcelona
Pol Management Corporation, B.V U	Slots	100,00%	100,00%	Cirsa Internacional Gaming Corporation, S.A.U	Emancipatie Boulevard 29 New Haven e-Zone	Curacao	The Netherlands
Princesa 31, S.A	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U. y Bingos de Madrid Reunidos, S.A.U	Princesa, 31	Madrid	Asturias
Promociones e Inversiones de Guerrero, S.A P.I de C.V	Bingos	100,00%	100,00%	Bincamex, S.A. de CV	Bosque de Duraznos, 61 3 b, Bosques Lomas	Mexico City	Mexico
Promociones Tauro, S.L.U.	Slots	100,00%	100,00%	Global Game Machine Corporation, S.A.U	Manhilo, 26	Sevilla	Sevilla
Push Games, S.L.U	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U	Ctra. Castellar, 298	Terrassa	Barcelona
Recreativos Aranz, S.L.U	Slots	100,00%	100,00%	Cirsa Slot Corporation, S.L.U	Fermín Sevillano, 5-7	Madrid	Madrid
Recreativos Mancheqos, S.L	Slots	51,00%	50,00%	Interservi, S.A	Ctra Nacional 420, Km 286	Juan	Ciudad Real
Recreativos Martos, S.L.U	Slots	100,00%	-	Global Game Machine Corporation, S.A.U	Ctra De Castellar, 298	Terrassa	Barcelona
Recreativos Ocotmar Levante, S.L.U	Slots	51,00%	50,00%	Orlando Play, S.A	Ctra De Castellar, 298	Terrassa	Barcelona
Recreativos Panama, S.L.U	Slots	51,00%	50,00%	Orlando Play, S.A	c/ German Bernacer, 22 P I Elche	Murcia	Barcelona
Recreativos Rodas, S.A.U	Slots	100,00%	100,00%	Genper, S.A.U	German Bernacer, 22 P I Elche Parque Ind	Elche	Murcia
Red de Bingos Andaluces, A.I.E	Bingos	54,00%	54,00%	Varios	Manhilo, 26	Sevilla	Alicante

## List of subsidiaries

Company	Activity	Percentage of ownership 2014	Percentage of ownership 2013	Investment holder	Business address	City	Province/Country
Red de Interconexión de Andalucía, S.L.U	B2B	100,00%	100,00%	Cirsa Interactive Corporation, S.L.U	Mantillo, 26	Sevilla	Sevilla
Red de salones de Aragón, S.L.U	B2B	100,00%	100,00%	Cirsa Interactive Corporation, S.L.U	Ctra De Castellar, 298	Terrassa	Barcelona
Romgar, S.L	Bingos	100,00%	100,00%	Telma Enea, S.L.U.	Caveteno del Toro, 23	Cádiz	Cádiz
S.A Exploradora de Recreativos Slots	Bingos	61,40%	61,40%	Cirsa Slot Corporation, S.L.U	C/ del Aire, 1 Pol ind Els Bellots	Terrassa	Barcelona
Sadeiv, S.L.U	Bingos	65,00%	100,00%	Telma Enea, S.L.U	c/ Carlota Alexandre 106	Torremolinos	Málaga
Sala Valencia, S.A.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U	Cuenca, 20	Valencia	Valencia
Sala Versailles, S.A	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U y Global Bingo Slots, S.A.U	Bravo Múnilo, 309	Madrid	Madrid
Salón de Juegos Portal, S.A	Casinos	90,00%	-	Gaming And Services, S.A.C.	C/ Mercaderes, 303	Arequipa	Peru
Savoy Slot Machines, S.A.C	Casinos	90,00%	-	Gaming And Services, S.A.C	C/ Dean Valdivia 208	Arequipa	Peru
SCB Almirante Dominicana, S.R.L	Casinos	100,00%	100,00%	SCB Caribe, S.A.U	Av A Lincoln , 403, La Julia	S Domingo	Dominican Republic
SCB Anil Dominicana, S.R.L	Casinos	100,00%	100,00%	SCB Caribe, S.A.U	Av Máximo Gomez / Avda 27 Febrero	S Domingo	Dominican Republic
SCB del Caribe, S.A.U	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation, SCB Caribe, S.A.U	C/ 53 Urb Obarrio Swiss Tower, Piso 16	Panamá City	Panamá
SCB Hispanoia Dominicana, S.R.L	Casinos	100,00%	100,00%	SCB Caribe, S.A.U	Av A Lincoln (Correa y Cidron	Santo Domingo	Dominican Republic
SCB Malecon Dominicana, S.A	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation	Av George Washington, centro comercial	Guzman	Dominican Republic
SCB Marqanta, C.A.U	Casinos	100,00%	100,00%	Bincamex, S.A. de CV	Malecón	Guzman	Dominican Republic
C.V.	Structure	100,00%	100,00%	Vanos	Estado de Nueva España (Portomar)	Isla Marqanta	Venezuela
Servicios Integrales del Juego, A.I.E	Slots	100,00%	100,00%	Cirsa Slot Corporation, S.L.U.	Bosque de Duraznos, 61 3B	Mexico City	Mexico
SGR, S.R.L	Slots	100,00%	25,00%	CirsaGest, S.P.A.U	Ctra Castellar, 298	Terrassa	Barcelona
Slot Games Online, S.L	Slots	100,00%	100,00%	International Bingo Technology, S.A.U	Via Bravani, 7	Piacenza	Italy
Sobma, S.A.U	Bingos	100,00%	100,00%	Cirsa Slot Corporation, S.L.U.	Ctra De Castellar, 298	Terrassa	Barcelona
Sobreaquas, S.A	Casinos	100,00%	100,00%	Casino Buenos Aires, S.A	Av Velazquez 91-93	Málaga	Málaga
Social Games Online, S.L	Structure	100,00%	100,00%	Global Manufacturing Corporation, S.L.U.	Ctra De Castellar, 298	Buenos Aires	Argentina
Sodemar, S.L.U	Bingos	100,00%	100,00%	Telma Enea, S.L.U	Medes, 4 -6	Barcelona	Barcelona
Sternal Bay Venezuela, C.A.U	B2B	100,00%	100,00%	Cirsa Interactive Corporation, S.L.U	Avda. Fco de Miranda	Caracas	Venezuela
Techlotto Co., Ltd U	B2B	100,00%	100,00%	Red de Interconexión de Andalucía, S.L.U	33, Youdo-Dong, Yeongdeungpo-Gu	Seoul	Korea
Tecnoc, S.L.U	Slots	51,00%	51,00%	Eqartronic, S.A	C/ Tenor Fleita, 57	Zaragoza	Zaragoza
Tecnosiar, S.A.U	Casinos	-	-	Cirsa Slot Corporation, S.L.U	Rincon, 512	Montevideo	Uruguay
Telle, S.A.U.	Bingos	100,00%	100,00%	International Bingo Corporation,	Tenor Fleita, 57	Zaragoza	Zaragoza
Telma Enea, S.L.U	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U	Sevilla, 10-14	Jerez de la Frontera	Cádiz
Traylon, S.A	Casinos	55,00%	55,00%	Casino Buenos Aires, S.A	Avda Elvira Rawson de dellepiane s/n	Buenos Aires	Argentina
Unidesa Equipment, S.A.U.	B2B	100,00%	100,00%	Universal de Desarrollos Electrónicos, S.A	241 Persimond Street	Johannesburg	South Africa
Unidesa Perú, S.A	B2B	100,00%	100,00%	Universal de Desarrollos Electrónicos, S.A	Avda Jose Pardo, 513, 8	Lima	Peru
Unplay, S.L.U.	Slots	100,00%	100,00%	Cirsa Gaming Corporation, S.A	Fermín Sevillano, 5-7	Madrid	Madrid
Universal de Desarrollos Electrónicos, S.A	B2B	100,00%	100,00%	Cirsa Gaming Corporation, S.A	Ctra. Castellar, 298	Terrassa	Barcelona
Urban Leisure, S.L.	Slots	32,00%	32,00%	Global Amusement Partners Corporation,	Ctra Rellinars, 345	Terrassa	Barcelona
Verneda 90, S.A.U	Bingos	100,00%	100,00%	International Bingo Technolov, S.A.U	Guauzoco, 70	Barcelona	Barcelona
Winner Group, S.A	Casinos	50,01%	50,01%	Investments & Securities Panama, S.A.U	Calle 90, n° 19c-32, Oficina 401	Santa Fe de Bogotá DC	Colombia
Yumbo San Fernando, S.A	Bingos	60,00%	60,00%	Bingames, S.A.U y Global Bingo Corporation S.A.U	San Fernando, 48	Santander	Centabna

## List of joint operations

Company	Activity	Percentage of ownership 2014	Percentage of ownership 2013	Investment holder	Business address	City	Province/Country
CBA-CIESA, UTE	Casinos	45,00%	45,00%	Casino Buenos Aires, S.A	C/Rawson de Dellepiane, s/n	Buenos Aires	Argentina
Magic Star, S.A. - Casino Buenos Aires, S.A. UTE	Casinos	33,30%	33,30%	Casino Buenos Aires S.A	C/Rawson de Dellepiane, s/n	Buenos Aires	Argentina

## List of associates

Company	Activity	Percentage of ownership 2014	Percentage of ownership 2013	Investment holder	Business address	City	Province/Country
Alavera, S.A	Casinos	50,00%	50,00%	Casino Buenos Aires S.A	Av Elvira Rawson de Dellepiane, s/n.	Buenos Aires	Argentina
Andy Games, S.R.L	Slots	25,50%	25,50%	Royal Games, S.R.L.	Dársena Sur	Milan	Italy
AOG, S.r.l	Bingos	50,00%	50,00%	Cirsa International Gaming Corporation, S.A.U y Gema S.r.l U.	Vía Galileo Galilei, 20	Silea (TV)	Italy
Ariv, S.A	B2B	50,00%	50,00%	Cirsa International Gaming Corporation, S.A.U	Rio Bamba, 927 14-E	Buenos Aires	Argentina
Binbaires, S.A	Casinos	33,33%	33,33%	Cirsa International Gaming Corporation, S.A	Pinamar	Pinamar	Argentina
Binelec, S.L	B2B	50,00%	50,00%	Universat de Desarrollos Electrónicos, S.A	Atenas, 45	Málaga	Málaga
Bingo Amico, S r l	Bingos	50,00%	50,00%	Gema, S.r.l.U	Pz Ferreto, 55 A	Mestre	Italy
Bingo Electrónico de Euskadi, S.L	Bingos	25,00%	25,00%	Play To Win, S.L	C/ Antonio Cabezon, 89	Madrid	Madrid
Bingo Electrónico de México, S.L. De C.V	Bingos	50,00%	50,00%	Play To Win, S.L	Lago Ladoaa, 216 colonia Modelo	Mexico City	Mexico
Binsavo, S.A	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U	Ruiz Morote, 5	Alcazar de San Juan	Ciudad Real
Canaria de Explotaciones Recreativas y de Juego, S.L.	Bingos	50,00%	50,00%	Play To Win, S.L	C/ León y Castillo, 244 Pl 7 Dpto 703	Las Palmas G C	Gran Canaria
Casino de Asturias, S.A	Casinos	40,00%	40,00%	Global Casino Technology Corporation, S.A.U	Edif Bellavista	Gijón	Asturias
Casino la Toja, S.A	Casinos	50,00%	50,00%	Global Casino Technology Corporation, Sportium Apuestas Deportivas, S.A	Nava, 8	El Grove	Pontevedra
Cirsa Digital, S.A.U.	Slots	50,00%	50,00%	Sportium Apuestas Deportivas, S.A	C/ra. Castellar, 298	Terrassa	Barcelona
Ciudeen, S.L.	B2B	50,00%	50,00%	Universat de Desarrollos Electrónicos, S.A.	C/ Enrique Marriñas, 36 planta 5 local 1B	A Coruña	A Coruña
Compañía Europea de Salones Recreativos, S.B2B	Casinos	20,00%	20,00%	Universat de Desarrollos Electrónicos, S.A	C/ Toledo, 137	Madrid	Madrid
Competiciones Deportivas, S.A	Casinos	50,00%	50,00%	Gaming & Services de Panamá, S.A.U	Calle 50 y 73 Este San Francisco	Panama City	Panama
Digital Gaming México, S.A.P.I	Slots	65,00%	100,00%	Sportium Apuestas Deportivas, S.A	Bosque de Duraznos, 61 3 b. Bosques Lomas	Mexico City	Mexico
Emiucasa, S.A.	Casinos	50,00%	50,00%	Cirsa International Gaming Corporation, S.A.U	Bacacay, 2789 piso 5-20	Buenos Aires	Argentina
Enjoy With Us, S.L	Bingos	50,00%	50,00%	Play To Win, S.L.	C/ Antonio Cabezon, 89	Madrid	Madrid
Extremena de explotaciones recreativas y de juego, S.L	Bingos	50,00%	50,00%	Play To Win, S.L	C/Antonio de Cabezón, 89	Madrid	Madrid
Fianzas y Servicios Financieros, SGR	Structure	35,23%	35,23%	Vanos	Rafael Salgado, 19 3º	Madrid	Madrid
Gironina de Bingos, S.L	Slots	50,00%	50,00%	CirsaGest, S.P.A.U	Via Col Dino, 6	Genoa	Italy
Intesa Giochi, S R L U	Bingos	20,60%	20,60%	International Bingo Technology, S.A.U	Via Laietana, 51	Barcelona	Barcelona
Juegos San José, S.A	Slots	50,00%	50,00%	Royal Games, S.R.L.	Via Casati Felice, 32	Milan	Italy
Madridña de Explotaciones Recreativas y de Juego, S.A	Bingos	47,50%	47,50%	Global Bingo Corporation, S.A.U	General Mas De Garminde, 47 Baños	Las Palmas G C	Gran Canaria
Marectic Food Services, S.A.U	Bingos	50,00%	50,00%	Play To Win S.L	C/Antonio de Cabezón, 89	Madrid	Madrid
Mediterranea de explotaciones recreativas y de juego, S.L	Casinos	50,00%	50,00%	Gaming & Services de Panamá, S.A.U	Calle 50, Calle 73 Este	Panama City	Panama
Meltronia CR, S.A	Bingos	50,00%	50,00%	Play To Win, S.L.	C/Antonio de Cabezón, 89	Madrid	Madrid
Metronia Panama, S.A	Bingos	50,00%	50,00%	Play To Win, S.L.	San José-Tibas San Juan 100m norte 450 m oeste	Tibas	Costa Rica
Metroservi Andaluza de Salones, S.L	Bingos	25,00%	25,00%	Global Bingo Corporation, S.A.U.	Av Balboa Edif Bay Hall Plaza C/ Rastro, 4	Panama City	Panama
Mollicoc S. XXI, S.A.U	Bingos	-	50,00%	Residencial Tibidabo, S.A	Gran Via de les Corts Catalanes, 750 baixos	Barcelona	Barcelona

List of associates

Company	Activity	Percentage of ownership		Investment holder	Business address	City	Province/Country
		2014	2013				
Montecario Andalucía, S.L	Bingo	50,00%	50,00%	Global Bingo Corporation, S.A.U	Av Cruz del Campo, 49	Sevilla	Sevilla
Opa Services, S.r.l.	Bingo	30,00%	30,00%	A O G , S r l.	Toricella, 11	Rome	Italy
Operadora de Explotaciones Recreativas y de Juego, S.L	Bingo	50,00%	50,00%	Play To Win, S.L	Antonio Cabezón, 89	Madrid	Madrid
Ovidio Collado, S.L	Slots	50,00%	-	Recreativos Pozuelo, S.L.	C/ Costanilla del Olivar, 2	Pozuelo de Alarcón	Madrid
Play to Win, S.L	Bingo	50,00%	50,00%	Global Bingo Corporation, S.A.U	Antonio Cabezón, 89	Madrid	Madrid
Polispace, S.L.U	B2B	50,00%	50,00%	Binelec, S.L	Atenas, 45	Málaga	Málaga
Posintra, S.A	Bingo	-	50,00%	Global Bingo Corporation, S.A.U	Gran Via de les Corts Calalanes, 756 baixos	Barcelona	Barcelona
Recreativos Pozuelo, S.L	Slots	50,00%	50,00%	Global Amusement Partners Corporation,	C/Costanilla del Olivar, 2	Pozuelo de Alarcón	Madrid
Recreativos Trece, S.L.	Slots	32,00%	32,00%	Urban Leisure, S.L	C/ra Rellinars, 345	Terrassa	Barcelona
Red de Juegos y Apuestas de Madrid, S.A	Bingo	40,00%	40,00%	Varios	C/Evaristo San Miguel, 2	Madrid	Madrid
Residencial Tibidabo, S.A	Bingo	-	50,00%	Global Bingo Corporation, S.A.U	baixos	Barcelona	Barcelona
Royalbet, S.R.L.	Slots	47,50%	47,50%	Royal Games, S.R.L	Via Rismondo, 4	Pavia	Italy
Royal Games, S.R.L.	Slots	50,00%	50,00%	CirsaGest, S.P.A.U	Via F. Rismondo, nº 4	Pavia	Italy
Serdisga 2000, S.L	B2B	50,00%	50,00%	Global Manufacturing Corporation, S.L.U	Av Finisterre, 283	La Coruña	La Coruña
Silver Cup Gaming, Inc.	Casinos	50,00%	50,00%	Cirsa Panamá, S.A.U	Edf Cirsa Calle 50y73, San Francisco Este	Panama City	Panama
Sportium Apostes Catalunya, S.A.U	Slots	50,00%	50,00%	Sportium Apuestas Deportivas, S.A	C/ Sena, 2	Vallès	Barcelona
Sportium Apuestas Aragon, S.L.U.	Slots	50,00%	50,00%	Sportium Apuestas Deportivas, S.A	C/ Jaime Ferrán, 5	Zaragoza	Zaragoza
Sportium Apuestas Canarias, S.L.U.	Slots	50,00%	-	Sportium Apuestas Deportivas S.A	C/ Garcia Morato 1	Telde	Gran Canaria
Sportium Apuestas Castilla La Mancha, S.L.U	Slots	50,00%	50,00%	Sportium Apuestas Deportivas, S.A	C/ Sena, 2	Sant Cugat Del	Barcelona
Sportium Apuestas Deportivas, S.A	Slots	50,00%	50,00%	Cirsa Slot Corporation, S.L.U.	C/Santa Mª Magdalena, 10-12	Vallès	Madrid
Sportium Apuestas Galicia S.L.U.	Slots	50,00%	50,00%	Sportium Apuestas Deportivas, S.A	C/ Don Pedro, s/n	El Grove - Isla de la	Pontevedra
Sportium Apuestas Levante, S.A.U	Slots	50,00%	50,00%	Sportium Apuestas Deportivas S.A	Complejo Hotelero Monte Picavo	Pucol	Valencia
Sportium Apuestas Navarra, S.A.U	Slots	50,00%	50,00%	Sportium Apuestas Deportivas, S.A.	Avda Barahain, 27 1º A	Pamplona	Navarra
Sportium Apuestas Oeste, S.A.U	Slots	50,00%	-	Sportium Apuestas Deportivas S.A	C/ Nevero Doce, Parcela 21	Badajoz	Badajoz
Sportium Zona Norte, S.A.U	Slots	50,00%	-	Sportium Apuestas Deportivas, S.A	C/ Las Balsas, 20 nave 49	Logroño	Logroño
Tejebn, S.A.U	Bingo	47,50%	47,50%	Juegos San José, S.A	General Mas De Gaminde, 47 Bajos	Las Palmas G C	Gran Canaria
Tirreno Games, SRL	Slots	50,00%	50,00%	CirsaGest, S.P.A.U	Via Orosei, s/n	Navacchio (Cascina)	Italy
Vasca de Explotaciones y de Juego, S.L	Bingo	50,00%	50,00%	Play To Win, S.L	C/Antonio de Cabezón, 89	Madrid	Madrid



**INDEPENDENT AUDIT REPORT**

**CIRSA GAMING CORPORATION GROUP**  
**Consolidated financial statements and Consolidated management report**  
**for the year ended**  
**December 31, 2013**

Translation of an audit report, consolidated financial statements and consolidated management report originally issued in Spanish.  
In the event of discrepancy, the Spanish-language version prevails (See note 30)

## AUDIT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of  
Cirsa Gaming Corporation, S.A.

We have audited the consolidated financial statements of Cirsa Gaming Corporation, S.A. (hereinafter, *the Parent Company*) and its controlled entities (hereinafter, *the Group*), which comprise the consolidated statement of financial position at December 31, 2013, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flow, and the consolidated notes thereto for the year then ended. As indicated in note 2 to the accompanying consolidated financial statements, the Company's directors are responsible for the preparation of the Group's consolidated financial statements in accordance with the International Financial Reporting Standards adopted by the European Union and other provisions in the regulatory framework for financial information applicable to the Group. Our responsibility is to express an opinion on the aforementioned consolidated financial statements taken as a whole, based upon work performed in accordance with prevailing audit regulations in Spain, which require the examination, through the performance of selective tests, of the evidence supporting the consolidated financial statements, and the evaluation of whether their presentation, the accounting principles and criteria applied and the estimates made are in agreement with the applicable regulatory framework for financial information.

In our opinion, the accompanying 2013 consolidated financial statements give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of Cirsa Gaming Corporation, S.A. and its controlled entities at December 31, 2013, and the consolidated results of operations and consolidated cash flow for the year then ended, in conformity with International Financial Reporting Standards, as adopted by the European Union, and other applicable provisions in the regulatory framework for financial information.

**Ernst & Young, S.L.**

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The accompanying 2013 consolidated management report contains such explanations as the directors of Cirsa Gaming Corporation, S.A. consider appropriate concerning the situation of the Group, the evolution of its business and other matters; however, it is not an integral part of the consolidated financial statements. We have checked that the accounting information included in the aforementioned consolidated management report agrees with the 2013 consolidated financial statements. Our work as auditors is limited to verifying the consolidated management report in accordance with the scope mentioned in this paragraph, and does not include the review of information other than that obtained from the accounting records of the Group entities.

ERNST & YOUNG, S.L.  
(Signature on the original in Spanish)

CORTÉS & PÉREZ AUDITORES Y  
ASESORES ASOCIADOS, S.L.  
(Signature on the original in Spanish)

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Lorenzo López Carrascosa

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Jaume Cetrà Oliva

April 1, 2014

## **Cirsa Gaming Corporation Group**

**Consolidated Financial Statements for the year ended December 31, 2013 in conformity with the international financial reporting standards adopted by the European Union (IFRS-EU) and Consolidated Management Report**

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### Consolidated Financial Statements

- Consolidated statement of financial position at December 31, 2013 and 2012
- Consolidated statement of comprehensive income for the years ended December 31, 2013 and 2012
- Consolidated statement of changes in equity for the years ended December 31, 2013 and 2012
- Consolidated statement of cash flows for the years ended December 31, 2013 and 2012
- Notes to the consolidated financial statements for the year ended December 31, 2013

### Consolidated Management Report

Appendix Consolidation perimeter at December 31, 2013 and 2012

**Cirsa Gaming Corporation Group**  
**Consolidated statement of financial position at December 31**

**ASSETS**

<b>(Thousands of euros)</b>	<b>Notes</b>	<b>2013</b>	<b>2012</b>
<b>Non-current assets</b>		<b>1,004,209</b>	<b>1,015,736</b>
Goodwill	5	185,293	216,336
Other intangible assets	6	194,922	122,943
Property, plant and equipment	7	397,978	454,663
Financial assets	8	127,386	140,916
Deferred tax assets	18.4	98,630	80,878
<b>Current assets</b>		<b>313,984</b>	<b>324,919</b>
Inventories	11	13,949	12,327
Trade and other receivables	8	200,027	202,237
Other financial assets	8	34,911	46,981
Other current assets		6,721	8,140
Cash and cash equivalents	12	58,376	55,234
<b>Total assets</b>		<b>1,318,193</b>	<b>1,340,655</b>

**EQUITY AND LIABILITIES**

<b>(Thousands of euros)</b>	<b>Notes</b>	<b>2013</b>	<b>2012</b>
<b>Equity</b>		<b>(31,643)</b>	<b>14,113</b>
Share capital	13.1	24,577	24,577
Share premium		9,500	9,500
Treasury shares	13.2	(184)	(184)
Retained earnings	13.3	43,320	54,274
Translation differences		(181,831)	(139,708)
Profit (loss) for the year attributable to equity holders of the parent		(13,133)	169
Non-controlling interests	13.4	86,108	65,485
<b>Non-current liabilities</b>		<b>989,158</b>	<b>908,322</b>
Bonds	14	764,720	663,844
Bank borrowings	15	110,630	140,908
Other creditors	16	35,639	38,338
Provisions	17	23,237	19,938
Deferred tax liabilities	18.4	54,932	45,294
<b>Current liabilities</b>		<b>360,678</b>	<b>418,220</b>
Bonds	14	5,290	4,644
Bank borrowings	15	56,507	59,254
Suppliers		112,730	129,593
Other creditors	16	164,212	193,023
Current income tax payable	18.2	21,939	31,706
<b>Total equity and liabilities</b>		<b>1,318,193</b>	<b>1,340,655</b>

**Cirsa Gaming Corporation Group**  
**Consolidated statement of comprehensive income**  
**for the years ended December 31**

(Thousands of euros)	Notes	2013	2012
Gaming income		1,711,544	1,679,668
Other operating revenues		125,644	137,965
Bingo prizes		(252,253)	(241,284)
<b>Total operating revenues</b>		<b>1,584,935</b>	<b>1,576,349</b>
Variable rent		(221,945)	(226,313)
<b>Net operating revenues from variable rent</b>	<b>3.1</b>	<b>1,362,990</b>	<b>1,350,036</b>
Consumptions		(67,164)	(81,616)
Personnel	20.1	(241,841)	(242,247)
External supplies and services	20.2	(258,419)	(266,419)
Gaming taxes		(493,454)	(437,743)
Depreciation, amortization and impairment	5, 6 and 7	(162,987)	(153,374)
Change in trade provisions		(5,417)	(6,171)
Financial income		10,558	12,505
Financial costs		(99,149)	(102,606)
Change in financial provisions		(5,137)	(585)
Share of the associates' profit	8.1	119	153
Foreign exchange results	20.3	(7,265)	(6,333)
Results on sale/disposals of non-current assets		(3,349)	79
<b>Profit before income tax</b>		<b>29,485</b>	<b>65,679</b>
Income tax expense	18.2	(28,502)	(56,067)
<b>Net loss</b>		<b>983</b>	<b>9,612</b>
Translation differences		(44,802)	(17,760)
Tax effect		-	-
<b>Other comprehensive profit/(loss) that will be reclassified to profit/(loss) in future years</b>		<b>(44,802)</b>	<b>(17,760)</b>
<b>Other comprehensive profit/(loss) that will not be reclassified to profit/(loss) in future years</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the year</b>		<b>(43,819)</b>	<b>(8,148)</b>
<i>Net profit (loss) attributable to:</i>			
<i>Equity holders of the parent</i>		(13,133)	169
<i>Non-controlling interests</i>	13.4	14,116	9,443
		<b>983</b>	<b>9,612</b>
<i>Total comprehensive income /(loss) attributable to:</i>			
<i>Equity holders of the parent</i>		(55,325)	(16,528)
<i>Non-controlling interests</i>	13.4	11,506	8,380
		<b>(43,819)</b>	<b>(8,148)</b>

**Cirsa Gaming Corporation Group**  
**Consolidated statement of changes in equity**  
**for the years ended December 31**

(Thousands of euros)	Share capital (Note 13.1)	Share premium	Treasury shares (Note 13.2)	Retained earnings (Note 13.3)	Translation differences	Non-controlling interests (Note 13.4)	Total
<b>At December 31, 2011</b>	<b>24,577</b>	<b>9,500</b>	<b>(184)</b>	<b>53,510</b>	<b>(123,011)</b>	<b>71,229</b>	<b>35,621</b>
Net profit (loss) for the year 2012	-	-	-	169	-	9,443	9,612
Other comprehensive income (loss)	-	-	-	-	(16,697)	(1,063)	(17,760)
<b>Total comprehensive income (loss) for the year 2012</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>169</b>	<b>(16,697)</b>	<b>8,380</b>	<b>(8,148)</b>
<b>Other changes:</b>							
▪ Changes in the percentage of ownership	-	-	-	764	-	407	1,171
▪ Dividends paid	-	-	-	-	-	(14,531)	(14,531)
<b>At December 31, 2012</b>	<b>24,577</b>	<b>9,500</b>	<b>(184)</b>	<b>54,443</b>	<b>(139,708)</b>	<b>65,485</b>	<b>14,113</b>
Net profit (loss) for the year 2013	-	-	-	(13,133)	-	14,116	983
Other comprehensive income (loss)	-	-	-	-	(42,192)	(2,610)	(44,802)
<b>Total comprehensive income (loss) for the year 2013</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(13,133)</b>	<b>(42,192)</b>	<b>11,506</b>	<b>(43,819)</b>
<b>Other changes:</b>							
▪ Additions for the year – Business combinations	-	-	-	-	-	23,898	23,898
▪ Sale of companies	-	-	-	-	69	(1,448)	(1,379)
▪ Changes in the percentage of ownership	-	-	-	(11,123)	-	(99)	(11,222)
▪ Dividends paid	-	-	-	-	-	(13,234)	(13,234)
<b>At December 31, 2013</b>	<b>24,577</b>	<b>9,500</b>	<b>(184)</b>	<b>30,187</b>	<b>(181,831)</b>	<b>86,108</b>	<b>(31,643)</b>

**Cirsa Gaming Corporation Group**  
**Consolidated statement of cash flows**  
**for the years ended December 31**

(Thousands of euros)	Notes	2013	2012
<b>Cash-flows from operating activities</b>			
Profit before tax		29,485	65,679
Adjustments to profit:			
Changes in operating provisions		5,417	6,171
Depreciation, amortization and impairment	5, 6 and 7	162,987	153,374
Losses from sales and disposals of non-current assets		3,349	(79)
Finance income and costs		93,608	90,533
Exchange losses	20.3	7,265	6,333
Other income and expenses		(5,930)	1,040
Change in:			
Inventories		(1,335)	1,696
Trade and other receivables		(4,543)	(8,990)
Suppliers and other payables		(13,862)	368
Gaming taxes payable		(12,810)	(10,794)
Other operating assets and liabilities		(15,723)	(16,404)
Income tax paid		(43,523)	(48,878)
<b>Net cash-flows from operating activities</b>		<b>204,385</b>	<b>240,049</b>
<b>Cash-flows from (used in) investing activities</b>			
Purchase of property, plant and equipment		(81,523)	(127,259)
Purchase of intangibles		(36,602)	(17,539)
Proceeds from disposal of property, plant and equipment		20,895	16,181
Acquisition of business, net of cash acquired		(22,536)	(11,279)
Current account with Nortia Business Corporation, S. L. – Outflows		(110,335)	(61,109)
Current account with Nortia Business Corporation, S. L. – Inflows		110,335	61,109
Other financial assets		(2,907)	(2,929)
Interest received and cash revenues from financial assets		7,031	7,223
<b>Net cash-flows used in investing activities</b>		<b>(115,642)</b>	<b>(135,602)</b>
<b>Cash-flows from (used in) financing activities</b>			
Proceeds from bank borrowings		1,327,645	886,303
Repayment of bank borrowings		(1,381,608)	(874,415)
Issue of bonds	14	101,694	-
Acquisition / Sale of own bonds	14	-	5,118
Finance leases		(5,283)	(10,846)
Interest paid		(96,167)	(93,681)
Funds from loans from Nortia Business Corporation, S.L.		(12,301)	(9,900)
Dividends paid and other payments		(15,298)	(14,547)
<b>Net cash-flows used in financing activities</b>		<b>(81,318)</b>	<b>(111,968)</b>
<b>Net variation in cash and cash equivalents</b>		<b>7,425</b>	<b>(7,521)</b>
<b>Net foreign exchange difference on cash balances</b>		<b>(4,283)</b>	<b>(3,900)</b>
<b>Cash and cash equivalents at January 1</b>		<b>55,234</b>	<b>66,655</b>
<b>Cash and cash equivalents at December 31</b>	<b>12</b>	<b>58,376</b>	<b>55,234</b>

## **Cirsa Gaming Corporation Group**

### **Notes to the consolidated statements for the year ended December 31, 2013**

#### **1. DESCRIPTION OF THE GROUP**

##### **1.1 Group activity**

Cirsa Gaming Corporation, S. A. (hereinafter "the Company") and its controlled entities (hereinafter "the Group") consist of a set of companies operating in the gaming and leisure sector, carrying out the following activities:

- Designing and manufacturing slot machines, which are sold to Group companies and third parties, and development of interactive gaming systems
- Operating, both in Spain and abroad, slot machines, bingo halls, casinos and lotteries

##### **1.2 Composition and structure of the Group**

The Company, domiciled in Terrassa (Barcelona) at Carretera Castellar, 298, belongs to a group, of which Nortia Business Corporation, S.L., also domiciled in Terrassa (Barcelona), is the parent company.

The companies invested by the Company at December 31, 2013 and 2012 are detailed in the Appendix, grouped in the following categories:

- The subsidiaries are companies where most of the voting rights are controlled either directly or indirectly by the Company so that it can manage the financial and operating policies in order to obtain profit from the investment.
- The jointly controlled companies are entities ruled by a contractual arrangement between the partners whereby they establish joint control on the business, and which requires the unanimous consent of the venturers regarding the operating decisions.
- The affiliated companies are enterprises not included in the previous two categories and in which there is an ownership interest on a long-term basis that favors their activity, but with limited influence over their management and control.

(NOTE: The column percentage of ownership in the Appendix is obtained by multiplying the different successive percentages along the corresponding chain of control, thereby reflecting the final ownership at the Company's level).

### 1.3 Changes in the consolidation perimeter

During 2013 and 2012, the Group's legal structure has experienced certain changes, as described below:

#### 2013

- Acquisition of companies

(Thousands of euros)	% voting rights	Consolidation method	Total assets included in the consolidated statement of financial position at December 31, 2013	Operating revenues included in the 2013 consolidated statement of comprehensive income
Lightmoon International 21	100%	Full	4,266	556
Alfematic, S.A.	50.004%	Full	7,230	3,863
Garbimatic, S.L.(*)	25.50%	Full	1,369	1,373
Interservi, S.A.	51%	Full	4,489	5,982
Gestora de Inversiones Cobiman, S.L.U. (**)	51%	Full	3	-
Egartronic, S.A.	50.99%	Full	36,145	14,049
Tecnijoc, S.L.U. (***)	50.99%	Full	5,540	3,495
Apple Games 2000, S.L. (***)	49.50%	Full	7,782	2,881
S. A. Explotadora de Recreativos	61.41%	Full	4,429	3,169
			<b>71,253</b>	<b>35,368</b>

(\*) Alfematic, S.A. owned 51% of Garbimatic, S.L. at the date of acquisition.

(\*\*) Interservi S.A. fully owned Gestora de Inversiones Cobiman, S.L.U. at the date of acquisition.

(\*\*\*) Egartronic, S.A. fully owned 100% y el 97% de Tecnijoc, S.L.U. and Apple Games 2000, S.L., respectively, at the date of acquisition.

Note 4 includes information on business combinations of the year.

In this regard, it should be noted that, during 2013, in addition to the business combinations shown in the table above, the Group has gained control over 2 other companies, and therefore, the corresponding business combinations have occurred in accordance with IFRS 3-revised, by means of an increase in the percentage of ownership that the Group already held at prior year end (during 2013, 5% of equity instruments in Traylon, S.A. and 25% in Electrónicos Trujillanos, S.L. has been acquired, reaching 55% and 75% of their equity, respectively). Such transactions are detailed in Note 4 on business combinations.

Additionally, it is important to note that, at prior year end, these companies were considered joint ventures and, consequently, were accounted for using the proportional consolidation method in accordance with the percentage of ownership that the Group held in them. As a result of the increase in the ownership interest in the companies mentioned above, Traylon, S.A. and Electrónicos Trujillanos, S.L. are now considered Group subsidiaries, and therefore, they are accounted for using the full consolidation method.

At December 31, 2013, Traylon, S.A. contributes total assets amounting to 23,435 thousand euros to the consolidated statement of financial position and operating revenues amounting to 8,384 thousand euros to the consolidated statement of comprehensive income for the year then ended, whereas at December 31, 2013 Electrónicos Trujillanos, S.A. contributes total assets and operating revenues amounting to 2,090 thousand euros and 952 thousand euros, respectively.

- Creation of companies

In 2013 the following companies have been created:

(Thousands of euros)	% of ownership held by the Group	Consolidation method	Total assets included in the consolidated statement of financial position at December 31, 2013	Operating revenues included in the 2013 consolidated statement of comprehensive income
Magic Star - Casino Buenos Aires, UTE.	33.34%	Proportional	260	311
Digital Gaming México, SAPI	100%	Full	129	-
Cirsa Italia Holding, S.A.	100%	Full	-	-
Social Games Online, S.L.	100%	Full	3	-
Sportium Apostes Catalunya, S.A.	50%	Proportional	30	-
Sportium Apuestas Castilla La Mancha, S.L.	50%	Proportional	2	-
Cirsagest, Spa	100%	Full	123	-
			<b>547</b>	<b>311</b>

- Sale of companies

In 2013 the following companies have been sold:

(Thousands of euros)	% of ownership at prior year end	Consolidation method at prior year end	% of ownership after the sale	Consolidation method after the sale
Sociedad de Inversiones Cirsa Chile, Limitada (*)	100%	Full	-	-
Servitronic Andalucía, S.L.	50%	Proportional	-	-
Sacres, S.A.	99%	Full	-	-
Cirsa Digital, S.A.U.	100%	Full	50%	Proportional
Recreativos Bigar, S.L.	50%	Proportional	-	-
Novojuegos, S.A.U.	100%	Full	-	-
Empresa Explotadora del Juego del Bingo, S.A.U.	100%	Full	-	-

(\*) Parent company of a fully owned subsidiary and 8 subsidiaries in which it held a 54.80% ownership interest.

Profit/(loss) from these sales included in the consolidated financial statements is as follows:

(Thousands of euros)	Changes in non-controlling interests	Profit/(loss) from the sale
Sociedad de Inversiones Cirsa Chile, Limitada and subsidiaries	(1,448)	1,379
Servitronic Andalucía, S.L.	-	30
Sacres, S.A.	-	1,242
Cirsa Digital, S.A.U.	-	-
Recreativos Bigar, S.L.	-	(1,751)
Novojuegos, S.A.U.	-	(1,104)
Empresa Explotadora del Juego del Bingo, S.A.U.	-	(348)
	<b>(1,448)</b>	<b>(552)</b>

Total assets and operating revenues contributed by these companies to the consolidated statement of financial position at December 31, 2012 and to the consolidated statement of comprehensive income for the year 2012, respectively, are as follows.

(Thousands of euros)	Total assets included in the consolidated statement of financial position at December 31, 2012	Operating revenues included in the 2012 consolidated statement of comprehensive income
Sociedad de Inversiones Cirsa Chile, Limitada and subsidiaries	-	-
Servitronic Andalucía, S.L.	2,043	2,259
Sacres, S.A.	-	-
Cirsa Digital, S.A.U.	3,665	2,895
Recreativos Bigar, S.L.	2,488	1,202
Novojuegos, S.A.U.	1,303	10,011
Empresa Explotadora del Juego del Bingo, S.A.U.	3,088	4,654
	<b>12,587</b>	<b>21,021</b>

- Changes in the percentage of ownership

In 2013 changes in the percentage of ownership have been as follows:

	Consolidation method		Percentage	
	2013	2012	At December 31, 2013	At December 31, 2012
Bumex Land, S.L.	Full	Full	100.0%	65.34%
Juegomatic, S.A. (*)	Full	Full	75.0%	65.0%
Bincano, S.A.	Full	Full	100.0%	60.0%

(\*) At December 31, 2013 and 2012 the company Juegomatic, S.A. holds 100% of Automáticos Siglo XXI. Consequently, the change in the percentage of ownership has also affected the percentage of control that the Group holds in it.

As observed in the table above, the changes in the percentage of ownership occurred in 2013 have not resulted in any change in the method of consolidation.

The impact of changes in percentages of ownership in companies that continue to be consolidated under the full consolidation method is as follows:

(Thousands of euros)	Changes in non-controlling interests	Changes in accumulated results ("Reserves")
Bumex Land, S.L.	1,310	(1,310)
Juegomatic, S.A. (*)	(44)	(10,894)
Bincano, S.A.	(1,365)	1,081
	<b>(99)</b>	<b>(11,123)</b>

(\*) The impacts derived from the change in the percentage of ownership in Juegomatic, S.A. also consider the change in the percentage of control in the company Automáticos Siglo XX, S.L., which is fully owned by Juegomatic, S.A.

- Other changes in the perimeter

In 2013 the companies Unidesa Argentina, S.A. and Cirsa Capital Luxembourg, S.A. were dissolved and liquidated. The companies were dormant and their dissolution and liquidation have not generated significant results for the Group.

## 2012

- Acquisition of companies

(Thousands of euros)	% voting rights	Consolidation method	Total assets included in the consolidated statement of financial position at December 31, 2012	Operating revenues included in the 2012 consolidated statement of comprehensive income
Majestic Food Services, Inc. Canarias de Explotaciones Recreativas y de Juego, S.L.	50%	Proportional	118	472
Recreativos Arranz, S.L.	50%	Proportional	1,063	62
Cludeen, S.L.	100%	Full	1,018	25
Mabel 96, S.L.	50%	Proportional	56	23
Entidad Gestora del Bingo Siglo XXI, S.L.U.	100%	Full	587	-
	100%	Full	20	-
			<b>2,862</b>	<b>582</b>

Note 4 includes information on business combinations of the year.

The acquisition of 50% ownership interest in the companies Majestic Food Services, Inc., Canarias de Explotaciones Recreativas y de Juego, S.L. and Cludeen, S.L. did not result in a business combination, since the Group did not hold unilateral and exclusive control. The acquisition price amounted to 5, 3 and 20 thousand euros, respectively. These acquisitions did not give rise to any goodwill.

- Creation of companies

(Thousands of euros)	Total assets included in the consolidated statement of financial position at December 31, 2012	Operating revenues included in the 2012 consolidated statement of comprehensive income
Sportium Apuestas Galicia, S.L.	1,000	-
	<b>1,000</b>	<b>-</b>

- Sale of companies

(Thousands of euros)	Total assets included in the consolidated statement of financial position at December 31, 2011	Operating revenues included in the 2011 consolidated statement of comprehensive income
Happy Games, S.R.L.	831	1,701
Recreativos Jeroni Orfila, S.L.	1,108	361
	<b>1,939</b>	<b>2,062</b>

- Changes in the percentage of ownership

	Consolidation method		Percentage	
	2012	2011	At December 31, 2012	At December 31, 2011
Macrojuegos, S.A.	Full	Full	51.0%	100.00%
Juegomátic, S.A. (*)	Full	Full	65.0%	75.00%
UTE CBA-Ciesa	Proportional	Proportional	45.0%	50.00%

(\*) At December 31, 2013 and 2012 the company Juegomátic, S.A. holds 100% of Automáticos Siglo XXI. Consequently, the change in the percentage of ownership has also affected the percentage of control that the Group holds in it.

As observed in the table above, the changes in the percentage of ownership occurred in 2012 did not result in any change in the method of consolidation.

The impact of changes in percentages of ownership in companies that continue to be consolidated under the full consolidation method is as follows:

(Thousands of euros)	Changes in non-controlling interests	Changes in accumulated results
Macrojuegos, S.A.	210	-
Juegomátic, S.A. (*)	197	764
	<b>407</b>	<b>764</b>

(\*) The impacts derived from the change in the percentage of ownership in Juegomátic, S.A. also consider the change in the percentage of control in the company Automáticos Siglo XX, S.L., which is fully owned by Juegomátic, S.A.

- Other changes in the perimeter

(a) Dissolution and liquidation of dormant companies:

Baru Speles  
Cirsá Amusement Corporation, S.L.  
Unidesa Colombia, Ltd  
Nyalam, S.A.

(b) Dissolution of companies due to merger within the Group:

Necos Limited  
Recreativos del Istmo, S.A.  
Recreativos Acapulco MRA, S.L.  
Recreativos Ove, S.L.  
Baquei Inversiones, S.L.  
Monazar Star, S.L.

## **2. BASIS OF PRESENTATION AND ACCOUNTING STANDARDS**

### **2.1 Basis of presentation**

The 2013 consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards adopted by the European (IFRS-EU) Union published by the International Accounting Standards Board (IASB) and further interpretations.

The Company belongs to a group, whose parent is Nortia Business Corporation, S.L. (Nortia Group), domiciled in Terrassa (Spain). The Company meets the criteria for exemption from preparing consolidated financial statements under article 43 of the Commercial Code. Consequently, these consolidated financial statements are considered voluntary. The consolidated financial statements of Nortia Group and the consolidated management report for the year ended December 31, 2012 were approved on March 27, 2013 and filed with the Barcelona Mercantile Registry together with the corresponding audit report. The consolidated financial statements and consolidated management report for the year ended December 31, 2013 will be approved in the due manner and filed, together with the audit report, with the Barcelona Mercantile Registry according to the legal deadlines.

The financial statements of the companies composing the Group for the year ended December 31, 2013 have not yet been submitted for approval by the shareholders in general meeting. Nevertheless, the Board of Directors of the Group's Parent Company expects that they will be approved without modification and, therefore, will not have any impact on the present consolidated financial statements.

The accounting policies applied in the preparation of the accompanying consolidated financial statements comply with the IFRS-EU prevailing at the date of their preparation. For certain cases, the IFRS-EU provide alternative applications. The options applied by the Group are described in the accounting policies listed in the accompanying notes.

For comparative purposes, the accompanying consolidated financial statements, which have been prepared at historical cost, include the figures of 2013 in addition to those of 2012 for each item of the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows, and the consolidated notes thereto, except when allowed by an accounting standard.

### **2.2 Estimates and judgments**

The preparation of the consolidated financial statements requires the management of the Group to exercise judgment, to make estimates and to make assumptions which affect the application of the accounting policies and the recorded amounts of assets, liabilities, revenues and expenses. The estimates and assumptions taken into account have been based upon historical experience and other factors which were considered to be reasonable in the light of the circumstances. Consequently, the results obtained could differ from those assumptions.

The estimates and assumptions are reviewed periodically, such that any changes made in accounting estimates are posted in the period in which they are reviewed, in the event that such review only affects that period, or in the period of the review and future periods if the revision affects both. The key estimates and judgments are as follows:

- Impairment of assets

The Group assesses for impairment at year end for all non-financial assets which carrying amount could be unrecoverable. Goodwill and intangible assets with an indefinite useful life are tested for impairment annually, or when there is evidence of impairment, based on financial projections and estimates of future operating cash flows. In 2013 the Group has recognized impairment losses on goodwill amounting to 20.1 million euros (2012: 14.0 million euros) (Note 5).

- Non-current assets with finite useful life

The Group reviews periodically useful lives of non-current assets, adjusting prospectively amortization methods where applicable. In 2013 and 2012 it was not necessary to make any adjustment in the useful life of non-current assets with definite useful lives.

- Recoverability of deferred tax assets

When the Group recognizes deferred tax assets, the estimated taxable profits that will be generated in future years are reviewed at year end in order to assess their recoverability, and any impairment loss is recognized accordingly. At December 31, 2013 the Group has recognized deferred tax assets amounting to 98,630 thousand euros (2012: 80,878 thousand euros), as described in Note 18.4.

- Provisions for taxes and other risks

Provisions are recognized for taxes and risks that will probably arise based on related studies. At December 31, 2013 the Group has recognized provisions for taxes and other risks amounting to 23,237 thousand euros (2012: 19,938 thousand euros), as described in Note 17.

- Business combinations and goodwill

The Group assesses for each business combination, the fair value of assets, liabilities and acquired contingent liabilities, allocating the cost of the business combination to the identified elements. Likewise, goodwill arising from the acquisition is assigned to its corresponding cash-generating unit, based on expected synergies, for subsequent impairment tests (Note 5).

### **2.3 Standards and interpretations approved by the European Union and adopted for the first time in the current year**

The accounting policies used in the preparation of the consolidated financial statements for the year ended December 31, 2013 are the same as those applied in the consolidated financial statements for the year ended December 31, 2012, except for the amendment to IAS 1 – Presentation of Items of Other Comprehensive Income:

- Amendments to IAS 1 – Presentation of Items of Other Comprehensive Income

Amendments to IAS 1 introduce a grouping of items presented in other comprehensive income. Items that will be reclassified ('recycled') to profit or loss at a future point in time (e.g. translation differences) have to be presented separately from items that will not be reclassified. The amendment affects presentation only and has no impact on the Group's consolidated statement of financial position or performance.

### **2.4 Standards and interpretations issued by the IASB, but not yet mandatory in 2013**

Upon coming into force, if applicable, the Group intends to adopt all standards, amendments and interpretations issued by the IASB but not mandatory in the European Union at the date of preparation of these consolidated financial statements. The Group is currently analyzing the impact of the adoption of these standards, amendments and interpretations. Based on the analysis performed to date, the Group estimates that their initial adoption will have no significant impact on the consolidated financial statements, except for the following standards, interpretations and amendments:

- Amendments to IAS 36 - Recoverable Amounts Disclosures for Non-Financial Assets

These amendments remove the unintended consequences of IFRS 13 on the disclosures required under IAS 36. In addition, these amendments require disclosure of the recoverable amounts for the assets or CGUs for which impairment loss has been recognized or reversed during the period. These amendments are effective retrospectively for annual periods beginning on or after 1 January 2014 with earlier application permitted, provided IFRS 13 is also applied. These amendments will have an impact on future disclosures, but will not have any impact on the Group's consolidated statement of financial position or performance.

- IFRS 10 - Consolidated Financial Statements.

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated, compared with the requirements that were in IAS 27. IFRS 10 will become effective for annual periods beginning on or after January 1, 2014.

The Group is currently analyzing the impact of the adoption of this standard. However, based on the analysis performed to date, the Group estimates that its initial adoption will have no significant impact on the figures presented in these consolidated financial statements

However, as commented in Note 29, it should be noted that in January 2014, through an agreement reached between the shareholders of the companies mentioned below, and with no change in the percentage of ownership held in them, the Group has gained control, as defined in IFRS 10, over two companies in which it holds a 50% interest (Casino Rosario, S.A. and Multicasinos, S.A.). The said companies are no longer accounted for using the proportional consolidation method in these financial statements (equity method under the application of the current standard), but the full consolidation method as from the acquisition of control.

- IFRS 11, Joint Arrangements and IAS 28 Investments in associates and joint ventures

IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportional consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. The application of this new standard will impact the financial position of the Group, since proportional consolidation is eliminated (Note 10). In application of this new standard, joint ventures will be recognized using the equity method. The standard will become effective for annual periods beginning on or after January 1, 2014, and will be retrospectively applied for joint ventures prevailing at the date of first application.

At the date of these financial statements, the Group is analyzing the impact of this standard. However, in the absence of a final quantitative analysis, it should be noted that, although its initial adoption will have no relevant impact on equity, significant changes are expected to occur in the presentation of the consolidated statement of financial position at December 31, 2013 and the 2013 consolidated statement of comprehensive income.

- IFRS 12, Disclosures of Involvement with Other Entities.

IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required, but the standard will have no impact on the financial position or performance of the Group. It will become effective for annual periods beginning on or after January 1, 2014.

## 2.5 Consolidation methodology

The consolidation methodology is described in the following sections:

### Consolidation methods

The methods applied in the consolidation process are as follows:

- Full consolidation method for subsidiaries
- Proportional consolidation method for jointly controlled companies
- Equity method for affiliated companies

### Harmonization

The financial year of the companies within the consolidation perimeter ends on December 31. For consolidation purposes the corresponding 2013 financial statements of each company have been used.

The accounting principles applied by the companies comply with Group policies and, accordingly, no harmonization adjustments were necessary.

### Elimination of internal transactions

The intercompany balances arising from financial operations, rental agreements, payment of dividends, financial assets and liabilities, purchase and sale of inventories and non-current assets and rendering of services have been eliminated. In regard with purchase and sale transactions, the unrealized margin on assets, as well as depreciation, has been adjusted in order to show the assets at their original cost to the Group.

### Translation of financial statements in foreign currency

- General method

The financial statements of foreign companies have been translated into euros prior to their consolidation following the year-end rate method, except for the financial statements of Venezuelan companies as stated below. Accordingly, assets and liabilities are translated at the spot rate prevailing at December 31, capital and reserves at the historical rates, and revenues and expenses at the averages rate for the year. Differences arisen from this process have been recorded directly under *Translation differences* in net equity.

- Method applied to companies in hyperinflationary countries

According to the applicable standard for companies operating in hyperinflationary economies, the translation of their financial statements into foreign currency entails:

- Adjusting the historical cost of non-monetary assets and liabilities and the various items of equity of these companies from their date of acquisition or inclusion in the consolidated statement of financial position to the end of the year to reflect the changes in purchasing power of the currency caused by the inflation.
- Adjusting the consolidated statement of comprehensive income to reflect the financial loss caused by the impact of inflation in the year on net monetary assets (loss of purchasing power).
- Adjusting the components of the consolidated statement of comprehensive income and of the consolidated statement of cash flows according to the inflation index since their generation, with a balancing entry in financial results.
- Translating all components of the financial statements of the companies operating in hyperinflationary by applying the closing exchange rate.

At December 31, 2013 and 2012 the Venezuelan economy continued to be considered hyperinflationary in terms of IFRS application.

In 2013 the Venezuelan subsidiaries of the Group were dormant and have almost not incorporated any assets, liabilities, income or expenses in the consolidated financial statements for the year ended December 31, 2013. Consequently, the Group's consolidated figures include almost no impacts in relation to the method described above applied in companies located in hyperinflationary countries.

The main impacts for 2012 were as follows:

(Thousands of euros)	2012
Revenue	17
EBITDA	(23)
Profit (loss) in the net monetary position*	(587)
Net income	(3,531)

\*Loss in the net monetary position is included in the financial expense of the consolidated statement of comprehensive income.

The Venezuelan consumer price index issued by the Central Bank of Venezuela was used to identify inflation rates. Its value at December 31, 2013 and 2012 was 498.1 and 318.9, with an increase during 2013 and 2012 of 56.2% and 20%, respectively.

All components of the financial statements of the Venezuelan companies have been translated at the closing exchange rate, which at December 31, 2013 was 23.53 Bolivares fuertes per euro (20.51 Bolivares fuertes per euro at December 31, 2012).

## 2.6 Business combinations

When Group gains control over one constituted business, or directly over a business' net assets, the consideration transferred is assigned to assets and liabilities, measured at fair value. The difference between the sum of fair values and the sum of the consideration transferred plus the amount of any non-controlling interest in the acquiree at acquisition date is recognized as goodwill where it is positive or as income in the consolidated statement of comprehensive income where the difference is negative.

The consideration transferred in a business combination is measured at fair value. This is calculated as the sum of the acquisition fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree, and the equity interests issued by the acquirer.

The costs related to the acquisition, such as finder's fees, advice, legal, accounting valuation and other professional or consulting fees, are recognized as expenses in the years when they are incurred and the services are provided.

## 2.7 Intangible assets

Intangible assets are initially measured at acquisition cost less accumulated amortization and any impairment loss.

Goodwill is not amortized. Instead, it is tested for impairment at least annually as well as intangible assets with indefinite useful lives. Likewise, the net carrying amount of intangible assets having finite useful life is tested for impairment when there is evidence or changes of not recovering the carrying amount, similar to the criteria established for property, plant and equipment.

Research expenses are charged to expenses when incurred, while development costs related to an individual project are capitalized when the Group can demonstrate the technical feasibility and profitability, the availability of financing resources, and incurred costs can be measured reliably. Development expenses to be capitalized, including the cost of materials, personnel expenses directly attributable and a fair proportion of overheads, are amortized using a declining method (50% the first year) over the period for which they expect to obtain profits or income from such project, which generally comprises three years.

Amounts paid to the owners of the sites where the slot machines are located on an exclusivity basis are capitalized as installation rights. They are amortized on a straight-line basis over the contract term.

Administrative concessions are amortized on a straight-line basis, according to the concession term, as well as transfer rights of leased premise

Software is amortized on a straight-line basis over three years.

## 2.8 Property, plant and equipment

Property, plant and equipment are measured at acquisition cost less accumulated depreciation and any recognized impairment loss.

The Group assesses whether there is an indication that the net carrying amount of property, plant and equipment may be impaired. If any indication exists, assets or cash-generating units are recorded at their recoverable amount.

Expenses for repairs which do not extend the useful life of the assets, as well as maintenance expenses, are taken to the consolidated statement of comprehensive income in the year incurred. Expenses incurred for expansion or improvements which increase the productivity or prolong the useful life of the asset are capitalized. Future expenses for restoring and retirement are recognized, at present value, as a cost component, with a liability provision as counterpart.

Depreciation charges are calculated over the estimated useful lives of the assets. Property, plant and equipment are generally depreciated on a straight-line basis over their estimated useful life. A declining basis is used alternatively for some assets, basically slot machines, since it better follows the actual pattern of income related to these assets.

	Method	Rate
Commercial buildings (new/used) and plant	Straight line	2-4%
Riverboats	Straight line	6,6%
Production installations (new/used)	Straight line	8-16%
Other installations	Straight line	8-12%
Production machinery	Straight line	10%
Other production equipment	Straight line	20%
New slot machines ("A" and "B" / "V" and "C")	Declining/Straight line	20%
Used slot machines	Straight line	40%
Furniture (new/used)	Straight line	10-20%
Vehicles (new/used)	Declining/Straight line	10-32%
Tools and furniture (new/used)	Straight line	30-60%
EDP equipment (new/used)	Declining/Straight line	25-50%
Molds and dices	Straight line	25%
Other PP&E items	Straight line	16%

The finite useful life of slot machines is necessarily subject to exogenous factors (mainly market and competence) of difficult forecast. In the event that such equipment completes its useful life before the base period used for depreciation, the net balance of the related good at the removal date is charged as depreciation for the year, given its recurrent and typical features, as well as its corrective nature of systematic depreciation performed on related goods.

## **2.9 Investments in associates**

Investments are accounted for under the equity method, i.e. they are accounted initially at cost and its carrying amount is increased or decreased in order to recognize the part of the result of the invested company attributed to the Group from the acquisition date.

Part of the profit (loss) for the year of the invested company is recorded in the Group consolidated statement of comprehensive income. Dividends received reduce the amount of the investment.

Changes in the invested company's equity different than those generated by income of the period are directly recorded as changes in the Group's net equity.

## **2.10 Financial assets**

Financial assets are initially recorded at fair value. For investments not measured at fair value with changes in results, directly attributable transaction costs are added. The Group establishes the classification of financial assets at the initial recognition, and, when appropriate and allowed, the classification is assessed again at each year end.

### Available-for-sale financial assets

Available-for-sale financial assets are non-derivative instruments having neither maturity date (or not expected to be held until maturity), nor nature of trading portfolio, nor derived from trading activities or loans. Upon initial recognition, where possible, they are measured at fair value, recognizing changes in fair value directly within a separate caption in equity until the investment is derecognized or impaired, at which time the accumulated profit or loss previously recorded in equity is taken to the consolidated statement of comprehensive income.

At December 31, 2013 there are no available-for-sale investments, whereas at December 31, 2012 the Group's available-for-sale investments were measured at acquisition cost, since they could not be measured reliably at fair value, either through quoted prices, or by applying any other accepted measurement technique.

### Loans and receivables

The Group recognizes in this category trade and non-trade receivables, which include financial assets with fixed or determinable payments not quoted on active markets and for which the Group expects to recover the full initial investment, except, where applicable, in cases of credit deterioration.

Following initial recognition, these financial assets are measured at amortized cost.

Nevertheless, non-trade receivables which mature within less than one year with no contractual interest rate, as well as prepayments and loans to personnel, the amount of which is expected to be recovered in the short term, are carried at nominal value both at initial and subsequent measurement, when the effect of not discounting cash flows is not significant.

## **2.11 Cancellation of financial assets and liabilities**

Financial assets (or, when applicable, part of a financial asset or part of a group of similar financial assets) are derecognized when:

- Rights to related cash flows have expired;
- The Group has retained the right to receive related cash flows, but has assumed the liability of fully paying them within the established terms to a third party under a transfer agreement;
- The Group has transferred the rights to receive related cash flows and (a) has substantially transferred the risks and rewards incidental to the ownership of the financial asset, or (b) has not transferred or retained the asset's risks and rewards, but has transferred the control over the asset.

Financial liabilities are derecognized when the related liability is settled, cancelled or expired. When a financial liability is replaced for other from the same borrower but with substantially different terms, or the conditions of the existing liability are substantially modified, such change or modification is recorded as a disposal of the original liability and an addition of a new liability. Difference of related carrying amounts is recognized in the consolidated statement of comprehensive income.

## **2.12 Inventories**

Inventories are accounted for at the lower of the acquisition cost and the recoverable amount.

The recoverable amount of raw materials is the replacement cost. Nevertheless, no provision is set aside for raw materials and other consumables used in production, if the finished products in which they are to be incorporated will be sold above cost. The recoverable value of finished products corresponds to the estimated sales price less related selling expenses.

The cost value of finished products includes materials measured at the weighted average acquisition price, third-party work, labor and production overhead.

## **2.13 Cash and cash equivalents**

This heading includes cash, current accounts, bank deposits and other financial investments maturing within less than three months from the acquisition date, provided that risks of the substantial alteration of their value are not significant.

In terms of the consolidated statement of cash flows, cash and cash equivalents include the abovementioned concepts, net of bank overdrafts, if applicable.

## **2.14 Impairment of assets**

### Non-financial assets

The Group assesses at each year end whether there is an indication that a non-current asset may be impaired. If any indication exists, and when an annual impairment test is required, the Group estimates the asset's recoverable amount. The recoverable amount is the higher of the cash-generating unit (CGU) fair value less cost to sell and value in use, and it is established for each separate asset, unless for assets that do not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and its carrying amount is reduced to the recoverable amount. To assess value in use, expected cash flows are discounted to their present value using risk free market rates, adjusted by the risks specific to the asset. Impairment losses from continuing activities are recognized in the consolidated statement of comprehensive income.

The Group assesses at year end indicators of impairment losses previously recorded in order to verify whether they have disappeared or decreased. If there are indicators, the Group estimates a new recoverable amount. A previously recognized impairment loss is reversed only if the circumstances giving rise to it have disappeared, since the last loss for depreciation was recognized. In this regard, the asset's carrying amount increases to their recoverable amount. The reversal is limited to the carrying amount that would have been determined had no impairment loss been recognized for the asset.

The reversal is recognized in the consolidated statement of comprehensive income. Upon such reversal, the depreciation expense is adjusted in the following periods to amortize the asset's revised book value, net of its residual value, systematically over the asset's useful life.

#### Financial assets

The Group assesses at year end if financial assets or group of financial assets are impaired. To assess the impairment of certain assets, the following criteria are applied:

- Assets measured at amortized cost

If there is objective evidence that there is an impairment loss of loans and other receivables recorded at amortized cost, the loss is measured as the difference between the net carrying amount and the present value of estimated cash flows, discounted at the current market rate upon initial recognition. The net carrying amount is reduced by an allowance, and the loss is recorded in the consolidated statement of comprehensive income.

Impairment loss is reversed only if the circumstances giving rise to it have ceased to exist. Such reversal is limited to the carrying amount of the financial asset that would have been recognized on the reversal date had no impairment loss been recognized.

In regard with trade and other receivables, when there is objective evidence of not collecting them, an adjustment is made based on identified bad debts risk.

- Available-for-sale financial assets

If a financial asset available-for-sale is impaired, the difference between its cost (net of any repayment) and present fair value, less any previous impairment loss recognized in equity is taken to the consolidated statement of comprehensive income. Reversals related to equity instruments classified as available-for-sale are not recognized in the consolidated statement of comprehensive income, but the associated increase in value is directly recorded in equity.

#### **2.15 Treasury shares**

Treasury shares are recorded as a direct decline in the Group's equity. They are measured at cost value, without recognizing any impairment loss. No gain or loss is recognized in the consolidated statement of comprehensive income on the purchase or sale of the Group's own equity instruments.

#### **2.16 Provisions**

Provisions are recognized when:

- the Group has a present obligation either legal, contractual or constructive as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation; and
- the amount of the obligation can be reliably measured.

When the effect of the cash temporary value is significant, the provision is estimated as the present value of the future cash flows required to settle the obligation.

The discount rate applied in the assessment of the obligation's present value only corresponds to the temporary value of money and does not include the risks related to the estimated future cash flows related to the provision. The increase of the provision derived from the aforementioned discount is recorded as a financial expense.

### **2.17 Interest yield loans and credits**

Loans and credits are initially measured at cost value, which is the fair value of the contribution received, net of issuance costs related to the debt.

Upon initial recognition, interest yield loans and credits are recognized at amortized cost using the effective interest rate method, including any issuance cost and discount or settlement premium.

### **2.18 Translation of balances in foreign currency**

Transactions in foreign currency are translated at the spot rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the spot rate prevailing at the closing date. Unrealized exchange gains or losses are recognized in the consolidated statement of comprehensive income. As an exception, exchange gains or losses arising from monetary assets and liabilities that reflect investments in foreign subsidiaries are recorded in *Translation differences* in equity, with no impact on the consolidated statement of comprehensive income.

### **2.19 Leases**

Leases are considered to be financial leases when all risks and rewards incidental to ownership of the leased item are substantially transferred to the Group. Assets acquired under financial lease arrangements are recognized as property, plant and equipment at the beginning of the lease term in the consolidated statement of financial position, recording an asset equivalent to the fair value of the leased item or, if lower, the present value at the commencement of the lease of the minimum lease payments. A financial liability is recorded for the same amount.

Lease payments are apportioned between finance charges and reduction of the lease liability, in order to maintain a constant interest rate of the outstanding debt. The finance charges are recorded directly in the consolidated statement of comprehensive income. These assets are depreciated, impaired, and derecognized using the same criteria applied to assets of a similar nature.

Leases are considered to be operating leases when all risks and rewards incidental to ownership of the leased item are substantially maintained by the lessor. Operating lease payments are recognized as expense in the consolidated statement of comprehensive income when accrued over the lease term.

### **2.20 Revenues**

Revenues are recognized when it is probable that the economic benefits from the transaction will flow to the Group and the amount of income and costs incurred or to be incurred can be reliably measured.

Revenues from exploiting slot machines are measured at the collected amount. The percentage of the amount collected from slot machines attributable to the owner of the premises where the machine is located is included as operating expense under *Variable rent*.

Revenues from bingo cards are recognized for the total amount of sold cards, based on their face value, while recognizing the prizes granted to players as a decrease in operating revenues. The card cost is recorded in *Consumptions*, and the gaming tax rate over purchased bingo cards is included under *Gaming taxes*.

Revenue from casinos is recorded for the net amount from the game ("win"), after deducting prizes removed by players.

Revenue from sale of finished products is measured when risks and significant benefits incidental to the ownership of the assets have been transferred to the buyer and the outcome can be estimated reliably, circumstance that generally arises with the effective goods delivery.

Interest income is recorded based on the time passed, including the asset's effective yield.

## **2.21 Restructuring expenses**

Expenses incurred in restructuring processes, mainly indemnities to personnel, are recognized when a formal and detailed plan exists to perform such process by identifying the main parameters (i.e. main locations, functions and approximate number of affected employees, estimated payments and the implementation schedule) and creating a real and valid expectation among affected employees in regard with the process.

## **2.22 Income tax**

Deferred income tax is recognized on all temporary differences at the closing date between the tax bases of assets and liabilities and their carrying amounts in the statement of financial position.

Deferred tax liabilities are recognized for all temporary differences, except for taxable temporary differences arisen from an acquired goodwill, which amortization is not tax deductible and those arisen upon the initial recognition of an asset or liability in a transaction, other than a business combination, and that at the transaction date did not affect the accounting or the tax result.

Likewise, a deferred tax liability is recognized for all taxable temporary differences from investments in subsidiaries, associates or jointly controlled companies, except when both the following conditions are met: (a) the Group is able to manage the reversal date of the temporary difference and (b) the temporary difference will not be reversed in the future. In this regard, when the results are generated in subsidiaries in countries where there is not an agreement to avoid double taxation and the Group's policy is the repatriation of dividends, the Group records a deferred tax related to the effective amount that would be filed when profits are repatriated.

Deferred tax assets are recognized for all deductible temporary differences, tax credits and unused tax loss carryforwards, to the extent that it is probable that future taxable profit will be available against which these assets may be utilized, except for deductible temporary differences arisen upon the initial recognition of an asset or liability in a transaction, other than a business combination, and that at the transaction date did not affect the accounting or the tax result.

Furthermore, only a deferred tax asset is recognized for all deductible temporary differences from investments in subsidiaries, associates or jointly controlled companies when both the following conditions met: (a) the temporary difference will be reversed in the future, and (b) it is probable that future taxable profit will be available against which these temporary differences may be utilized.

The recovery of deferred tax assets is reviewed at year end, reducing the amount in assets to the extent that it is probable that future taxable benefits will not be available and consequently these assets could not be utilized.

Deferred taxes are measured based on the tax legislation and charge rates enacted or to be enacted, at the date of consolidated statement of financial position.

Deferred tax assets and liabilities are not discounted and are classified as non-current assets or non-current liabilities, respectively.

### **2.23 Contingencies**

When unfavorable outcome of a situation that leads to a potential loss is likely to occur (i.e. more than 50% of possibilities), the Group establishes a provision which is recorded based on the best estimate of present value of expected future disbursement. On the other hand, if expectations of favorable resolution are more likely, no provision is recorded, which is reported in the notes of existing risks, unless the possibility of a negative outcome is clearly considered remote.

### **2.24 Classification of current and non-current assets and liabilities**

Assets and liabilities are classified in the consolidated statement of financial position as current and non-current according to their maturity date. Current assets mature within one year from the closing date, and non-current assets mature in more than such period.

## **3. SEGMENT INFORMATION**

The Group's activities are organized and managed separately based on the nature of the provided services and products. Each segment represents a strategic business unit, which provides several services and offers product to different markets. The related operating results are assessed regularly by the Group's Management in order to decide which resources should be allocated to the segment and to assess its yield.

The Group has classified as operating segment the identified Group component in charge of supplying a single product or service, or a group of them, which is subject to risks and returns of different nature to those related to other segments within the Group. The main factors considered in identifying the segments have been the nature of products and services, the nature of the production process and the type of customer.

Assets, liabilities, income and expenses by segments include those directly and reasonably assignable. The captions not assigned by the Group correspond to deferred tax assets and liabilities accounts.

The transfer prices between segments are calculated based on the actual costs incurred, which have been increased by a fair trading margin.

### **3.1 Operating segments**

The distribution of detailed operating segments meets the information usually managed by the Management. Segments, as defined by the Group, are as follows:

#### Slots:

Owns and operates slot machines in bars, cafés, restaurants and recreation rooms in Spain and Italy. Also provides interconnected machines in Italy.

#### B2B:

Designs, manufactures and distributes slot machines and game kits for the Spanish and international market. The division sells directly or through distributors to other divisions of the Group, mainly slot division, and third parties.

Casinos:

The Group operates with two types of casinos, traditional casinos which include table games and casino slot machines, and electronic casinos which only operate with casino slot machines.

Bingos:

Operation of bingo halls mainly in Spain and to a lesser extent, in Italy and Mexico. The parlors operate through the sale of bingo cards to customers, and to a lesser extent through the operation of slot machines and restoration services.

On-line:

The Group started to operate in this segment in June 2012, when licenses to operate in Spain were obtained. In August 2012 it also started to operate in Italy. The activity consists in the operation of gaming through the Internet.

Other segments:

Segments that as a whole represent less than 10% of total external and internal revenue, less than 10% of the combined result of all segments with added benefits and less than 10% of total assets, have been considered as irrelevant and no specific information has been provided, grouped under this generic title.

The following chart shows information on revenue and results, information about assets and liabilities, and other information related to the different operating segments as for December 31, 2013 and 2012.

**2013**

	<b>Slots</b>	<b>B2B</b>	<b>Casinos</b>	<b>Bingo</b>	<b>On-line</b>	<b>Eliminations and other</b>	<b>Total</b>
<b>Assets by segment</b>							
Non-current assets assigned	257,622	87,553	448,113	116,657	6,498	(10,864)	905,579
Non-current assets not assigned	-	-	-	-	-	98,630	98,630
Current assets assigned	92,781	84,271	251,236	25,837	1,421	(141,562)	313,984
<b>Total assets</b>	<b>350,403</b>	<b>171,824</b>	<b>699,349</b>	<b>142,494</b>	<b>7,919</b>	<b>(53,796)</b>	<b>1,318,193</b>
<b>Liabilities by segment</b>							
Liabilities assigned	(345,244)	(112,777)	(473,046)	(178,884)	(3,695)	(181,258)	(1,294,904)
Liabilities not assigned	-	-	-	-	-	(54,932)	(54,932)
<b>Total liabilities</b>	<b>(345,244)</b>	<b>(112,777)</b>	<b>(473,046)</b>	<b>(178,884)</b>	<b>(3,695)</b>	<b>(236,190)</b>	<b>(1,349,836)</b>
<b>Net operating revenue from variable rent</b>							
Sales to external customers	517,543	52,591	576,784	212,940	3,799	(667)	1,362,990
Sales inter-segment	2,922	38,991	1,130	1,937	-	(44,980)	-
<b>Total net operating revenue from variable rent</b>	<b>520,465</b>	<b>91,582</b>	<b>577,914</b>	<b>214,877</b>	<b>3,799</b>	<b>(45,647)</b>	<b>1,362,990</b>
<b>Profit for the year</b>							
EBITDA (*)	53,682	22,172	225,779	25,556	(5,359)	(19,719)	302,111
Financial income	2,685	10,191	11,665	2,144	391	(16,518)	10,558
Financial costs	(15,654)	(5,963)	(34,876)	(12,582)	(226)	(29,848)	(99,149)
Profit before income tax	(27,710)	22,284	98,902	(29,200)	(7,468)	(27,323)	29,485
Income tax expense	(4,179)	(2,928)	(51,749)	28,097	471	1,786	(28,502)
Net profit from continuing operations	(31,889)	19,356	47,153	(1,103)	(6,997)	(25,537)	983
<b>Non-monetary expenses</b>							
Depreciation, amortization and impairment	(53,772)	(3,367)	(70,515)	(39,576)	(311)	4,554	(162,987)
Changes in trade provisions	(3,853)	501	(2,025)	(56)	-	16	(5,417)
<b>Other significant expenses</b>							
Personnel	(49,029)	(17,943)	(117,205)	(43,320)	(1,710)	(12,634)	(241,841)
External supplies and services	(72,193)	(17,860)	(115,269)	(68,180)	(6,008)	21,091	(258,419)
Gaming taxes	(312,996)	(1,308)	(109,229)	(68,928)	(778)	(215)	(493,454)
<b>Other information by segments</b>							
Investment in non-current assets	35,153	3,409	61,483	16,722	434	924	118,125
Investments in associates	704	725	795	-	-	944	3,168

(\*) For financial information purposes, EBITDA is defined as profit (loss) before income tax, financial result, gains (losses) from investments in associates, gains (losses) from disposal/write-off of non-current assets, change in operating provisions, and impairment charges, depreciation and amortization.

**2012**

	Slots	B2B	Casinos	Bingo	On-line	Eliminations and other	Total
<b>Assets by segment</b>							
Non-current assets assigned	206,315	67,814	486,611	116,243	3,191	54,684	934,858
Non-current assets not assigned	-	-	-	-	-	80,878	80,878
Current assets assigned	114,024	38,645	251,732	34,752	1,550	(115,784)	324,919
<b>Total assets</b>	<b>320,339</b>	<b>106,459</b>	<b>738,343</b>	<b>150,995</b>	<b>4,741</b>	<b>19,778</b>	<b>1,340,655</b>
<b>Liabilities by segment</b>							
Liabilities assigned	(271,780)	(60,308)	(491,561)	(188,511)	(7,469)	(261,619)	(1,281,248)
Liabilities not assigned	-	-	-	-	-	(45,294)	(45,294)
<b>Total liabilities</b>	<b>(271,780)</b>	<b>(60,308)</b>	<b>(491,561)</b>	<b>(188,511)</b>	<b>(7,469)</b>	<b>(306,913)</b>	<b>1,326,542</b>
<b>Net operating revenue from variable rent</b>							
Sales to external customers	497,125	58,112	559,624	229,006	1,881	4,288	1,350,036
Sales inter-segment	1,437	45,377	1,765	1,941	-	(50,520)	-
<b>Total net operating revenue from variable rent</b>	<b>498,562</b>	<b>103,489</b>	<b>561,389</b>	<b>230,947</b>	<b>1,881</b>	<b>(46,232)</b>	<b>1,350,036</b>
<b>Profit for the year</b>							
EBITDA (*)	93,318	22,279	203,738	25,918	(5,429)	(17,813)	322,011
Financial income	3,139	7,749	27,588	462	2	(26,435)	12,505
Financial costs	(18,429)	(7,293)	(35,761)	(65,310)	(64)	(25,749)	(102,606)
Profit before income tax	15,467	19,478	103,749	(19,153)	(5,665)	(48,197)	65,679
Income tax expense	(16,163)	(12,777)	(32,368)	3,175	1,404	662	(56,067)
Net profit from continuing operations	(696)	6,701	71,381	(15,978)	(4,261)	(47,535)	9,612
<b>Non-monetary expenses</b>							
Depreciation, amortization and impairment	(56,217)	(4,181)	(69,787)	(28,971)	(176)	5,958	(153,374)
Changes in trade provisions	(3,564)	(773)	(1,531)	(303)	-	-	(6,171)
<b>Other significant expenses</b>							
Personnel	(46,841)	(18,934)	(113,850)	(44,137)	(1,075)	(17,410)	(242,247)
External supplies and services	(69,296)	(21,352)	(123,698)	(72,292)	(5,684)	25,903	(266,419)
Gaming taxes	(250,130)	(1,128)	(107,343)	(78,503)	(550)	(89)	(437,743)
<b>Other information by segments</b>							
Investment in non-current assets	34,261	2,346	82,940	22,316	2,909	47	144,819
Investments in associates	665	668	772	-	-	944	3,049

(\*) For financial information purposes, EBITDA is defined as profit (loss) before income tax, financial result, gains (losses) from investments in associates, gains (losses) from disposal/write-off of non-current assets, change in operating provisions, and impairment charges, depreciation and amortization.

### 3.2 Geographic segments

In the presentation of information by geographic segments, sales are based on the destination country and the assets on their location. The following chart shows this information as for December 31, 2013 and 2012.

#### 2013

(Thousands of euros)	Sales to external customers	Sales inter-segment	Total revenue by segment	Assets by segment	Investment in non-current assets
Spain	431,832	77,842	509,674	560,457	36,985
Latin America	624,948	477	625,425	761,702	74,765
Italy	306,210	2,048	308,258	140,944	6,375
Eliminations and others	-	(80,367)	(80,367)	(144,910)	-
	<b>1,362,990</b>	<b>-</b>	<b>1,362,990</b>	<b>1,318,193</b>	<b>118,125</b>

#### 2012

(Thousands of euros)	Sales to external customers	Sales inter-segment	Total revenue by segment	Assets by segment	Investment in non-current assets
Spain	443,336	33,851	477,187	844,240	40,609
Latin America	609,319	623	609,942	794,853	95,578
Italy	297,381	849	298,230	151,496	8,632
Eliminations and others	-	(35,323)	(35,323)	(449,934)	-
	<b>1,350,036</b>	<b>-</b>	<b>1,350,036</b>	<b>1,340,655</b>	<b>144,819</b>

## 4. BUSINESS COMBINATIONS

### 4.1 2013

The breakdown of the companies in which the Company has gained unilateral and exclusive control in 2013 is summarized as follows:

Name and description of companies and business	Acquisition date	(Thousands of euros)				
		Acquisition price	Fair value of acquired net assets	Minority interest arisen in the business combination	Fair value of prior ownership interest	Goodwill arising on acquisition
Lightmoon International 21 Alfematic, S.A. and subsidiaries	June 2013	260	260	-	-	-
Interservi, S.A. and subsidiaries	July 2013	3,007	7,429	4,162	-	-
Egartronic, S.A. and subsidiaries	July 2013	4,194	8,224	4,030	-	-
S. A. Explotadora de Recreativos	July 2013	8,698	17,058	8,360	-	-
Traylon, S.A.	July 2013	1,222	1,990	768	-	-
Electronicos Trujillanos, S.L.	October 2013	689	13,773	6,198	6,886	-
	December 2013	380	1,520	380	760	-
		<b>18,450</b>	<b>50,254</b>	<b>23,898</b>	<b>7,646</b>	<b>-</b>

As mentioned in Note 1.3, control over the companies Traylon, S.A. and Electrónicos Trujillanos, S.L. has been gained by means of an increase in the percentage of ownership already held by the Group at prior year end (during 2013, 5% of equity instruments in Traylon, S.A. and 25% in Electrónicos Trujillanos, S.L. has been acquired, reaching 55% and 75% of their equity, respectively, after the acquisitions).

In accordance with applicable accounting standards (IFRS 3 revised), prior ownership interest held by the Group in the companies indicated in the paragraph above has been measured at fair value at the date of gaining control, recognizing gains amounting to 6,996 thousand euros (gains amounting to 6,427 thousand euros in the case of the prior ownership interest in Traylon, S.A., and 569 thousand euros in the case of the prior ownership interest in Electrónicos Trujillanos, S.L.) in the caption "Results on sale/disposals of non-current assets" in the consolidated statement of comprehensive income for the year ended December 31, 2013.

The figure shown in the column *Acquisition price* is lower than the amount shown for this concept in the consolidated statement of cash flows, since payments have been made for acquisitions carried out in prior years.

The value of identifiable assets and liabilities at the date of gaining control over these acquisitions was as follows:

(Thousands of euros)	Fair value recognized on acquisition (*)	Carrying amount (*)
Property, plant and equipment	16,338	14,458
Intangible assets	56,399	25,256
Other non-current assets	19,213	19,213
Current assets	22,516	22,516
Liabilities (including generated deferred taxes)	(64,212)	(54,305)
	<b>50,254</b>	<b>27,138</b>

(\*) Includes the assets and liabilities that Traylon, S.A. and Electrónicos Trujillanos, S.L. would have incorporated had the aforementioned business combinations not taken place. Prior to the acquisition of control, these companies were already accounted for using the proportional consolidation method at 50%.

If acquisitions had occurred at the beginning of the year, consolidated operating revenues and consolidated profit for the year 2013 would have increased by 40,529 and 2,656 thousand euros, respectively. Additionally, the Group's gains contributed by these companies since the date of acquisition amount to 3,109 thousand euros.

#### 4.2 2012

The breakdown of the companies in which the Company has gained unilateral and exclusive control in 2012 is summarized as follows:

Name and description of companies and business	Acquisition date	% of voting rights	(Thousands of euros)		
			Acquisition price	Fair value of acquired net assets	Goodwill arising on acquisition
Recreativos Arranz, S.L.	November 2012	100%	752	752	-
Mabel 96, S.L.	December 2012	100%	410	410	-
Entidad Gestora del bingo Siglo XXI, S.L.U.	December 2012	100%	3	3	-
			<b>1,165</b>	<b>1,165</b>	

The figure in the column *Acquisition price* is lower than the amount for that concept shown in the consolidated statement of cash flows, since there are payments corresponding to acquisitions made in prior years.

The value of identifiable assets and liabilities at the date of gaining control over these acquisitions was as follows:

(Thousands of euros)	Fair value recognized on acquisition	Carrying amount
Property, plant and equipment	63	63
Goodwill	-	-
Intangible assets	1,311	-
Other non-current assets	103	103
Current assets	122	122
Liabilities (including generated deferred taxes)	(434)	(41)
	<b>1,165</b>	<b>247</b>

If acquisitions had occurred at the beginning of the year, consolidated operating revenue and consolidated profit for the year 2012 would have increased by 756 thousand and 66 thousand euros, respectively. Additionally, the Group's gains contributed by these companies in 2012 since the acquisition date amounted to 31 thousand euros.

## 5. GOODWILL

The breakdown of goodwill by operating segments is as follows:

(Thousands of euros)	2013	2012
Bingos	61,113	78,136
Slots	56,247	59,413
Casinos	67,933	76,769
Other	-	2,018
	<b>185,293</b>	<b>216,336</b>

The amount of goodwill at December 31, 2013 and 2012 is shown net of impairment loss allowances, which according to the applicable accounting standards are not revertible, amounting to 85,706 and 65,593 thousand, respectively. During 2013 an impairment loss on goodwill amounting to 20,113 thousand euros has been recognized (2012: 14,013 thousand euros) (Note 9.1).

The evolution of the goodwill amount recorded in books, net of impairment loss, is as follows:

(Thousands of euros)	2013	2012
Balance at January 1	216,336	227,381
Impairment losses	(20,113)	(14,013)
Net exchange differences arising during the period	(8,928)	3,540
Sale of companies	(2,002)	(572)
<b>Balance at December 31</b>	<b>185,293</b>	<b>216,336</b>

## 6. OTHER INTANGIBLE ASSETS

### 6.1 Movements

#### 2013

(Thousands of euros)	January 1, 2013	Additions	Disposals	Transfers	Translation differences and other	December 31, 2013
<b>COST</b>						
Development costs and patents	48,280	4,139	(774)	-	(91)	51,554
Administrative concessions	83,720	12,268	(1,623)	2,085	(3,024)	93,426
Installation rights	141,761	103,535	(5,009)	1,406	(134)	241,559
Transfer rights	4,171	4,951	(150)	-	(104)	8,868
Software	23,645	5,320	(1,197)	26	(921)	26,873
Prepayments and other	8,963	2,388	(966)	(3,517)	(2)	6,866
	<b>310,540</b>	<b>132,601</b>	<b>(9,719)</b>	<b>-</b>	<b>(4,276)</b>	<b>429,146</b>
<b>AMORTIZATION</b>						
Development costs and patents	(43,683)	(3,686)	474	1	10	(46,884)
Administrative concessions	(27,480)	(7,584)	1,024	-	1,603	(32,437)
Installation rights	(90,731)	(39,696)	3,309	-	3	(127,115)
Transfer rights	(623)	(560)	61	-	36	(1,086)
Software	(18,241)	(2,744)	157	(1)	966	(19,863)
	<b>(180,758)</b>	<b>(54,270)</b>	<b>5,025</b>	<b>-</b>	<b>2,618</b>	<b>(227,385)</b>
Impairment loss	(6,839)	-	-	-	-	(6,839)
<b>Net carrying amount</b>	<b>122,943</b>	<b>78,331</b>	<b>(4,694)</b>	<b>-</b>	<b>(1,658)</b>	<b>194,922</b>

#### 2012

(Thousands of euros)	January 1, 2012	Additions	Disposals	Transfers	Translation differences and other	December 31, 2012
<b>COST</b>						
Development costs and patents	46,848	1,502	(70)	-	-	48,280
Administrative concessions	72,494	270	(18)	12,865	(1,891)	83,720
Installation rights	137,140	10,908	(6,288)	-	1	141,761
Transfer rights	3,717	411	-	-	43	4,171
Software	18,125	3,348	(82)	696	1,558	23,645
Prepayments and other	21,574	946	(1)	(13,561)	5	8,963
	<b>299,898</b>	<b>17,385</b>	<b>(6,459)</b>	<b>-</b>	<b>(284)</b>	<b>310,540</b>
<b>AMORTIZATION</b>						
Development costs and patents	(41,179)	(2,505)	-	-	1	(43,683)
Administrative concessions	(22,099)	(5,718)	-	-	337	(27,480)
Installation rights	(77,144)	(17,531)	3,935	-	9	(90,731)
Transfer rights	(512)	(109)	-	-	(2)	(623)
Software	(16,103)	(2,573)	81	-	354	(18,241)
	<b>(157,037)</b>	<b>(28,436)</b>	<b>4,016</b>	<b>-</b>	<b>699</b>	<b>(180,758)</b>
Impairment loss	(6,687)	(152)	-	-	-	(6,839)
<b>Net carrying amount</b>	<b>136,174</b>	<b>(11,203)</b>	<b>(2,443)</b>	<b>-</b>	<b>416</b>	<b>122,943</b>

Additions in 2013 include the effects of business combinations (Note 4), which amounted to a gross value of 82,861 thousand euros and accumulated amortization of 21,449 thousand euros. These amounts were almost entirely related to installation rights and administrative concessions.

Most of the rest of additions in 2013 and 2012 included in *Installation rights* mainly relate to the non-refundable payment in exchange of the exclusive rights to operate the premises where the recreational machines are located. The disposals in this caption for both years mainly relate to installation rights pending amortization in premises which are closed, or it was decided not to operate the machine for profitability reasons.

In 2012 transfers under the caption *Prepayments and other* (see Note 6.3) mainly corresponded to licenses of video terminals of Cirsa Italia, S.p.A. in operation at December 31, 2012, and therefore, they were transferred to *Administrative concessions*, for an amount of 12.3 million euros.

## 6.2 Development costs and patents

They correspond mainly to the following:

- Industrial companies: Creation of new models of slot machines and technological innovations for them. Net value as of December 31, 2013 and 2012 is 3,052 and 2,392 thousand euros, respectively.
- Lottery and interactive products companies: Development of software applications for on-line games. Net value as of December 31, 2013 and 2012 is 1,608 and 2,205 thousand euros, respectively.

The internal cost of developing new models of slot machines and software for on-line games by the B2B division of the Group are capitalized as an increase in the value of developments costs and patents. The total amount of works performed by the Group for the intangible assets in 2013 and 2012 amounted to 2,679 and 1,423 thousand euros, respectively.

Research and development expenses recognized as expenses in 2013 amounted to 162 thousand euros (2012: 295 thousand euros) (Note 20.2).

## 6.3 Administrative concessions

The gross balance of official licenses to operate as of December 31, 2013 mainly corresponds to:

- An official contract to operate slot machines in Panama amounting to 37,493 thousand euros (29,336 thousand euros at December 31, 2012). The net value of this concession at December 31, 2013 amounts to 19,166 thousand euros (12,999 thousand euros at December 31, 2012).
- Ownership interest in an Argentinean company that operates a lottery employing disabled people amounting to 1,114 thousand euros at December 31, 2013 (1,591 thousand euros at December 31, 2012). The net value of these concessions at December 31, 2013 and 2012 is zero.
- Licenses of video terminals acquired by Cirsa Italia S.p.A. for an amount of 39,524 thousand euros (37,978 thousand euros at December 31, 2012). The net value of this concession at December 31, 2013 is 30,508 thousand euros (32,612 thousand euros at December 31, 2012).

## 6.4 Installation rights

Installation rights correspond to the amounts paid in exchange for the exclusive use of the premises in which slot machines are located.

## 6.5 Impairment losses

The balance of impairment loss basically covers the net value of certain administrative concessions in Argentina (1,114 and 1,591 thousand euros at December 31, 2013 and 2012, respectively), and investments in research and development projects based on implementing new technologies in the gaming industry (1,745 thousand euros at December 31, 2013 and 2012).

Note 9 includes several elements in relation to a test of the potential impairment of the Group's assets.

## 6.6 Other information

At December 31, 2013, the net value of intangible assets in foreign companies of the Group amounted to 114,331 thousand euros (2012: 62,043 thousand euros).

## 7. PROPERTY, PLANT AND EQUIPMENT

### 7.1 Movements

#### 2013

(Thousands of euros)	January 1, 2013	Additions	Disposals	Transfers	Translation differences and other	December 31, 2013
<b>Cost</b>						
Land and buildings	216,450	6,332	(20)	2,587	(24,812)	200,537
Installations	69,066	5,069	(177)	783	(4,903)	69,838
Machinery	434,390	62,555	(28,118)	15,541	(41,345)	443,023
EDP equipment	57,462	3,783	(1,956)	1,647	(1,883)	59,053
Vehicles	6,833	397	(196)	836	(4,756)	3,114
Other installations, tools, and furniture	228,424	13,348	(6,752)	3,107	(8,019)	230,108
Assets in progress	9,152	29,696	(601)	(24,501)	(2,200)	11,546
	<b>1,021,777</b>	<b>121,180</b>	<b>(37,820)</b>	<b>-</b>	<b>(87,918)</b>	<b>1,017,219</b>
<b>Depreciation</b>						
Buildings	(36,174)	(7,464)	-	-	3,575	(40,063)
Installations	(44,557)	(7,245)	75	-	3,502	(48,225)
Machinery	(296,404)	(78,020)	23,928	(31)	28,613	(321,914)
EDP equipment	(38,870)	(6,268)	1,662	-	1,405	(42,071)
Vehicles	(3,271)	(1,895)	195	-	2,079	(2,892)
Other installations, tools, and furniture	(133,129)	(23,200)	3,549	31	4,299	(148,450)
	<b>(552,405)</b>	<b>(124,092)</b>	<b>29,409</b>	<b>-</b>	<b>43,473</b>	<b>(603,615)</b>
Impairment loss	(14,709)	(1,516)	599	-	-	(15,626)
<b>Net carrying amount</b>	<b>454,663</b>	<b>(4,428)</b>	<b>(7,812)</b>	<b>-</b>	<b>(44,445)</b>	<b>397,978</b>

## 2012

(Thousands of euros)	January 1, 2012	Additions	Disposals	Transfers	Translation differences and other	December 31, 2012
<b>Cost</b>						
Land and buildings	222,918	5,054	(252)	1,817	(13,087)	216,450
Installations	62,346	7,913	(2,629)	1,989	(553)	69,066
Machinery	430,551	39,852	(48,275)	19,413	(7,151)	434,390
EDP equipment	55,479	3,851	(3,883)	2,931	(916)	57,462
Vehicles	6,691	406	(392)	2,672	(2,544)	6,833
Other installations, tools, and furniture	209,807	10,183	(5,849)	17,598	(3,315)	228,424
Assets in progress	11,309	44,833	(204)	(46,420)	(366)	9,152
	<b>999,101</b>	<b>112,092</b>	<b>(61,484)</b>	<b>-</b>	<b>(27,932)</b>	<b>1,021,777</b>
<b>Depreciation</b>						
Buildings	(31,075)	(7,175)	4	-	2,072	(36,174)
Installations	(38,573)	(7,912)	2,030	(74)	(28)	(44,557)
Machinery	(280,730)	(64,879)	45,388	257	3,560	(296,404)
EDP equipment	(38,633)	(4,687)	2,704	10	1,736	(38,870)
Vehicles	(2,933)	(1,638)	169	-	1,131	(3,271)
Other installations, tools, and furniture	(114,899)	(23,549)	2,949	(193)	2,563	(133,129)
	<b>(506,843)</b>	<b>(109,840)</b>	<b>53,244</b>	<b>-</b>	<b>11,034</b>	<b>(552,405)</b>
Impairment loss	(14,290)	(1,152)	733	-	-	(14,709)
<b>Net carrying amount</b>	<b>477,968</b>	<b>1,100</b>	<b>(7,507)</b>	<b>-</b>	<b>(16,898)</b>	<b>454,663</b>

Additions in 2013 basically correspond to purchases of machines in Spain (14,253 thousand euros), Colombia (11,470 thousand euros), Argentina (1,031 thousand euros), Mexico (2,308 thousand euros), and Peru (1,637 thousand euros), mainly to update already-installed machines, and additions of property, plant and equipment under construction amounting to 6,802 thousand euros as a result of the opening of new halls or renovation of already-existing halls in Panama, and 7,451 thousand euros as a result of the opening of a bingo hall in Argentina.

Additions in 2012 basically corresponded to purchases of machines in Spain (20,404 thousand euros), Colombia (8,068 thousand euros), Argentina (7,566 thousand euros) and Peru (3,814 thousand euros), also mainly to update already-installed machines, and additions of property, plant and equipment under construction amounting to 27,114 thousand euros as a result of the opening of new halls or renovation of already-existing halls in Panama.

Additions in 2013 also include the effect of the business combinations (Note 4) (plus the addition of assets in 2012 as a result of the acquisition of the joint ventures detailed in Note 1.3), amounting in total to a gross value of 28,348 thousand euros (1,038 thousand euros in 2012) and 17,839 thousand euros of accumulated depreciation (2012: 219 thousand euros).

Disposals in 2013 and 2012 show sales of assets and other disposals, mainly due to the substitution of slot machines, which represented a loss of 4,109 thousand euros in 2013 (a loss of 5,687 thousand euros in 2012).

### 7.2 Work performed by the Group for property, plant and equipment

The cost value of the slot machines manufactured by Group companies and sold to slot machine operators of the Group, are recognized as property, plant and equipment by crediting the corresponding expenses in the consolidated statement of comprehensive income. The amount of work performed by the Group for property, plant and equipment in 2013 and 2012 amounted to 29,228 and 30,928 thousand euros, respectively.

### 7.3 Assets subject to guarantees

Several property, plant and equipment items, whose net value as of December 31, 2013 and 2012 was 57,219 thousand and 75,635 thousand euros, respectively, were used as guarantee for mortgage loan debts.

### 7.4 Assets subject to charges and limitations

All assets are unrestricted, except for those acquired through financial lease contracts, whose net book value amounted to 20,281 thousand euros at December 31, 2013 (33,537 thousand euros at December 31, 2012) (Note 19.2).

### 7.5 Property, plant and equipment located abroad

The net value of property, plant and equipment located abroad was 276,396 thousand euros at December 31, 2013 (2012: 329,486 thousand euros).

### 7.6 Investment commitments

At December 31, 2013 firm investment commitments amount to 9,538 thousand euros (no firm investment commitments at December 31, 2012).

## 8. FINANCIAL ASSETS

This caption is composed by the following balances:

(Thousands of euros)	2013			2012		
	Non-current	Current	Total	Non-current	Current	Total
<u>Investments in associates</u>						
Investments accounted for under equity method	3,168	-	3,168	3,049	-	3,049
<u>Available-for-sale financial assets</u>						
Equity instruments measured at cost	-	-	-	3,018	-	3,018
<u>Loans and receivables</u>						
Nortia Business Corporation, S.L.	66,372	-	66,372	72,206	-	72,206
Loans to jointly-controlled business and associates	2,480	11,637	14,117	9,742	7,196	16,938
Loans to third parties	43,404	-	43,404	39,723	-	39,723
Public administrations	-	-	-	1,154	-	1,154
Deposits and guarantees	7,330	30,087	37,417	9,689	32,159	41,848
Fixed-income securities and deposits	-	2,390	2,390	-	3,534	3,534
Trade and other receivables	-	205,439	205,439	-	218,011	218,011
Other	5,682	16,359	22,041	5,240	13,094	18,334
	128,436	265,912	394,348	143,821	273,994	417,815
Impairment loss	(1,050)	(30,974)	(32,024)	(2,905)	(24,776)	(27,681)
	<b>127,386</b>	<b>234,938</b>	<b>362,324</b>	<b>140,916</b>	<b>249,218</b>	<b>390,134</b>

Current portion of Nortia Business Corporation, S.L., and of loans to third parties and receivables from Public administrations is included in the caption *Trade and other receivables* in the consolidated statement of financial position.

The Group estimates that fair values of these assets do not differ significantly from the recorded amounts.

The accumulated balance of impairment loss of non-current financial assets mainly corresponds to loans to third parties, while impairment loss of current financial assets corresponds to trade and other receivables (26,049 and 24,776 thousand euros at December 31, 2013 and 2012, respectively).

## 8.1 Investments in associates

This caption includes the following investments:

### 2013

(Thousands of euros)	Book value	Assets	Liabilities	Operating revenues	Profit (loss) for the year
Casino de Asturias, S.A.	795	1,120	(6)	108	58
Urban Leisure, S.L.	461	1,245	(312)	2,129	136
Gironina de Bingos, S.L.	-	2,781	(1,697)	-	-
Recreativos Trece, S.L.	243	578	(174)	908	23
Compañía Europea de Salones Recreativos, S.L.	725	5,862	(2,793)	4,717	287
Fianzas y Servicios Financieros, SGR	944	5,272	(3,256)	423	-
	<b>3,168</b>	<b>16,858</b>	<b>(8,238)</b>	<b>8,285</b>	<b>504</b>

### 2012

(Thousands of euros)	Book value	Assets	Liabilities	Operating revenues	Profit (loss) for the year
Casino de Asturias, S.A.	772	1,089	(6)	109	91
Urban Leisure, S.L.	429	1,333	(236)	2,746	154
Gironina de Bingos, S.L.	-	2,781	(1,697)	-	-
Recreativos Trece, S.L.	236	531	(80)	921	59
Compañía Europea de Salones Recreativos, S.L.	668	5,789	(3,007)	5,482	299
Fianzas y Servicios Financieros, SGR	944	5,081	(3,076)	455	-
	<b>3,049</b>	<b>16,604</b>	<b>(8,102)</b>	<b>9,713</b>	<b>603</b>

The variation for the year of the caption *Investments in associates* is as follows:

(Thousands of euros)	2013	2012
Balance at January 1	3,049	2,896
Investment in associate's profit	119	153
Investment in associate's losses	-	-
<b>Balance at December 31</b>	<b>3,168</b>	<b>3,049</b>

Transactions in 2013 and 2012 between companies mentioned above and other companies consolidated through the full and/or proportional consolidation method are irrelevant.

## 8.2 Loans and receivables

### Nortia Business Corporation, S.L.

The non-current debtor balance of Nortia Business Corporation, S.L. includes the following entries:

<b>(Thousands of euros)</b>	<b>2013</b>	<b>2012</b>
Loan maturing in 2017, at 8.75% interest rate	31,381	43,381
Long-term promissory notes from the sale of real state, discounted at 5% interest rate	3,619	3,619
Accrued interests	31,372	25,206
	<b>66,372</b>	<b>72,206</b>

The decrease in the loan granted to Nortia Business Corporation, S.A. is due to the fact that during 2013 a partial advance payment amounting to 12 million euros has been made. Additionally, the effective interest rate of the loan granted to Nortia Business Corporation (5.73%) does not match the nominal interest rate (8.75%), since interest will be paid upon the maturity of the loan. Moreover, during the current year, the maturity date of such loan has been modified and extended from 2015 to 2017.

At December 31, 2013 and 2012 the carrying amount of this loan was similar to its fair value.

### Credits to jointly-controlled business and associates

This caption is broken down as follows (\*):

<b>(Thousands of euros)</b>	<b>2013</b>	<b>2012</b>
Loans granted to a joint venture domiciled in Argentina. These loans are expressed in US dollars and accrue interest at an annual rate of Libor (six months) and mature in 2014	3,367	7,399
Current accounts with jointly-controlled business and associates	8,270	7,196
Other	2,480	2,343
	<b>14,117</b>	<b>16,938</b>

(\*) The above amounts are the remaining balances after the eliminations derived from the proportional consolidation process.

The maturity date of these assets is as follows:

<b>(Thousands of euros)</b>	<b>2013</b>	<b>2012</b>
Within one year	11,637	7,196
Between one and two years	620	586
Between two and three years	620	7,985
Between three and four years	620	586
Between four and five years	620	585
	<b>14,117</b>	<b>16,938</b>

The average interest rate of these assets in 2013 and 2012 was 6.75% and 5.1%, respectively.

## Loans to third parties

The breakdown of non-current loans to third parties is as follows:

<b>(Thousands of euros)</b>	<b>2013</b>	<b>2012</b>
Mortgage loan in US dollars to a company that owns a hotel in Dominican Republic where a casino operated by the Group is located. It earns an annual interest of 7.25%.	951	1,155
Loan to the minority shareholder of a Spanish operating company of the Group (effective interest rate of the transaction: 8.0%)	12,034	11,180
Non-trade loan with annual variable maturity dates until 2014. It does not yield any explicit interest, with a 5% effective interest rate of the transaction.	-	2,219
Loans to the minority shareholder of a Colombian subsidiary at an interest rate of 4.5%.	-	4,050
Loans granted in USD to a former shareholder of a Mexican company at an 8.75% interest rate, and with a tangible security.	905	1,664
Deferred collection of the sale of a minority interest in a Spanish company engaged in the operation of a bingo hall.	493	1,194
Current accounts between a group company and companies related to it (third parties for Group purposes), at a floating interest rate of Euribor plus 4% with a minimum of 5.5%.	16,637	-
Other	12,384	18,261
	<b>43,404</b>	<b>39,723</b>

The breakdown of maturity dates for non-current loans to third parties is as follows:

<b>(Thousands of euros)</b>	<b>2013</b>	<b>2012</b>
Between one and two years	12,584	17,030
Between two and three years	4,494	4,173
Between three and four years	4,392	4,885
Between four and five years	2,973	8,573
More than five years	18,961	5,062
	<b>43,404</b>	<b>39,723</b>

## Trade and other receivables

This caption is broken down as follows:

<b>(Thousands of euros)</b>	<b>2013</b>	<b>2012</b>
Trade receivables	32,742	39,857
Impairment losses	(26,049)	(24,776)
Other related parties	1,979	5,773
Receivables from Public administrations	29,092	34,691
Other receivables	141,610	137,158
Nortia Business Corporation, S.L. – Promissory notes from sale of assets	16	532
	<b>179,390</b>	<b>193,235</b>

Receivables from Public administrations mainly correspond to payments on account of income tax, VAT and other tax receivables.

The balance of trade and other receivables is shown net of impairment loss. The movements in the impairment loss allowance are as follows.

<b>(Thousands of euros)</b>	<b>2013</b>	<b>2012</b>
Balance at January 1	24,776	24,654
Net charge for the year	4,490	5,459
Utilized	(353)	(5,337)
Additions of companies	2,061	-
<b>Balance at December 31</b>	<b>30,974</b>	<b>24,776</b>

The Group has established credit periods between 90 and 150 days, while the average collection period is approximately of 120 days at December 31, 2013 (120 days at December 31, 2012).

### **8.3 Available-for-sale financial assets**

The caption of available-for-sale financial assets recognized at 2012 year end included the ownership interest of 8.4% in a real estate company of the Nortia Business Corporation Group, with a cost of 3,018 thousand euros. These assets were measured at cost, as they cannot be determined with reasonable accuracy at fair value. In any case, the Group estimated that under no circumstances these investments could be impaired. On January 15, 2013 the Group sold the said ownership interest to Nortia Business Corporation, S.L. for an amount of 3,100 thousand euros.

## **9. IMPAIRMENT TEST**

### **9.1 Goodwill**

#### Cash-generating units

Goodwill acquired through business combinations and intangible assets with indefinite useful lives have been attributed to cash-generating units for impairment test. The breakdown of cash-generating units is as follows:

- Industrial companies, as a whole
- Each regional branch of slot machines
- Each group of bingos jointly acquired
- Each casino managed individually
- Each differentiated interactive activity

#### Key assumptions

- Budgeted gross margins - to determine the value assigned to the budgeted gross margins, the average gross margin achieved in the year immediately preceding the year budgeted is used, increased by the expected efficiency improvements. The period used in these projections is 5 years. From the fifth year the figures are extrapolated using a growth rate similar to expected inflation.
- Increase in costs - to determine the value assigned to the increase in raw materials prices, the price index expected during the year for each country where the Group operates is used. The values assigned to key assumptions are consistent with respect to external sources of information.

- The discount rate applied to projected cash flows is determined by the specific risk of each cash-generating unit, taking into account the type of activity and country where it is located. The following chart shows the discount rates used based on business and geographic area for the CGUs with significant goodwill associated to them.

Country	Activity	Discount rate (before tax)
Spain	Gaming	13.71%
Spain	Industrial	13.71%
Spain	Interactive	13.71%
Italy	Gaming	13.00%
Peru	Gaming	15.64%
Colombia	Gaming	15.00%

### Test results

As a consequence of the tests performed, impairment adjustments have been recognized in 2013 amounting to 20,113 thousand euros, mainly due to the reduction in the estimate of future cash flows of certain operators in Spain (3,713 thousand euros) and certain bingo halls (16,400 thousand euros). In 2012 impairment adjustments were recognized amounting to 14,013 thousand euros, mainly due to the reduction in the estimate of future cash flows of certain operators in Spain (5,172 thousand euros) and certain bingo halls (7,573 thousand euros).

### **9.2 Other assets**

Impairment indicators used by the Group to determine the need of an impairment test on other non-current assets, amongst others, are as follows:

- Significant drop of the result over the same period in the prior year, and/or over the budget.
- Legislative changes in progress or planned, which could lead to negative effects.
- Change of strategy or internal expectations regarding a particular business or country.
- Position of competitors and their launches of new products.
- Slowdown of income or difficulties in selling at expected prices.
- Change in habits and attitudes of users, and other elements specific to each division.

As a result of the tests performed, apart from the impairment losses described in the paragraphs below, an impairment loss amounting to 600 thousand euros was recognized related to the casino segment (1,152 thousand euros related to the casino segment in 2012) and 200 thousand euros related to the bingo segment.

Impairment loss recognized in the prior year mainly corresponded to the impairment of a casino operated by the Group in Venezuela (Isla Margarita). This casino had been dormant since 2011 due to the temporary close-down of the gaming activities ordered by the Government. However, the said impairment loss was recognized in 2012; since until that moment the activity was expected to resume in the short term, which did not occur and, consequently, the corresponding assets were impaired.

## 10. INTERESTS IN JOINTLY CONTROLLED COMPANIES

Jointly controlled companies have been incorporated in the consolidated financial statements through the proportional method.

The information on the related companies is detailed in Appendix. Other relevant information related to these companies is detailed in the following table:

(Thousands of euros)	Data affected by % of equity interest	
	2013	2012
Non-current assets	107,834	146,116
Current assets	164,152	179,439
Non-current liabilities	(30,019)	(48,401)
Current liabilities	(54,210)	(81,781)
Operating revenues	388,950	406,094
Expenses	(336,619)	(354,647)
Net profit for the year	52,331	51,447

## 11. INVENTORIES

The breakdown of inventories by category, net of impairment, is as follows:

(Thousands of euros)	2013	2012
Raw and auxiliary materials	2,935	2,794
Spare parts and other	5,771	6,155
Finished products	149	749
Work in progress	3,075	1,425
Prepayments to suppliers	2,019	1,204
	<b>13,949</b>	<b>12,327</b>

Inventories correspond mainly to the manufacture and trade of slot machines carried out by Group companies.

The balance of inventories is shown net of impairment loss. Movements in the impairment loss allowance are as follows:

(Thousands of euros)	2013	2012
Balance at January 1	2,111	2,280
Additions	54	59
Write-off	(972)	(228)
<b>Balance at December 31</b>	<b>1,193</b>	<b>2,111</b>

The write-off in 2013 and 2012 corresponds to the destruction of several inventories from the industrial division.

## 12. CASH AND CASH EQUIVALENTS

For consolidated cash-flow statement purposes, cash and cash equivalents include the following items:

(Thousands of euros)	2013	2012
Cash	14,052	13,900
Current accounts	44,068	40,981
Deposits	256	353
	<b>58,376</b>	<b>55,234</b>

These assets are unrestricted and earn market interest rates.

## 13. EQUITY

### 13.1 Share capital

At December 31, 2013 and 2012 the Company's share capital consisted of 122,887,121 shares with a par value of 0.20 euros each. All shares bear the same political and economic rights.

The breakdown of the Company's shareholders and their equity interest at December 31 is as follows:

	2013	2012
Nortia Business Corporation, S.L., company belonging to Mr. Manuel Lao Hernández and his family	52.43%	52.43%
Mr. Manuel Lao Hernández	46.65%	46.65%
Treasury shares	0.92%	0.92%
	<b>100.00%</b>	<b>100.00%</b>

Part of the Company's shares (26.04% at December 31, 2013 and 31.04% in 2012) and shares of several subsidiaries are pledged in favor of Institut Català de Finances as a guarantee for a loan granted to Nortia Business Corporation S.L., main shareholder of the Company.

### 13.2 Treasury shares

At December 31, 2013 and 2012, the Company has 1,131,421 treasury shares at an average cost of 0.1626 each, which are shown reducing the Group's net equity.

### 13.3 Retained earnings

The balance of this caption includes two reserves of the Company, which are non-distributable.

#### Legal reserve

In accordance with the Spanish Capital Companies Law, Spanish companies obtaining profit will assign 10% of profit to the legal reserve, until its balance is equivalent to at least 20% of share capital. As long as it does not exceed this limit, the legal reserve can only be used to offset losses if no other reserves are available. This reserve can also be used to increase capital by the amount exceeding 10% of the new capital after the increase.

At December 31, 2013 and 2012 the Parent Company's legal reserve amounted to 4,915 thousand euros.

Additionally, the Group Spanish subsidiaries have provided the reserves at the amount required by the prevailing legislation.

#### Treasury shares reserve

As indicated in Note 13.2 above, the Parent Company acquired treasury shares. In accordance with prevailing mercantile legislation, the Group has provided the corresponding non-distributable reserve by the amount of treasury shares, maintained until sold or amortized.

### 13.4 Non-controlling interests

The balances related to non-controlling interests are as follows:

(Thousands of euros)	Amount in statement of financial position		Participation in results	
	2013	2012	2013	2012
Division				
Casinos	64,996	65,009	13,121	12,689
Slots	21,112	476	995	(3,246)
	<b>86,108</b>	<b>65,485</b>	<b>14,116</b>	<b>9,443</b>

The inter-annual variation of balances in the consolidated statement of financial position is as follows:

(Thousands of euros)	2013	2012
Balance at January 1	65,485	71,229
Net profit for the year attributable to non-controlling interest	14,116	9,443
Translation differences	(2,610)	(1,063)
Additions for acquisition / creation of companies, changes in consolidation methods (from proportional to full) or changes in the % of ownership in companies consolidated under the full consolidation method	23,799	407
Sale of companies	(1,448)	-
Dividend payments	(13,234)	(14,531)
<b>Balance at December 31</b>	<b>86,108</b>	<b>65,485</b>

### 14. BONDS

This caption basically refers to the issue of bonds by a subsidiary located in Luxembourg amounting to 780 million euros, including an initial amount of 400 million euros, issued in 2010 below par, at a 97.89% price, an additional issue in January 2011 of 280 million euros as an extension of the former one, and an issue of 100 million euros at 99.75% of the nominal value in January 2013 as an extension of the issue carried out in 2010. These bonds are listed on the Luxembourg Stock Exchange, accruing an annual interest of 8.75% paid every six months, and maturing in 2018.

Contracts subscribed in relation to the bonds issued by the subsidiaries in Luxembourg regulate certain obligations and commitments by the Group, which include, among others, the supply of periodic information, the maintenance of titles of ownership in subsidiaries, the restriction on disposal of significant assets, the compliance with certain debt ratios, the limitation on payment of dividends, the limitation on starting-up new businesses, and the restriction on the Group granting guarantees and endorsements to third parties. The Parent Company's Directors consider that all contractual obligations have been met. The shares of several Group companies have been assigned as security for these liabilities.

At December 31, 2013 the quoted price of the bonds recognized in the liabilities side of the balance sheet was 105.8% of their par value (98.8% at 2012 year end).

## 15. BANK BORROWINGS

(Thousands of euros)	2013			2012		
	Non-current	Current	Total	Non-current	Current	Total
Mortgage and pledge loans	46,408	3,088	49,496	73,151	2,493	75,644
Other loans	52,716	32,714	85,430	50,451	28,422	78,873
Financial lease agreements (Note 19.2)	11,506	10,095	21,601	17,306	11,233	28,539
Credit and discount lines	-	10,610	10,610	-	17,106	17,106
	<b>110,630</b>	<b>56,507</b>	<b>167,137</b>	<b>140,908</b>	<b>59,254</b>	<b>200,162</b>

Average interest rates accrued by these borrowings are as follows:

	%	
	2013	2012
Loans	4.69%	5.08%
Financial lease agreements	5.27%	5.24%
Credit and discount lines	4.54%	4.82%

The annual maturity date of these liabilities is as follows:

(Thousands of euros)	2013	2012
Within one year	56,507	59,254
Between one and two years	31,442	28,873
Between two and three years	24,162	72,415
Between three and four years	9,847	16,408
Between four and five years	31,038	5,462
More than five years	14,141	17,750
	<b>167,137</b>	<b>200,162</b>

Part of these liabilities, equal to 28,933 and 40,440 thousand euros at December 31, 2013 and 2012, respectively, is denominated in U.S. dollars.

At December 31, 2013 and 2012, shares of several subsidiaries were pledged in favor of Deutsche Bank London AG as a security for the credit line of 50 million euros received from that entity. At December 31, 2013 the Group has drawn down 25 million euros of this credit line (at 2012 year end it had been fully drawn down). At December 31, 2013, like in the prior year, the drawn amount was recognized as a non-current liability, since during 2012 the Group renegotiated the maturity of the credit line, extending the initial maturity set for 2012 to 2018. However, due to the issue of bonds described in Note 29, during January 2014 the Group has settled the said drawn amount of the credit line.

At December 31, 2013 the undrawn amount of credit and discount lines is 10,114 and 5,452 thousand euros, respectively, without considering the credit line commented in the prior year. These figures amounted to 3,660 and 1,825 thousand euros, respectively, at 2012 year end.

Finally, at December 31, 2013 and 2012 the guarantees given by credit institutions and insurance companies to the Group, in connection with official gaming concessions and licenses were 105,267 and 111,399 thousand euros, respectively.

## 16. OTHER CREDITORS

The breakdown of this caption is as follows:

(Thousands of euros)	2013			2012		
	Non-current	Current	Total	Non-current	Current	Total
Public administrations	911	69,109	70,020	1,622	84,547	86,169
Bills payable	1,289	3,482	4,771	164	3,194	3,358
Sundry creditors	33,439	91,621	125,060	36,552	105,282	141,834
	<b>35,639</b>	<b>164,212</b>	<b>199,851</b>	<b>38,338</b>	<b>193,023</b>	<b>231,361</b>

In 2013 the non-current portion of liabilities with Public administrations refers mainly to deferral on gaming taxes granted by the corresponding authorities, which have accrued an annual interest rate of 5% (2012: 5%). The current portion corresponds to gaming taxes with a short-term maturity (2013: 37,057 thousand euros, 2012: 54,565 thousand euros), payroll withholding tax, VAT, social security contributions and similar concepts pending to be filed.

*Bills payable* correspond mainly to debts arising from the acquisition of companies and operations of recreational machines with deferred payment, discounted at market interest rate.

The caption *Non-current sundry creditors* mainly includes:

- Asset suppliers amounting to 4,304 thousand euros (1,101 thousand euros at prior year end)
- Non-current payable amount related to certain investments in Panama amounting to 11,539 thousand dollars (8,367 thousand euros). The debt derived from this investment will be settled through 47 equal monthly instalments of 395 thousand dollars, including interest, the first payment being in January 2014 until December 2017.
- Several payables for ordinary transactions amounting to 8,814 thousand euros, with an undetermined maturity (9,734 thousand euros at prior year end).

The caption *Current sundry creditors* mainly includes:

- Asset suppliers amounting to 27,072 thousand euros (29,391 thousand euros at prior year end).
- Payables for the rendering of services amounting to 23,030 thousand euros (19,701 thousand euros at December 31, 2012).
- Current borrowings amounting to 15,462 thousand euros, notably including:
  - Payable amount of the loan granted during 2014 in US dollars by International Game Technology (2,353 thousand euros). The loan was obtained to finance the investment made by Casino de Rosario, S.A. (joint venture). It has a right of mortgage on that company's building, accrues an annual interest rate of Libor plus 5.75% and will be cancelled in 48 equal monthly consecutive installments from September 2010. At prior year end, this loan was recognized for an amount of 18,774 thousand euros, of which 13,142 thousand euros were non-current and 5,632 thousand euros were current.
  - The payable portion in 2014 for the investments in Panama (3,866 thousand euros) mentioned above.
  - Current payable amounting to 4,432 thousand euros (6,112 thousand dollars) corresponding to a loan granted by the other shareholder of Casino de Rosario, S.A. (joint venture) to this company that matures in 2014. This loan accrues interest at 6-month Libor plus 2%. At prior year end this loan was recognized for an amount of 5,307 thousand euros as non-current (7,002 thousand dollars).
- Employee benefits payable amounting to 19,135 thousand euros (2012: 17,210 thousand euros) (Note 20.1).
- Additionally, at prior year end payable amounts regarding current accounts with related entities amounting to 15,333 thousand euros were recognized, including the current account with Nortia Business Corporation, S.L. (12,305 thousand euros), which accrued an annual interest of 8.75%. In 2013 this current account has almost been credited.

## 17. PROVISIONS

The breakdown of this caption is as follows:

(Thousands of euros)	2013	2012
Obligations in relation to employees	13,219	12,242
Tax assessments appealed by the Group	2,926	1,082
Other	7,092	6,614
<b>Balance at December 31</b>	<b>23,237</b>	<b>19,938</b>

The amount recognized in *Obligations in relation to employees* mainly consists of probable contingencies with the personnel in Italy, the bonus plan for the Group's executives, and retirement incentives.

At December 31, 2013 and 2012 the caption *Others* mainly consisted of provisions for several risks, fines and labor trials that are individually irrelevant.

The inter-annual variation of the balance is as follows:

(Thousands of euros)	2013	2012
Balance at January 1	19,938	14,233
Allowances	4,889	6,893
Provisions applied	(4,141)	(1,188)
Additions due to sale of companies	2,551	-
<b>Balance at December 31</b>	<b>23,237</b>	<b>19,938</b>

## 18. TAXES

### 18.1 Tax Group

The Parent Company, together with 70 Spanish subsidiaries, which comply with tax legislation requirements, files tax returns on a consolidated basis. Additionally, there are 2 other Spanish consolidated tax groups in Spain, comprising 8 subsidiaries, which are controlled by the joint venture Orlando Play, S.A., and 6 companies, which are controlled by the joint venture Sportium Apuestas Deportivas, S.A.

The other Group companies file income tax returns individually in accordance with applicable tax legislation.

### 18.2 Accrued and payable income tax

The income tax expense in the consolidated statement of comprehensive income is broken down as follows:

(Thousands of euros)	2013	2012
Current	36,496	46,685
Deferred for (increase) decrease of tax loss carryforwards capitalized and tax credits	(8,173)	26,875
Deferred for temporary differences	179	(17,493)
<b></b>	<b>28,502</b>	<b>56,067</b>

The breakdown of current income tax payable is as follows:

(Thousands of euros)	2013	2012
Current income tax	36,496	46,685
Withholdings and payments on account	(14,557)	(14,979)
	<b>21,939</b>	<b>31,706</b>

### 18.3 Analysis of income tax expense

(Thousands of euros)	2013	2012
Profit before tax	29,485	65,679
Tax rate prevailing in Spain	30%	30%
Theoretical income tax expense	8,846	19,704
Adjustments – Effect of:		
Different tax rates prevailing in other countries	3,431	3,204
Countries with no income taxation and/or compensation of tax losses	(1,773)	(1,518)
Impairment losses solely for consolidation purposes	6,274	4,250
Tax credits for non-capitalized tax loss carryforwards from the tax group whose parent is Cirsa Gaming Corporation, S.A.	-	3,333
Cancelled tax credits for prior years' tax loss carryforwards from the tax group whose parent is Cirsa Gaming Corporation, S.A.	3,200	17,315
Tax credits for non-capitalized tax loss carryforwards from the tax group whose parent is Sportium Apuestas Deportivas, S.A.	407	367
Cancelled tax credits for tax loss carryforwards from companies that file taxes separately (generated in prior years)	334	4,663
Recognition of deferred tax assets arisen in prior years	(17,694)	-
Translation differences deductible / taxable for tax purposes	(630)	1,060
Losses in net monetary position (Venezuelan hyperinflation)	-	176
Difference due to the payment of taxes from prior years	-	1,188
Tax inspection expense	769	-
Unrecognized used tax credits	(2,264)	-
Non-deductible fine to Cirsa Italia, Spa (Note 22)	10,800	-
Limitation on the deductibility of financial expenses in Spanish companies that will not be recovered	9,529	-
Other non-deductible expenses and other	7,273	2,325
	<b>28,502</b>	<b>56,067</b>

At December 31, 2013 and 2012 the effect of adjustments of different tax rates mainly corresponds to the application of higher taxes in Argentina and Colombia.

Cancelled tax credits for prior years' tax loss carryforwards from companies that file taxes separately correspond to companies in Spain (334 thousand euros). At December 31, 2013 corresponded to companies in Spain (586 thousand euros), Mexico (1,496 thousand euros), Venezuela (1,947 thousand euros) and Italy (634 thousand euros).

The recognition of deferred tax assets arisen in prior years for an amount of 17,694 thousand euros corresponds to a change in the estimate regarding the recoverability of temporary differences and tax loss carryforwards generated by a subsidiary in Mexico (Promociones e Inversiones de Guerrero, S.A.P.I. de C.V.).

At December 31, 2012 non-deductible expenses mainly consist of financial investment impairment allowances carried out by subsidiaries in Latin American companies.

The impact of assets impairment merely for consolidation purposes basically relates to the prevailing tax rate applicable to the impairment of goodwill or assets in Spain amounting to 20.9 million euros (14.2 million euros at December 31, 2012).

#### 18.4 Deferred tax assets and liabilities

(Thousands of euros)	2013	2012
<b>Assets</b>		
Tax loss carryforwards from the tax group whose parent is Cirsa Gaming Corporation	14,968	21,363
Tax loss carryforwards from the tax group whose parent is Orlando Play, S.A.	133	652
Tax loss carryforwards from other group companies	18,808	763
Deductions pending application from the tax groups	-	2,838
Deductible temporary differences:		
--- Impaired receivables	8,238	7,568
--- Impaired securities portfolio	24,050	20,544
--- Goodwill impaired in individual books	483	1,142
--- Intragroup margin write-off	6,267	6,296
--- Non-accounting impairment for tax purposes	12,710	13,218
--- Non-deductible amortization for accounting purposes	4,589	-
--- Other	8,384	6,494
	<b>98,630</b>	<b>80,878</b>
<b>Liabilities</b>		
Taxable temporary differences:		
--- Initial statement of non-current assets at fair value	(5,385)	(5,991)
--- Provision for maximum gaming prizes	(6,736)	(7,041)
--- Difference between tax depreciation and accounting depreciation	(4,701)	(6,044)
--- Non-accounting impairment for tax purposes	(16,061)	(17,433)
--- Margin write-offs	(2,740)	(2,740)
--- Business combinations	(16,624)	(2,163)
--- Other	(2,685)	(3,882)
	<b>(54,932)</b>	<b>(45,294)</b>

The Group estimates the taxable profits which it expects to obtain within the utilization period based on budgeted projections. It also analyzes the reversal period of taxable temporary differences, identifying those that reverse in the years in which unused tax loss carryforwards may be used. Based on this analysis, the Group has recorded deferred tax assets for unused tax loss carryforwards as well as deductions pending application and deductible temporary differences for which it is considered probable that sufficient taxable profit will be generated in the future against which they can be utilized.

The breakdown of unused tax losses carryforwards at December 31, 2013 for the 3 tax groups whose parent companies are, respectively, the Company, the subsidiary Orlando Play, S.A., and Sportium Apuestas Deportivas, S.A. is as follows:

(Thousands of euros)		Taxable basis		
Arising in	Last year for utilization	Tax group whose parent is the Company	Tax group whose parent is Orlando Play, S.A. (*)	Tax group whose parent is Sportium Apuestas Deportivas, S.A. (*)
1997	2015	317	-	-
1998	2016	74	-	-
1999	2017	1,047	-	-
2000	2018	1,125	-	-
2001	2019	17,745	-	-
2002	2020	2,605	-	-
2003	2021	10,237	-	-
2004	2022	14,681	-	-
2005	2023	35,712	-	-
2006	2024	2,064	469	-
2007	2025	17,624	199	352
2008	2026	1,764	202	2,097
2009	2027	8,567	717	2,188
2010	2028	16,008	-	510
2011	2029	40,970	-	858
2012	2030	10,448	-	1,224
2013	2031	-	-	881
		<b>180,988</b>	<b>1,587</b>	<b>8,110</b>

(\*) Tax groups whose parents are companies representing a joint venture consolidated through the proportionate consolidation method. Therefore, tax assets included in this table are affected by the 50% of ownership held.

#### Tax group whose parent is the Company

At December 31, 2013 and 2012 the Group has recognized deferred tax assets amounting to 14,964 and 21,363 thousand euros, respectively, relating to unused tax loss carryforwards of the tax group. No deferred tax assets were recorded for the rest of unused tax losses carryforwards, which at December 31, 2013 amount to 39,333 thousand euros (2012: 43,315 thousand euros), since their future application is uncertain.

In addition to tax loss carryforwards, the tax group whose parent is the Company holds additional tax credits amounting to 49,794 thousand euros at December 31, 2013 (2012: 59,415 thousand euros), for unused tax deductions that were not capitalized for not having met the terms to be used.

(Thousands of euros)	
Last year for utilization	Unused deductions at December 31, 2013
2013	66
2014	72
2015	36
2016	886
2017	4,207
2018	5,115
2019	9,584
2020	7,912
2021	14,600
2022	1,464
2023	906
2024	1,319
2025	605
2026	438
2027	1,664
2028	384
2029	252
2030	284
	<b>49,794</b>

Tax group whose parent is Orlando Play, S.A.

In 2010 the tax group whose parent is Orlando Play, S.A. was constituted. Since the Group owns 50% of Orland Play, S.A. shares, tax assets contributed by it are affected by this percentage of ownership.

At December 31, 2013 the Group has recognized deferred tax assets amounting to 133 thousand euros (208 thousand euros at December 31, 2012), related to unused tax loss carryforwards of this tax group. For the rest of unused tax loss carryforwards no deferred tax assets have been recognized, which at December 31, 2013 amounted to 343 thousand of euros (353 thousand euros at December 31, 2012) (amounts affected by percentage of ownership).

Tax group whose parent is Sportium Apuestas Deportivas, S.A.

In 2012 the tax group whose parent is Sportium Apuestas Deportivas, S.A. was constituted. Since the Group owns 50% of this company, tax assets contributed by it are affected by this percentage of ownership.

At December 31, 2013 the Group has deferred tax assets for tax loss carryforwards amounting to 2.4 million (2.2 million euros at December 31, 2012), which have not been capitalized since the requirements established by applicable accounting regulations are not met (amounts affected by the percentage of ownership).

## **18.5 Other tax information**

Under prevailing tax regulations, tax returns may not be considered final until they have either been inspected by tax authorities or until the inspection period has expired. At December 31, 2013 Spanish companies (which mostly file taxes under a consolidated tax group) are open to inspection of all taxes to which they are liable for the last four years. In general, the prescription periods for countries where the Group has significant presence are between four and five years after the end of the statutory period for filing tax returns. The Group considers that, in the event of a tax inspection, no significant tax contingencies having effect on consolidated financial statements would arise.

On March 8, 2012, the Company's Management was notified of an inspection for all the years open to inspection and for all taxes of Cirsá Gaming Corporation, S.A., Universal de Desarrollos Electrónicos, S.A, Global Game Machine Corporation, S.A., Cirsá International Gaming Corporation, S.A. and Cirsá Slot Corporation, S.A. All these companies belong to the Spanish tax group. On November 15, 2013 the corresponding inspection agreement assessment has been signed, whereby tax loss carryforwards amounting to 40,576 thousand euros were regularized and sanctions were imposed for an amount of 769 thousand euros.

It is important to note that, in the regularization of tax loss carryforwards, no accounting expense has arisen, since no tax credits had been recognized at December 31, 2012 relating to the said regularized tax loss carryforwards. Consequently, the sanctions imposed in such inspection are the only expense that had an impact on the income statement for the year ended December 31, 2013.

## 19. LEASES

### 19.1 Operating leases

The Group has leases on several buildings for an average term between three and five years, with no renewal clauses.

The future minimum payments under non-cancellable operating leases at December 31 are as follows:

(Thousands of euros)	2013	2012
Within one year	65,543	64,670
Between one and five years	285,929	269,027
More than 5 years	77,845	74,669
	<b>429,317</b>	<b>408,366</b>

### 19.2 Finance leases

The Group has financed several acquisitions of property, plant and equipment (mainly slot machines) through financial lease agreements. The future minimum payments under financial leases and their present value are as follows:

(Thousands of euros)	2013		2012	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
Within one year	12,618	10,095	14,054	11,233
Between one and five years	18,063	11,506	27,169	17,306
	<b>30,681</b>	<b>21,601</b>	<b>41,223</b>	<b>28,539</b>

Acquisition of property, plant and equipment through financial lease agreements, not recorded as cash flows in investing activities in the consolidated statements of cash flows, amounted to 5,049 thousand euros in 2013 and 9,177 thousand euros in 2012.

## 20. INCOME AND EXPENSES

### 20.1 Personnel

(Thousands of euros)	2013	2012
Wages and salaries	181,064	179,895
Social security	43,638	43,584
Indemnities	5,040	7,315
Other personnel expenses	12,099	11,453
	<b>241,841</b>	<b>242,247</b>

Remunerations pending payment at year end of 2013 and 2012 (19,135 and 17,210 thousand euros, respectively) are recognized in the caption *Other creditors* (Note 16).

The breakdown of the average headcount by professional category and gender is as follows:

	2013			2012		
	Men	Women	Total	Men	Women	Total
Executives	285	84	369	313	75	388
Technicians, production and sales staff	5,495	4,377	9,872	5,576	4,386	9,962
Administrative personnel	893	647	1,540	887	701	1,588
	<b>6,673</b>	<b>5,108</b>	<b>11,781</b>	<b>6,776</b>	<b>5,162</b>	<b>11,938</b>

The headcount at December 31, 2013 and 2012 by category and gender does not significantly differ from the breakdown shown in the table above regarding the average headcount for those years.

## 20.2 External supplies and services

(Thousands of euros)	2013	2012
Rent and royalties	73,652	72,473
Advertising, promotion and public relations	40,285	38,790
Professional services	22,278	23,375
Sundry services	16,802	26,519
Supplies	30,504	30,954
Travel expenses	10,587	11,051
Repair and maintenance	19,619	21,273
Security	9,511	9,381
Postal services, communications and telephone	13,838	11,213
Insurance premiums	5,896	5,735
Cleaning services	6,443	6,581
Bank services and similar	6,069	5,590
Transportation	2,773	3,189
Research and development expenses (Note 6.2)	162	295
	<b>258,419</b>	<b>266,419</b>

## 20.3 Exchange differences

(Thousands of euros)	2013	2012
Income	1,966	2,369
Expenses	(9,231)	(8,702)
	<b>(7,265)</b>	<b>(6,333)</b>

Net exchange differences from translation of financial balances in foreign currency between Group companies are recognized in *Translation differences*, as a component that decreases the shareholders' equity at December 31, 2013 by 2,100 thousand euros (2012: it increased the shareholders' equity by 3,533 thousand euros), since they are considered as exchange differences arising from monetary components of a net investment in a foreign business.

## 21. RELATED PARTIES

The Group conducts several trade and financial transactions with its main shareholder Nortia Business Corporation, S.L., and its subsidiaries, which are broken down as follows:

(Thousands of euros)	2013	2012
Sale of slot machines	745	9,245
Revenues for rendering of services	1,739	1,641
Operating expenses	(12,218)	(10,446)
Interest income	4,689	3,940
Interest expenses	(644)	(1,387)

Transactions with related entities correspond to Group normal trading activity and are carried out at market prices in a manner similar to transactions with unrelated parties.

Accounts receivable derived from these transactions at year end are described in Note 8.

Accounts payable from trade transactions amount to 1,896 and 1,258 thousand euros at December 31, 2013 and 2012, respectively, and are included in *Trade Creditors*.

Finally, the current payable balance recognized in the prior year amounting to 12,305 thousand euros corresponding to the current account with Nortia Business Corporation, S.L. is detailed in Note 16 *Other Creditors*.

## 22. CONTINGENCIES

### Italy

In 2007 the Italian Court of Auditors (Corte dei Conti-CDC) started proceedings against Cirsa Italia, SpA and the rest of online recreational machine operators, alleging that they had not fulfilled some obligations they had as authorized operators, and imposed a fine on such company amounting to 3,300 million euros (98,000 million euros on all the online operators as a whole). Cirsa and the rest of online operators lodged an appeal against such fine.

On February 17, 2012 the Italian Court of Auditors issued a ruling that imposed a fine of 120 million euros on Cirsa Italia (and 2,500 million euros for all the operators as a whole).

On April 23, 2012 the Group appealed against the ruling before a higher court, which suspended its execution. At December 31, 2012 no provision was recognized in the statement of financial position, but the contingency was disclosed in the consolidated notes to the financial statements for the prior year, since Group management and legal advisors considered unlikely that this contingency had to be paid, based on several legal and factual arguments.

However, on November 15, 2013 the Group announced that the settlement of the contingency had been agreed with Corte dei Conti (CdC) through the payment of 36 million euros (30% of 120 million euros) plus interest amounting to 1.5 million euros. Such contingency has been settled by Cirsa Italia, Spa in November 2013.

Consequently, these amounts have been recognized in the 2013 consolidated statement of comprehensive income, specifically under the captions "Gaming taxes" (36 million euros) and "Financial costs" (1.5 million euros).

## Argentina

In October 1999, an Argentinean group company opened a floating casino in waters of Río de la Plata on the basis of an official license granted by the Federal Authorities. The Government of the Autonomous City of Buenos Aires (GCABA) challenged the competence of the Federal Authorities ("Lotería Nacional, SE") in gaming matters. In particular, it claimed that gaming activities fell under its jurisdiction in the City of Buenos Aires, and hence, raised objections against the license granted to the subsidiary Casino Buenos Aires, S.A. (CBA).

These circumstances led to a co-participation agreement for gaming matters that was signed between the Federal Authorities (LNSE) and the Government of the Autonomous City of Buenos Aires. Conveniently, this agreement was ratified by Decree 1155/2003 of PEN, dated December 1, 2003 (B.O. 02/12/2003) and Law 1,182 of the Legislation of the Government of the Autonomous City of Buenos Aires, dated November 13, 2003 (BOCBA 01/12/2003). The agreement matured four years after, but it was renewed since there was a clause that stated that if neither party –the City or the State- notified the other to the contrary, it would be renewed automatically for four more years.

Despite the abovementioned agreement, the Government of the Autonomous City of Buenos Aires continued to request CBA to pay the tax on gross revenues from the activity carried out by the Group since 1999 as operator of an Argentinean floating casino in waters of Río de la Plata. This fact prompted CBA to request precautionary measures against the Government of the Autonomous City of Buenos Aires to stop the latter from conducting any action to collect taxes on gross revenues derived from the floating casino's turnover. The last precautionary measures requested by CBA were accepted by the Federal Authorities in November 2011. The Government of the Autonomous City of Buenos Aires lodged an appeal against the abovementioned precautionary measures.

Subsequently, on November 1, 2013, the GCABA summoned the blocks of Buenos Aires legislation to find a way to start receiving the said tax on gross revenues. On December 4, 2013 the LNSE and the GCABA signed an addendum to the agreement (hereinafter "the addendum"). Among others, the addendum established that the CBA would pay a special monthly supplementary charge of 3% (three per cent) over the income from slot machines and casino card games after certain deductions (rather than over gross revenues). In accordance with the addendum, the special charge started to accrue as of January 1, 2014, payable in monthly instalments in the following month, and the payment was subject to compliance with certain conditions, which most notably include:

- The receipt of the abovementioned charge entailed the extinguishment of the claims or credits related to the payment of the tax on gross revenues by the GCABA.
- CBA reserves the inalienable and irrevocable right to render ineffective and automatically interrupt the payment of such special supplementary charge should the GCABA intend to claim the payment of the tax on gross revenues.

On December 18, 2013 the Authorities took precautionary measures whereby it suspended certain clauses of the addendum, invalidating the agreement for the moment. These measures have been appealed against by the GCABA on December 20, 2013.

At the date of preparation of these financial statements, the addendum is suspended by the Authorities, and therefore, the procedure for the collection has not started.

The Group and its legal advisors consider that the rights conveniently agreed upon with LNSE are consolidated and rejects the payment of the tax on gross revenues from the activity conducted in floating casinos based on: a) the interpretation that no territorial basis can be claimed to collect taxes on the operation of a casino located in a boat anchored in river waters, b) the signing of the agreement between LNSE and the Bet and Gambling Institute of the Autonomous City of Buenos Aires, and c) the described addendum signed in the current year. Therefore, the Group's legal advisors consider that an unfavorable result of this matter for the Group's interest for 2013 and prior years is not probable.

### 23. INFORMATION ON ENVIRONMENTAL ISSUES

Given the activities and features of the Group, neither capital expenditures nor expenses took place in connection with the prevention, reduction or damage repair of environmental matters

### 24. AUDIT FEES

Fees and expenses referred to the audit of the 2012 financial statements of the Group's companies rendered by the main auditors and other firms belonging to the auditor's international network amounted to 1,495 thousand euros in 2013 and 1,472 thousand euros in 2012.

In addition, fees and expenses paid during the year corresponding to other services rendered by the main auditors or other related entities amounted to 356 thousand euros in 2013 and 311 thousand euros in 2012.

### 25. DIRECTORS AND SENIOR EXECUTIVES

The breakdown of the remuneration earned by members of the Company's Board of Directors and senior executives is as follows:

<b>(Thousands of euros)</b>	<b>2013</b>	<b>2012</b>
Directors		
Salaries	1,157	1,152
Senior executives		
Salaries	4,800	4,800
	<b>5,957</b>	<b>5,952</b>

At December 31, 2013 there are current accounts receivable with the Company's Directors amounting to 815 thousand euros (778 thousand euros in 2012). These accounts accrue an annual interest of 4.25%.

The Group companies have no pension plans, life insurance policies or dismissal indemnities for former or current members of the Board of Directors and senior executives of the Company.

Pursuant to articles 229 and 230 of the Spanish Capital Companies Law, the Directors have informed the Company that there are no situations representing a conflict for the Group and that they hold the following equity investments and/or carry out duties in companies whose activity is identical, similar or complementary to the activity which comprises the Group's corporate purpose:

Director	Company	% of equity interest	Position / Duties
Manuel Lao Hernández	Nortia Business Corporation, S.L.	96.37%	Joint-Administrator
	Casino Nueva Andalucía Marbella, S.A.U.	-	Chairman
Esther Lao Gorina	Nortia Business Corporation, S.L.	1.10%	Joint-Administrator
Manuel Lao Gorina	Global Bingo Corporation, S.A.	-	Chairman / CEO
	Global Casino Technology Corporation, S.A.	-	Chairman
	Cirsa Interactive Corporation, S.L.	-	Chairman
	Cirsa Servicios Corporativos, S.L.U.	-	Chairman
	Cirsa Intenational Gaming Corporation, S.A.	-	Chairman
	Global Manufacturing Corporation, S.L.U.	-	Chairman / CEO
	Cirsa Slot Corporation, S.L.	-	Chairman / CEO
	Nortia Business Corporation, S.L.	1.10%	Joint-Administrator
	Opesa Internacional, S.A.	-	Chairman
	Casino Cirsa Valencia, S.A.U.	-	Chairman
	Casino La Toja, S.A.	-	Deputy chairman
	Casino Nueva Andalucía Marbella, S.A.U.	-	Board member
	Cirsa Digital, S.A.U.	-	Chairman
	Cirsa Funding Luxembourg, S.A.U.	-	Board member
	Integración Inmobiliaria World de México, S.A. de C.V.	-	Board member
	Opesa Internacional, S.A.	-	Chairman
Gran Casino Las Palmas, S.A.	-	Chairman / CEO	

## 26. OBJECTIVES AND POLICIES OF FINANCIAL RISK MANAGEMENT

The Group is exposed to credit risk, interest risk, exchange risk and liquidity risk during the normal development of its activities.

The Group's main financial instruments include bonds, bank loans, credit and discount lines, financing obtained through the deferral of gaming taxes, financial leases, deferred payments for purchase of businesses, and cash and current deposits.

The Group's policy establishes that no trading in derivatives (exchange rates insurance) to manage exchange rate risks arising from certain fund sources in U.S. dollars will be undertaken. The Group neither uses financial derivatives to cover fluctuations in interest rates.

### 26.1 Credit risk

Most of the operations carried out by the Group are in cash. For receivables from other activities, the Group has established a credit policy and risk exposure in collection is managed in the ordinary course of business. Credit assessments are carried out for all customers who require a limit higher than 60 thousand euros.

Guarantees on loans and the credit risk exposure are shown in Note 8.

### 26.2 Interest rate risk

External finance is mainly based on the issuance of corporate bonds at fixed interest rate. Bank borrowings (credit policies, trading discounts, financial lease agreements) as well as deferred payments with public administrations and other long-term non-trade debts have a variable interest rate that is reviewed annually. Previous Notes show interest rates of debt instruments.

The breakdown of liabilities that accrue interests at 2013 and 2012 year end is as follows:

(Thousands of euros)	2013		2012	
	Fixed interest rate	Floating interest rate	Fixed interest rate	Floating interest rate
Bonds	770,010	-	668,488	-
Bank borrowings	-	167,137	-	200,162
Other creditors	-	29,788	-	54,815
	<b>770,010</b>	<b>196,925</b>	<b>668,488</b>	<b>254,977</b>

At December 31, 2013 financial liabilities at a fixed interest rate represented 80% of total liabilities (72% in 2012). In this regard, the Group's sensitivity to fluctuations in interest rates is low: a variation of 100 basis points in floating rates would lead to a change in the result amounting to 1,969 thousand euros and 2,549 thousand euros in 2012.

The Group estimates that fair value of the financial liabilities' instruments does not differ significantly from the accounted amounts, except for the comment in Note 14.

The breakdown of assets that accrue interests at 2013 and 2012 year end is as follows:

(Thousands of euros)	2013		2012	
	Fixed interest rate	Floating interest rate	Fixed interest rate	Floating interest rate
Nortia Business Corporation, S.L.	66,372	-	72,206	-
Loans to jointly-controlled business and associates	8,270	5,847	7,196	9,742
Loans to third parties	15,785	27,619	21,462	18,261
Deposits and guarantees	37,417	-	41,848	-
Fixed-income securities and deposits	2,390	-	3,534	-
	<b>130,234</b>	<b>34,466</b>	<b>146,246</b>	<b>28,003</b>

The Group estimates that the fair value of the assets' financial instruments does not differ significantly from the net book value.

### 26.3 Foreign currency risk

The Group is exposed to foreign currency risk in businesses located in Latin America, mainly in Argentina, which affect significantly revenues and expenses, Group results and the value of certain assets and liabilities in currencies other than the euro. It is also affected to a lesser extent by granted and received loans. Currencies that basically generate exchange risks are the Argentinean peso and the US dollar.

In order to reduce risks, the Group conducts policies aimed to keep balanced collection and payments in cash of assets and liabilities in foreign currency.

The following study on sensitivity shows the foreign currency risk:

- Sensitivity of the profit for the year before tax against fluctuations of the exchange rate US dollar/euro

Variation	Thousands of euros	
	2013	2012
+ 10%	(2,712)	(2,803)
+ 5%	(1,420)	(1,468)
- 5%	1,570	1,623
- 10%	3,314	3,426

- Sensitivity of the profit for the year before tax against fluctuations of the exchange rate Argentinean peso/euro

Variation	Thousands of euros	
	2013	2012
+ 10%	(4,955)	(3,306)
+ 5%	(2,470)	(1,612)
- 5%	3,286	2,309
- 10%	6,643	4,597

These variations correspond basically to the impact on operating magnitudes, and not on financial figures, since approximately 90% of Group financial liabilities, in both years, are paid in euros.

#### 26.4 Liquidity risk

The exposure to unfavorable situations of debt markets can make difficult or prevent from hedging the financial needs required for the appropriate development of Group activities.

At December 31, 2013 and 2012, like in prior years, the Group shows negative working capital. This should be read within the context of the Group's activities, which are mostly based on revenues that generate cash every day, resulting in very high cash flows from operations, as observed in the consolidated statement of cash flows. Additionally, the Group obtains very high EBITDA, as shown in the consolidated statement of comprehensive income, which allows it to face debt service without cash difficulties.

Additionally, to manage liquidity risk, the Group applies different measures:

- Diversification of financing sources through the access to different markets and geographical areas. In this regard, the Group has an additional borrowing capacity (see data in Note 15).
- Credit facilities committed for the sufficient amount and flexibility. Accordingly, the Group has available cash and cash equivalents amounting to 58 million euros at December 31, 2013 (2012: 55 million euros), to meet unexpected payments.
- The length and repayment schedule for financing through debt is established based on the financed needs.

In this regard, the Group's liquidity police ensure to meet its payment obligations without requiring the access to funds in costly terms.

Additionally, it is noteworthy that both at Group and individual business level, the Group performs projections regularly on the generation and expected cash needs, in order to determine and monitor the Group's liquidity position.

The relevant information on the maturity dates of financial liabilities based on contractual terms is broken down in Notes 14, 15 and 16.

## 27. CAPITAL MANAGEMENT POLICY

The main objectives of the Group's capital management are to ensure financial stability in the short and long term, appropriate return rates, increased business value and ensure proper and adequate financing of investments and projects to be conducted in a framework of controlled expansion.

The Group's strategy, both in 2013 and 2012, is to enhance the more profitable business and to act decisively on the deficit operations, to significantly improve the results and net cash flows. Control of investments and costs restraint have also been established as a priority action, with satisfactory results.

As stated in Note 14, the contracts entered into in relation to corporate bonds issued include limitations on the payment of dividends. The Company does not intend to distribute dividends in the short to medium term given that the Group policy is not to distribute dividends.

## 28. INFORMATION ON LATE PAYMENT TO SUPPLIERS

In compliance with Law 15/2010 of July 5, modifying Law 3/2004 of December 29, which establishes measures to be taken in combating arrears in commercial transactions, below we include a breakdown of the total amount of payments made to suppliers during the year by the Spanish subsidiaries, disclosing those that exceeded the legal payment deadlines; the weighted average period of time exceeded for payments; and the balance pending payment to suppliers exceeding the legal deadline at year end:

	Payments made and payments outstanding at the balance sheet date			
	2013		2012	
	Amount	%	Amount	%
Within maximum legal payment period (*)	212,915	65,15%	282,710	88,59%
Other	113,871	34,85%	36,418	11,41%
<b>Total payments in the year</b>	<b>326,786</b>	<b>100,00%</b>	<b>319,128</b>	<b>100,00%</b>
Weighted average payment period exceeded (days)	40		53	
<b>Overdue payments exceeding the legal payment period at the closing date</b>	<b>8,992</b>		<b>4,621</b>	

(\*) The maximum legal payment period would be based, in each case, on the characteristics of the good or service received by the company in accordance with Law 3/2004 of December 29, which establishes measures to be taken in combating arrears in commercial transactions.

## 29. EVENTS AFTER THE BALANCE SHEET DATE

On January 8, 2014 a Group company domiciled in Luxembourg issued bonds as an extension of the issue made in 2010 (Note 14) for an amount of 120 million euros, and at 105.0% of the nominal amount. These bonds, which are listed on the Luxembourg Stock Exchange, accrue an annual interest rate of 8.75%, paid every 6 months, and mature in 2018.

Additionally, during the first weeks of 2014 a significant drop in the quotation of the Argentinian peso has been confirmed. At March 31, 2014 this currency's quoted price is 11.03 pesos/Euro, compared to 8.99 pesos/Euros at December 31, 2013, and the annual average of 7.39 pesos/Euros in 2013. Should income and expenses contributed to the consolidated statement of comprehensive by the companies the functional currency of which is the Argentinian peso have been translated at the current exchange rate, income and profit/(loss) before tax for the year 2013 would have decreased by 18,681 thousand euros.

Effective from January 1, 2014 agreements with the shareholders of the companies Casino de Rosario, S.A. and Multicasinosa, S.A. have been signed, whereby control has gained over such companies (in accordance with IFRS 10), with no change in the Group's percentage of ownership in them (50% for both). As from January 1, 2014 these companies will be accounted for using the full consolidation method. Had this method been applied in 2013, operating revenues and profit (loss) after tax would have increased by 86,251 and 7,662 thousand euros, respectively.

### **30. ADDITIONAL NOTE FOR ENGLISH TRANSLATION**

These consolidated financial statements were originally prepared in Spanish. In the event of discrepancy, the Spanish-language version prevails.

These financial statements are presented on the basis of the International Financial Reporting Standards adopted by the European Union which for the purposes of the Group are not different from those issued by the International Accounting Standards Board (IASB). Consequently, certain accounting practices applied by the Group might not conform with generally accepted principles in other countries.

March 31, 2014

## **Cirsa Gaming Corporation Group**

### **Consolidated Management Report**

#### **Year ended December 31, 2013**

Despite the complex economic situation, and generalized depreciation of the currencies of the Latin American countries in which the Group carries out part of its activity, the Group's operating revenues (net of variable rent) have increased by 12,954 thousand euros (0.96%) during the twelve months of 2013.

Adjusted EBITDA (excluding non-recurring expenses of 36,000 thousand euros as a result of the lawsuit filed by the Italian Corte dei Conti in 2007) amounted to 338,111 thousand euros, compared to 322,011 thousand euros in the prior year, which represents a 5.0% increase (+16,100 thousand euros) mainly due to the improvement in the way the Group has managed its business, focusing on achieving profitable growth and consolidating its already existing business activities. In particular, we highlight the performance of the activities in Latin America.

In order to maintain the Group's position of leadership at a domestic level and offer a larger range of products in traditional sectors and in those related to new technologies, the Group has continued, as in previous years, to invest significant level of resources in research and development. This year the total amount allocated for projects carried out by the Group's Research and Development department amounted to 4,139 thousand euros.

The Group's strategy for the future is focused on three objectives:

- to continue to increase EBITDA through cost improvement and management of the mix of revenues.
- productivity programs applied in all the businesses and countries.
- selectively chosen investments, analyzed and conducted strictly.

On May 28, 2004, the Company acquired 2.47% of its shares at an acquisition cost of 31,007 thousand euros. On July 13, 2007, the Company transferred 1.55% of its treasury stock to Nortia Business Corporation, S.L. as a consideration for the acquisition of a bunch of slot machine operators. The remaining shares (0.92%) are being held in the treasury stock portfolio.

The Group has not recognized any derivatives or financial instruments in its financial statements that would be significant for measuring its assets, liabilities, financial situation or results.

March 31, 2014

## List of subsidiaries

Company	Activity	Percentage of ownership 2013	Percentage of ownership 2012	Investment holder	Business address	City	Province/Country
Administradores De Personal En Entretenimiento, SA de CV	Bingos	100.00%	100.00%	Binamex, S.A. de CV.	Bosque de Duraznos, 61 3B	Mexico City	Mexico
Apar, S.A.	Bingos	75.00%	75.00%	Global Bingo Corporation, S.A.U.	Av Muñoz Varqaes, 18	Huelva	Huelva
Alfematic, S.A.	Slots	50.00%	-	Cirsa Slot Corporation, S.L.U. Cirsa International Gaming Corporation, S.A.U.	Ctra. Relinars, 345	Terrassa	Barcelona
Ancon Entertainment, S.A.	Casinos	50.00%	50.00%	Equatronic, S.A.	Calle 50 y 73 Este San Francisco	Panama City	Panama
Apple Games 2000, S.L.	Slots	49.50%	-	Juegmatic, S.A.	Secua de Favara, 11	Picanva	Valencia
Automáticos Sido XXI, S.L.U.	Slots	75.00%	65.00%	Global Bingo Corporation, S.A.U. y Global Madrid, S.A.U.	Marfillo, 26	Sevilla	Sevilla
Bar Juegos, S.L.	Bingos	100.00%	100.00%	Madriera de Servicios para el Bingo, S.L.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Binale, S.A.	Bingos	100.00%	100.00%	Global Bingo Corporation, S.A.U. y Global Madrid, S.A.U.	General Ricardos, 176	Madrid	Madrid
Binamex, S.A. de C.V.	Bingos	100.00%	100.00%	Cirsa International Gaming Corporation, S.A.U.	Cantú, 9 - 601, Colonia Nueva Anzures	Mexico City	Mexico
Bincano, S.A.U.	Bingos	100.00%	60.00%	Global Bingo Corporation, S.A.U.	Elcano, 30-32	Bilbao	Vizcaya
Bingames, S.A.U.	Bingos	100.00%	100.00%	Global Bingo Corporation, S.A.U.	Ctra. Castellar	Terrassa	Barcelona
Bingaser, A.I.E.	Bingos	100.00%	100.00%	Varios	Fermina Sevillano, 5-7	Madrid	Madrid
Bingos de Madrid Reunidos, S.A.U.	Bingos	100.00%	100.00%	Cirsa Gaming Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Bingos Electronicos De Panama, S.A.U.	Casinos	100.00%	100.00%	Gaming & Services De Panamá, S.A.U.	Calle 50 y 73 Este San Francisco	Panama City	Panama
Bingos Malaqueños, S.A.U.	Bingos	100.00%	100.00%	Sobima, S.A.U.	Pz. Cruz de Humiladero, S/n	Málaga	Málaga
Binred Madrid, S.A.	Bingos	100.00%	100.00%	Novojuegos, S.A. Y Sala Versalles, S.A.	C/ Bravo Murillo, 309	Madrid	Madrid
Bumex Land, S.L.U.	Bingos	100.00%	65.30%	Global Bingo Corporation, S.A.U.	Elcano, 30-32	Bilbao	Vizcaya
B2B Central Reporting, S.A. De C.V.	B2B	100.00%	100.00%	Cirsa Interactive Corporation, S.L.	Bosque de Duraznos, 61, 3 b, Bosques Lomas	Mexico City	Mexico
Cafeteria Miami, S.A.U.	Casinos	100.00%	100.00%	Gaming & Services, S.A.C.	Av. La Marina, 1725	San Miguel (Lima)	Peru
Capitan Haya 7, S.A.	Bingos	100.00%	100.00%	Global Bingo Corporation, S.A.U. y Global Bingo Stars, S.A.U.	Capitán Haya, 7	Madrid	Madrid
Casino Buenos Aires, S.A.	Casinos	100.00%	100.00%	Cirsa International Gaming Corporation, S.A.U. y Gestión de Juego Integral, S.A.U.	Avda. Elvira Rawson de Delleplane, s/n	Buenos Aires D.F.	Argentina
Casino Cirsa Valencia, S.A.U.	Casinos	100.00%	100.00%	Global Casino Technology Corporation,	Centro de Interés Turístico Nacional, Monte	Puñol	Valencia
Casino Nueva Andalucía Marbella, S.A.U.	Casinos	100.00%	100.00%	Global Casino Technology Corporation,	Ctra. Cadiz-Málaga Km. 180	Marbella	Málaga
Casinos de Juego Cirsa Chile Limitada	Casinos	100.00%	100.00%	Sociedad Inversiones Cirsa Chile, Ltda	Comuna de las Condes	Santiago de Chile	Chile
Caterers Services, S.A.	Casinos	100.00%	-	Gaming & Services de Panama, S.A.U.	Calle 50 y 73 Este San Francisco	Panama City	Panama
Cirsaecuador, S.A.	Casinos	100.00%	100.00%	Cirsa International Gaming Corporation, S.A.U.	Inglatera E3263 y Ava. Amazonas	Quito	Ecuador
Cirsa Amusement Corporation, S.L.U.	Slots	-	100.00%	Cirsa Gaming Corporation, S.A.	Consell de Cent, 106-108	Barcelona	Barcelona
Cirsa Amusement France, S.A.U.	Slots	100.00%	100.00%	Cirsa Slot Corporation, S.L.U.	10 Impasse Leonce Couture	Toulouse	France
Cirsa Capital Luxembourg, S.A.U.	Structure	100.00%	100.00%	Cirsa Gaming Corporation, S.A.	Rue Charles Mariel, 58	Luxembourg	Luxembourg
Cirsa Caribe, C.A.	Casinos	70.00%	70.00%	Cirsa Venezuela, C.A.U.	Avda. 4 de Mayo, Centro Comercial, Local 41	Portimar	Venezuela
Cirsa Casino Corporation, S.L.U.	Casinos	100.00%	100.00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Cirsa Casino de Antofagasta, S.A.	Casinos	54.80%	54.80%	Cirsa Casinos de Juego de Chile, S.A.	Comuna de Antofagasta	Antofagasta	Chile
Cirsa Casino de Calama, S.A.U.	Casinos	54.80%	54.80%	Cirsa Casinos de Juego de Chile, S.A.	Comuna de Calama	Calama	Chile
Cirsa Casino de Copiapo, S.A.	Casinos	54.80%	54.80%	Cirsa Casinos de Juego de Chile, S.A.	Comuna de Copiapo	Copiapo	Chile
Cirsa Casino de Punta Arenas, S.A.	Casinos	54.80%	54.80%	Cirsa Casinos de Juego de Chile, S.A.	Comuna de Punta Arenas	Punta Arenas	Chile
Cirsa Casino de Rancagua, S.A.	Casinos	54.80%	54.80%	Cirsa Casinos de Juego de Chile, S.A.	Comuna de Rancagua	Rancagua	Chile
Cirsa Casino de Temuco, S.A.U.	Casinos	54.80%	54.80%	Cirsa Casinos de Juego de Chile, S.A.	Comuna de Temuco	Temuco	Chile
Cirsa Casino del Bio Bio, S.A.U.	Casinos	54.80%	54.80%	Cirsa Casinos de Juego de Chile, S.A.	Comuna de Hualbén	Hualbén	Chile
Cirsa Casinos de Juego de Chile, S.A.	Casinos	54.80%	54.80%	Casinos de Juego Cirsa Chile Limitada	Nueva Tajamar 481 Torre Norte, Of. 706	Las Condes	Chile
Cirsa Digital, S.A.U.	Slots	50.00%	100.00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Cirsa Funding Luxembourg, S.A.U.	Structure	100.00%	100.00%	Cirsa Gaming Corporation, S.A.	Rue Charles Mariel, 58	Luxembourg	Luxembourg
Cirsa Insular, C.A.U.	Casinos	100.00%	100.00%	Cirsa Venezuela, C.A.U.	Estado de Nueva Esparta (Portimar)	Isla Margarita	Venezuela
Cirsa Interactive Corporation, S.L.	B2B	100.00%	100.00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Cirsa International Gaming Corporation, S.A.U.	Casinos	100.00%	100.00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Cirsa Italia Holding, S.A.U.	Slots	100.00%	-	Cirsa International Gaming Corporation,	Centro Direzionale Milanofori, Strada 2	Assago (Milan)	Italy
Cirsa Italia, S.A.U.	Slots	100.00%	100.00%	Cirsa International Gaming Corporation,	Centro Direzionale Milanofori, Strada 2	Assago (Milan)	Italy
Cirsa Panamá, S.A.U.	Casinos	100.00%	100.00%	Cirsa International Gaming Corporation,	Via Domingo Diaz	Panama City	Panama
Cirsa Servicios Corporativos, S.L.U.	Structure	100.00%	100.00%	Cirsa Gaming Corporation, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Cirsa Slot Corporation, S.L.U.	Slots	100.00%	100.00%	Cirsa Gaming Corporation, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Cirsa Venezuela, C.A.U.	Casinos	100.00%	100.00%	Cirsa International Gaming Corporation, S.A.U.	D. Marino, Nueva Esparta, Portimar	Isla Margarita	Venezuela

## List of subsidiaries

Company	Activity	Percentage of ownership 2013	Percentage of ownership 2012	Investment holder	Business address	City	Province/Country
Crisacom, S.R.L.U.	Slots	100.00%	100.00%	Cirsa Italia, S.A.U.	Centro Direzionale Milanofiori, Strada 2	Assago	Italy
Crisagast, S.P.A.U.	Slots	100.00%	-	Cirsa Italia Holding, S.A.U.	Centro Direzionale Milanofiori, Strada 2	Assago	Italy
Club Privado De Fumadores Nuestro Espacio	Bingos	100.00%	100.00%	Bingos de Madrid Reunidos, S.A.U.	Avda. Moratalaz, 42 bajos	Madrid	Madrid
Comercial de Desarrollos Electrónicos, S.A.U.	Slots	100.00%	100.00%	Global Game Machine Corporation, S.A.U.	Pi i Marquill, 201	Terrassa	Barcelona
Complejo Hotelero Monte Picayo, S.A.U.	Casinos	100.00%	100.00%	Global Casino Technology Corporation, S.A.U.	Complejo Hotelero Monte Picayo	Saunto	Valencia
Digital Gaming México, S.A.P.I.	Slots	100.00%	-	Bincamex, S.A. de CV.	Bosque de Duraznos, 613 b, Bosques Lomas	Mexico City	Mexico
Eaartonic, S.A.	Slots	51.00%	-	Cirsa Slot Corporation, S.L.U.	C/ del Aire, 1 Pol. Ind. Els Bellots	Terrassa	Barcelona
Eqartronic Servicios Centrales, A.I.E.	Slots	37.10%	-	Apple Games 2000, S.L.	C/ del Aire, 1 Pol. Ind. Els Bellots	Terrassa	Barcelona
Electronicos Radisa, S.L.U.	Slots	100.00%	100.00%	Cirsa Slot Corporation, S.L.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Electronicos Trujillanos, S.L.	Slots	75.00%	50.00%	Global Amusement Partners Corporation,	Fermina Sevillano, 5-7	Madrid	Madrid
Empresa Explotadora del Juego del Bingo,	Bingos	100.00%	100.00%	Bibingo Inversiones, S.L.	Pza. Corregidor A. Aguilar, s/n	Madrid	Madrid
Entidad Gestora del Bingo Siglo XXI, S.L.U.	B2B	100.00%	100.00%	Cirsa Interactive Corporation, S.L.	Sena, nº 2	Sant Cugat del	Barcelona
Ferroyuegos, S.A.	Bingos	100.00%	100.00%	Global Bingo Corporation, S.A.U. y Global Bingo Madrid, S.A.U.	Ferrocarril, 38	Madrid	Madrid
Gaming & Services de Panamá, S.A.U.	Casinos	100.00%	100.00%	Cirsa International Gaming Corporation,	Calle 50 v 73 Este San Francisco	Panama City	Panama
Gaming & Services, S.A.C.	Casinos	100.00%	100.00%	Cirsa International Gaming Corporation,	Av. Grau, 1006	Lima	Peru
Garbimatic, S.L.	Slots	25.50%	-	Altematic, S.A.	Ctra. Rellinars, 345	Terrassa	Barcelona
Gema, S.r.l.U.	Bingos	100.00%	100.00%	Cirsa International Gaming Corporation,	D4	Assago (Milan)	Italy
Genper, S.A.U.	Slots	100.00%	100.00%	Global Game Machine Corporation, S.A.	Pi i Marquill, 201	Terrassa	Barcelona
Gestión de Bingos Gobyán, S.A.U.	Bingos	100.00%	100.00%	International Bingo Technology, S.A.U.	Pza. de la Iglesia, 10	Sta. C. de Tenerife	Tenerife
Gestión del Juego Integral, S.A.U.	Casinos	100.00%	100.00%	Cirsa Interactive Corporation, S.L.U.	C/ de la Resina, 22-24, Puerta B-9	Madrid	Madrid
S.L.U.	Slots	100.00%	100.00%	Electronicos Radisa, S.L.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Gestora de Inversiones Cobman, S.L.U.	Slots	51.00%	-	Interservi, S.A.	Ctra Nacional 420, km 286	Alcázar de San	Ciudad Real
Global Amusement Partners Corporation, S.A.U.	Slots	100.00%	100.00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Global Bingo Corporation, S.A.U.	Bingos	100.00%	100.00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Global Bingo Madrid, S.A.U.	Bingos	100.00%	100.00%	Cirsa Gaming Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Global Bingo Stars, S.A.U.	Bingos	100.00%	100.00%	Cirsa Gaming Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Global Casino Technology Corporation, S.A.U.	Casinos	100.00%	100.00%	Cirsa Gaming Corporation, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Global Cinco Estrellas, S.A.	Bingos	100.00%	100.00%	Global Bingo Corporation, S.A.U. y Global Bingo Madrid, S.A.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Global Game Machine Corporation, S.A.U.	Slots	100.00%	100.00%	Cirsa Slot Corporation, S.L.U.	Pi i Marquill, 201	Terrassa	Barcelona
Global Gaming Corporation Russia, S.L.U.	Slots	100.00%	100.00%	Cirsa Slot Corporation, S.L.U.	Ctra. Castellar, 298	Terrassa	Barcelona
Global Gaming, S.A.U.	Casinos	100.00%	100.00%	Winner Group, S.A.	Calle 38 Norte, 6 N-35	Terrassa	Barcelona
Global Manufacturing Corporation, S.L.U.	B2B	100.00%	100.00%	Cirsa Gaming Corporation, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Gonmatic, S.L.U.	Slots	100.00%	100.00%	Cirsa Slot Corporation, S.L.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Grasplai, S.A.U.	Bingos	100.00%	100.00%	Teima Eneac, S.L.U.	Av. Generalitat, 6	Sta. Coloma	Barcelona
Hispania Investment, S.A.U.	Structure	100.00%	100.00%	Cirsa Gaming Corporation, S.A.	Ctra. de Castellar, 338	Terrassa	Barcelona
Hosobar 98, S.L.	Bingos	100.00%	100.00%	Global Bingo Corporation, S.A.U. y Madrierra de Servicios para el Bingo, S.L.U.	Ferrocarril, 38	Madrid	Madrid
Integración Inmobiliaria World de México, S.A.	Bingos	100.00%	100.00%	Promociones e Inversiones de Guerrero, S.A.P.I. De C.V.	Bosque de ciruelos, 186	Mexico City	Mexico
De C.V.	Bingos	100.00%	100.00%	Global Bingo Corporation, S.A.U.	Pi i Marquill, 201	Terrassa	Barcelona
International Bingo Technology, S.A.U.	B2B	100.00%	100.00%	Cirsa Casino Corporation, S.L.U.	Ctra. Castellar, 298	Terrassa	Barcelona
International Gaming Manufacturing, S.L.U.	Slots	51.00%	-	Cirsa Slot Corporation, S.L.U.	Ctra Nacional 420, km 289	Juan	Ciudad Real
Interservi, S.A.	Casinos	70.00%	70.00%	Cirsa Development, S.A.U.	Av. Obarrio, 57	Panama City	Panama
Inversiones Recreativas de Occidente, C.A.	Casinos	67.50%	67.50%	Cirsa International Gaming Corporation, S.A.U.	Calle 77, Edif. Binco	Maracaibo	Venezuela
Investment & Securities Panama, S.A.U.	Casinos	100.00%	100.00%	Cirsa Internacional Gaming Corporation,	Ctra. Castellar, 298	Terrassa	Barcelona
Ivisa - Casino Buenos Aires, U.T.E.	B2B	100.00%	100.00%	Casino Buenos Aires, S.A.	C/ Adolfo Alsina, 1729 P.B.	Buenos Aires	Argentina
Jesati, S.A.U.	Casinos	100.00%	100.00%	Complejo Hotelero Monte Picayo, S.A.U.	Complejo Hotelero Monte Picayo	Saunto	Valencia
Jueqomatic, S.A.	Slots	75.00%	65.00%	Global Game Machine Corporation, S.A.U.	Av. Velázquez, 91	Málaga	Valencia
Juecos y Bingos, S.A.U.	Bingos	100.00%	100.00%	International Bingo Technology, S.A.U.	Enteriza, 96 bajos	Barcelona	Barcelona
KLC Negocios y Proyectos, S.A.	Casinos	70.00%	70.00%	Cirsa Venezuela, C.A.U.	Avda. Fco. de Miranda	Caracas	Venezuela
La Barra Ancon, S.A.U.	Casinos	50.00%	50.00%	Ancon Entertainment, S.A.	Calle 50 v 73 Este San Francisco	Panama City	Panama
La Barra Panama, S.A.U.	Casinos	100.00%	100.00%	Cirsa International Gaming Corporation, S.A.U.	Calle 50 v 73 Este San Francisco	Panama City	Panama

## List of subsidiaries

Company	Activity	Percentage of ownership 2013	Percentage of ownership 2012	Investment holder	Business address	City	Province/Country
Lista Azul, S.A.U.	Bingos	100.00%	100.00%	Bingames, S.A.U.	Gran Passem de Ronda, 87	Lleida	Lleida
Lightmoon International 21, S.L.	Slots	100.00%	-	Cirsa Slot Corporation, S.L.U.	Ctra. Castellar, 298	Terrassa	Barcelona
Luckplay, S.A.	Bingos	100.00%	100.00%	Global Bingo Corporation, S.A.U. y Bingos de Madrid Reunidos, S.A.U.	Luchana, 23	Madrid	Madrid
Mabel 96, S.L.U.	Slots	100.00%	100.00%	Global Game Machine Corporation, S.A.U.	Ctra. de Castellar, 298	Terrassa	Barcelona
Macroluegos, S.A.	Bingos	51.00%	51.00%	International Bingo Technology, S.A.U.	Dionisio Guardiola, 34	Albacete	Albacete
Madriena de Servicios para el Bingo, S.L.U.	Bingos	100.00%	100.00%	Global Bingo Corporation, S.A.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Mendoza Central Entretenimientos, S.A.U.	Casinos	51.00%	51.00%	Cirsa International Gaming Corporation, S.A.U.	9 de Julio nº municipal 318, esquina C	Mendoza	Argentina
Nightfall Construcciones, S.R.L.	Casinos	100.00%	-	Cirsa International Gaming Corporation, S.A.U.	Avda. Abraham Lincoln	Santo Domingo	Dominican Republic
Novojuegos, S.A.	Bingos	100.00%	100.00%	Gamandez, S.L.	Bravo Murillo, 95	Madrid	Madrid
Nyulam, S.A.	Casinos	100.00%	100.00%	Cirsa International Gaming Corporation, S.A.U. y Bingos de Madrid Reunidos, S.A.U.	Adolfo Alsina, 01729 Piso PB	Buenos Aires	Argentina
O'donnell Juegos, S.A.	Bingos	100.00%	100.00%	Global Bingo Corporation, S.A.U. y Bingos de Madrid Reunidos, S.A.U.	O'Donnell, 21 y 23	Madrid	Madrid
Oporto Juegos, S.A.U.	Bingos	100.00%	100.00%	Global 5 Estrellas, S.A.	Av. Oporto, 4	Madrid	Madrid
Orbis Development, S.A.U.	Casinos	100.00%	100.00%	Cirsa International Gaming Corporation, S.A.U.	Swiss Tower, 16th floor, World Trade Center	Panama City	Panama
Playcat, S.A.U.	Bingos	100.00%	100.00%	Bingames, S.A.U.	Cádiz, 1	Terrassa	Barcelona
Pol Management Corporation, B.V. U.	Slots	100.00%	100.00%	Cirsa International Gaming Corporation, S.A.U.	Emancipatie Boulevard 29 New Haven e-Zone	Curacao	The Netherlands
Princesa 31, S.A.	Bingos	100.00%	100.00%	Global Bingo Corporation, S.A.U. y Bingos de Madrid Reunidos, S.A.U.	Princesa, 31	Madrid	Madrid
Promociones e Inversiones de Guerrero, S.A.P.I. de C.V.	Bingos	100.00%	100.00%	Bincamex, S.A. de C.V.	Bosque de Duraznos, 61 3 b, Bosques Lomas	Mexico City	Mexico
Promociones Tauro, S.L.U.	Slots	100.00%	100.00%	Global Game Machine Corporation, S.A.U.	Marfillo, 26	Sevilla	Sevilla
Push Games, S.L.U.	Bingos	100.00%	100.00%	Global Bingo Corporation, S.A.U.	Ctra. Castellar, 298	Terrassa	Barcelona
S.A. Explotadora de Recreativos	Slots	61.40%	-	Cirsa Slot Corporation, S.L.U.	C/ del Aire, 1 Pol. Ind. Eis Bellots	Terrassa	Barcelona
Recreativos Arranz, S.L.U.	Slots	100.00%	100.00%	Cirsa Slot Corporation, S.L.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Recreativos Del Istmo, S.A.	Casinos	-	50.00%	Cirsa International Gaming Corporation, S.A.U.	Calle 50 y 73 Este San Francisco	Panama City	Panama
Recreativos Rodas, S.A.U.	Slots	100.00%	100.00%	Genper, S.A.U.	German Bernacer, 22 P.I. Eliche Parque Ind	Elche	Alicante
Red de Bingos Andaluces, A.I.E.	Bingos	54.00%	54.00%	Varios	Marfillo, 26	Sevilla	Sevilla
Red de Interconexión de Andalucía, S.L.U.	B2B	100.00%	100.00%	Cirsa Interactive Corporation, S.L.U.	Marfillo, 26	Sevilla	Sevilla
Red de salones de Araoz, S.L.U.	B2B	100.00%	100.00%	Cirsa Interactive Corporation, S.L.U.	Ctra. De Castellar, 298	Terrassa	Barcelona
Romzar, S.L.	Bingos	100.00%	100.00%	Telma Enea, S.L.U.	Cavelano del Toro, 23	Cádiz	Cádiz
Sacres, S.A.	Casinos	99.00%	99.00%	Cirsa International Gaming Corporation, S.A.U.	Tucuman, 8	Buenos Aires	Argentina
Sadeu, S.L.U.	Bingos	100.00%	100.00%	Telma Enea, S.L.U.	Av. Cavetano del Toro, 23 Bi.	Cádiz	Cádiz
Sala Versalles, S.A.	Bingos	100.00%	100.00%	Global Bingo Corporation, S.A.U. y Global Bingo Stars, S.A.U.	Bravo Murillo, 309	Madrid	Madrid
SCB Almirante Dominicana, S.R.L.	Casinos	100.00%	100.00%	SCB Caribe, S.A.U.	Av. A. Lincoln, 403, La Julia	S. Domingo	Dominican Republic
SCB Ani Dominicana, S.R.L.	Casinos	100.00%	100.00%	SCB Caribe, S.A.U.	Av. Máximo Gómez / Avda. 27 Febrero	S. Domingo	Dominican Republic
SCB del Caribe, S.A.U.	Casinos	100.00%	100.00%	Cirsa International Gaming Corporation, S.A.U.	C/ 53 Urb. Obarrio Swiss Tower, Piso 16	Panama City	Panama
SCB Hispaniola Dominicana, S.R.L.	Casinos	100.00%	100.00%	SCB Caribe, S.A.U.	Av. A. Lincoln /Correa y Cidron	Santo Domingo	Dominican Republic
SCB Malecon Dominicana, S.A.	Casinos	100.00%	100.00%	Cirsa International Gaming Corporation, S.A.U.	Av. George Washington, centro comercial Malecon	Guzman	Dominican Republic
SCB Marqarita, C.A.U.	Casinos	100.00%	100.00%	Cirsa International Gaming Corporation, S.A.U.	Estado de Nueva Esparta (Porlamar)	Guzman	Dominican Republic
C.V.	Structure	100.00%	100.00%	Bincamex, S.A. de C.V.	Bosque de Duraznos, 61 3B	Mexico City	Venezuela
Servicios Integrales del Juego, A.I.E.	Structure	100.00%	100.00%	Varios	Ctra. Castellar, 298	Terrassa	Barcelona
Slot Games Online, S.L. Antes Troyicos, S.L.	Slots	100.00%	100.00%	Cirsa Slot Corporation, S.L.U.	Ctra. De Castellar, 298	Terrassa	Barcelona
Sobima, S.A.U.	Bingos	100.00%	100.00%	International Bingo Technology, S.A.U.	Av. Velázquez 91-93	Málaga	Málaga
Sobrequas, S.A.	Casinos	100.00%	100.00%	Casino Buenos Aires, S.A.	Av. Alicia Morean de Justo, 1950, 1º, ofc. 102	Buenos Aires	Argentina
Social Games Online, S.L.	Structure	100.00%	-	Global Manufacturing Corporation, S.L.U.	Medes, 4-6	Barcelona	Barcelona
Sociedad de Inversiones Cirsa Chile Limitada	Casinos	100.00%	100.00%	Global Manufacturing Corporation, S.L.U.	Comuna de los Condes	Barcelona	Chile
Sodemar, S.L.U.	Bingos	100.00%	100.00%	Telma Enea, S.L.U.	Sacramento, 16 duplicado	Cádiz	Cádiz
Siemal Bay Venezuela, C.A.U.	B2B	100.00%	100.00%	Red de Interconexión de Andalucía, S.L.U.	Avda. Fco. de Miranda	Catucas	Venezuela
Teclatco Co., Ltd.U.	B2B	100.00%	100.00%	Red de Interconexión de Andalucía, S.L.U.	33, Youldo-Dong, Yeongdeungpo-Gu	Seoul	Korea
Teclatoc, S.L.U.	Slots	51.00%	-	Enarronic, S.A.	Gremio de Jaboneros, 3B Pol.I. Son Castello	Palma de Mallorca	Mallorca

## List of subsidiaries

Company	Activity	Percentage of ownership 2013	Percentage of ownership 2012	Investment holder	Business address	City	Province/Country
Tecnostar, S.A.U	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation,	Rincón, 512	Montevideo	Uruguay
Telfe, S.A.U.	Bingos	100,00%	100,00%	International Bingo Technology, S.A.U	Tenor Flea, 57	Zaragoza	Zaragoza
Telma Enea, S.L.U.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U.	Sevilla, 10-14	Frontera	Cádiz
Traylon, S.A.	Casinos	55,00%	50,00%	Casino Buenos Aires, S.A. Y Compañía de	Avda. Elvira Rawson de delleplane, s/n	Buenos Aires	Argentina
Unidesa Argentina, S.A.	B2B	100,00%	100,00%	Universai de Desarrollos Electrónicos, S. A.	Alsina, 1729	Buenos Aires	Argentina
Unidesa Colombia, L.T.D.	B2B	-	100,00%	Universai de Desarrollos Electrónicos, S. A.	Calle 52, 46-34 p4	Medellin	Colombia
Unidesa Equipment, S.A.U.	B2B	100,00%	100,00%	Universai de Desarrollos Electrónicos, S. A.	241 Persimond Street	Johannesburg	South Africa
Unidesa Peru, S.A.	B2B	100,00%	100,00%	Universai de Desarrollos Electrónicos, S. A.	Avda. Jose Pardo, 513, 8	Lima	Peru
Unplay, S.L.U.	Slots	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Universai de Desarrollos Electrónicos, S. A.	B2B	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Verneda 90, S.A.U.	Bingos	100,00%	100,00%	International Bingo Technology, S.A.U.	Gupuzcoa, 70	Barcelona	Barcelona
Winner Group, S.A.	Casinos	50,01%	50,01%	Investments & Securities Panama, S.A.U	Calle 90, nº 19c-32, Oficina 401	Santa Fe de	Colombia
Yumbo San Fernando, S.A.	Bingos	60,00%	60,00%	Bingames, S.A.U. y Global Bingo Corporation, S.A.U	San Fernando, 48	Bootá DC	Colombia
						Santander	Cantabria

## List of joint-controlled companies

Company	Activity	Percentage of ownership 2013	Percentage of ownership 2012	Investment holder	Business address	City	Province/Country
Alavera, S.A.	Casinos	50,00%	50,00%	Casino Buenos Aires S.A. Y Compañía de Inversiones en Entretenimientos, S.A.	Av. Elvira Rawson de Delleplane, s/n.	Buenos Aires	Argentina
Andy Games, S.R.L.	Slots	25,50%	25,50%	Royal Games, S.R.L.	Darsena Sur	Milán	Italy
AOG, S.r.l.	Bingos	50,00%	50,00%	Cirsa International Gaming Corporation, S.A.U. y Gema S.r.l.	Comune di Milano Via Galileo Galilei, 20	Silea (TV)	Italy
Ariv, S.A.	B2B	50,00%	50,00%	Cirsa International Gaming Corporation, S.A.U.	Río Bamba, 927, 14-E	Buenos Aires	Argentina
Automáticos Laomar, S.L.U.	Slots	50,00%	50,00%	Orlando Play, S.A.	C/Sierra Telar, 40	Viator	Almería
Automáticos Manchechos, S.L.	Slots	50,00%	50,00%	Global Amusement Partners Corporation, Pto III, 13	Alcazar de San Juan	Alcazar de San Juan	Ciudad Real
Binbares, S.A.	Casinos	33,33%	33,33%	Cirsa International Gaming Corporation, S.A.	Pinamar	Pinamar	Argentina
Binelec, S.L.	B2B	50,00%	50,00%	Universat de Desarrollos Electrónicos, S.A. Gema, S.r.l.U.	Aienas, 45 Pz. Ferreto, 55 A	Málaga	Málaga
Bingo Amico, S.r.l.	Bingos	50,00%	50,00%	Esialu, S.A. Y Play to Win, S.L.	C/ Antonio Cabezon, 89	Mestre	Italy
Bingo Electrónico de Euzkadi, S.L.	Bingos	25,00%	25,00%	Play To Win, S.L.	Lago Laodaga, 216 colonia Modelo	Madrid	Madrid
Bingo Electrónico de México, S.L. De C.V.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U.	Asunción, 3	Mexico City	México
Bingos Andaluces, S.A.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U.	Plaza Doctor Fleming, s/n	Sevilla	Sevilla
Bingos Benidorm, S.A.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U.	Ruiz Morote, 5	Benidorm	Alicante
Binsavo, S.A.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U.	C/ León y Castillo, 244 Pl 7 Dpto. 703	Alcazar de San Juan	Ciudad Real
Canaria de Explotaciones Recreativas y de Juego, S.L.	Bingos	50,00%	50,00%	Play To Win, S.L.	Edif. Bellavista	Las Palmas G.C.	Gran Canaria
Casino de Rosario, S.A.	Casinos	50,00%	50,00%	Casino Buenos Aires, S.A.	C/ Córdoba, 1365, Piso 5 of. 508	Santa Fe-Rosario	Argentina
Casino la Toja, S.A.	Casinos	50,00%	50,00%	Compañía De Inversiones En Entretenimientos, S.A. Y Casino Buenos Universal de Desarrollos Electrónicos, S.A.	Isla de La Toja	El Grove	Pontevedra
CBA-CIESA, UTE	Casinos	45,00%	45,00%	Universat de Desarrollos Electrónicos, S.A.	C/Rawson de Delleplane, s/n 1B	Buenos Aires	Argentina
Cludeen, S.L.	B2B	50,00%	50,00%	Play To Win, S.L.	C/ Enrique Marriñas, 36 planta 5 local	A Coruña	A Coruña
Comdibal 2000, S.L.	B2B	50,00%	50,00%	Global Manufacturing Corporation, S.L.U	Pl. Els Bellots, c/ del Aire 1	Terrassa	Barcelona
Competiciones Deportivas, S.A.	Casinos	50,00%	50,00%	Gaming & Services de Panamá, S.A.U	Calle 50 y 73 Este San Francisco	Panamá City	Panamá
Emiucasa, S.A.	Casinos	50,00%	50,00%	Cirsa International Gaming Corporation, S.A.U.	Bacacay, 2789 piso 5-20	Buenos Aires	Argentina
Enjoy With Us, S.L.	Bingos	50,00%	50,00%	Play To Win, S.L.	C/ Antonio Cabezon, 89	Madrid	Madrid
Extrimería de explotaciones recreativas y de juego, S.L.	Bingos	50,00%	50,00%	Play To Win, S.L.	C/Antonio de Cabezón, 89	Madrid	Madrid
Flamingo Euroomatic-100, S.L.U.	Slots	50,00%	50,00%	Orlando Play, S.A.	P.I La Juada, C/Sierra Telar, 40	Viator	Almería
Giochigenova, S.R.L.	Slots	50,00%	50,00%	Cirsa Italia, S.A.U.	Via Col Diño, 6	Genova	Italy
Goldenplay, S.L.U.	Slots	50,00%	50,00%	Orlando Play, S.A.	German Bernacer, 22 P.I Elche	Elche	Alicante
Happy Games, S.R.L.	Slots	25,00%	25,00%	Royal Games, S.R.L.	Via Zappellini, 6	Busto Arsizio	Italy
Intessa Giochi, S.R.L.U.	Slots	50,00%	50,00%	Royal Games, S.R.L.	Via Casati Felice, 32	Milán	Italy
Juegos San José, S.A.	Bingos	47,50%	47,50%	Global Bingo Corporation, S.A.U	General Mas De Gaminde, 47 Bajos	Las Palmas G.C.	Gran Canaria
La Cafetería del Bingo, S.L.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U.	Asunción, 3	Sevilla	Sevilla
Madriñeria de Explotaciones Recreativas y de Juego, S.A.	Bingos	50,00%	50,00%	Play To Win, S.L.	C/Antonio de Cabezón, 89	Madrid	Madrid
Magic Star, S.A - Casino Buenos Aires, S.A. UTE	Casinos	33,30%	-	Magic Star, S.A.	C/Rawson de Delleplane, s/n	Buenos Aires	Argentina
Majestic Food Services, S.A.U.	Casinos	50,00%	50,00%	Gaming & Services de Panamá, S.A.U.	Calle 50, Calle 73 Este	Panamá City	Panamá
Marchamatic Indalo, S.L.U.	Slots	50,00%	50,00%	Orlando Play, S.A.	C/Sierra Telar, 40	Viator	Almería
Mediterranea de explotaciones recreativas y de juego, S.L.	Bingos	50,00%	50,00%	Play To Win, S.L.	C/Antonio de Cabezón, 89	Madrid	Madrid
Metronia CR, S.A.	Bingos	50,00%	50,00%	Play To Win, S.L.	San José-Tibas San Juan 100m norte	Tibas	Costa Rica
Metronia Panama, S.A.	Bingos	50,00%	50,00%	Play To Win, S.L.	450 m oeste	Panamá City	Panamá
Metrosevi Andaluza de Salones, S.L.	Bingos	25,00%	25,00%	Metronia, S.A. Y Servitronic Andaluza, S.L.	Av. Baiboa Edif.Bay Hall Plaza	Sevilla	Sevilla
Mollic S. XXI, S.A.U.	Bingos	50,00%	50,00%	Residencial Tridaboo, S.A.	C/ Rastrillo, 4 Gran Via de les Corts Catalanes, 750 bajos	Barcelona	Barcelona

## List of joint-controlled companies

Company	Activity	Percentage of ownership 2013	Percentage of ownership 2012	Investment holder	Business address	City	Province/Country
Montecarlo Andalucía, S.L.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U	Av. Cruz del Campo, 49	Sevilla	Sevilla
Multicasino, S.A.	Casinos	50,00%	50,00%	Gaming & Services de Panamá, S.A.U	Calle 50, Calle 73 Este	Panama City	Panama
New Laomar, S.L.U.	Slots	50,00%	50,00%	Oriando Play, S.A.	c/Sierra Telar, 40	Viator	Almería
Opá Servíces, S.r.l.	Bingos	30,00%	30,00%	A.O.G., S.r.l.	Torricella, 11	Rome	Italy
Operadora de Explotaciones Recreativas y de Juego, S.L.	Bingos	50,00%	50,00%	Play To Win, S.L.	Antonio Cabezon, 89	Madrid	Madrid
Oriando Italia, S.r.l.	Slots	50,00%	50,00%	Oriando Play, S.A.	Milano Fiori, Strada 2, Palazzo D4	Assago	Italy
Oriando Play, S.A.	Slots	50,00%	50,00%	Global Game Machine Corporation, S.A.U.	Sierra Telar, 40 P.I. La Juajida	Viator	Almería
Play to Win, S.L.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U.	Antonio Cabezon, 89	Madrid	Madrid
Polspace, S.L.U.	B2B	50,00%	50,00%	Binelec, S.L.	Atenas, 45	Málaga	Málaga
Posbintra, S.A.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U.	Gran Via de les Corts Catalanes, 756 baixos	Barcelona	Barcelona
Recreativos Biljar, S.L.	Slots	50,00%	50,00%	Cirsa Slot Corporation, S.L.U.	Passo Ubarburu, 37	San Sebastián	Gipuzkoa
Recreativos Jeroni Orfila, S.L.	Slots	-	50,00%	Cirsa Slot Corporation, S.L.U.	C/Emil Darder Baile, 4	Palma de Maiorca	Baleares
Recreativos Manchegos, S.L.	Slots	50,00%	50,00%	Global Amusement Partners Corporation,	C/Pío III, 13	Alcazar de San Juan	Ciudad Real
Recreativos Ociomar Levante, S.L.U.	Slots	50,00%	50,00%	Oriando Play, S.A.	Ctra. De Castellar, 298	Terrassa	Barcelona
Recreativos Panaemi, S.L.U.	Slots	50,00%	50,00%	Oriando Play, S.A.	c/ German Bernacer, 22 P.I. Elche	Murcia	Murcia
Recreativos Pozuelo, S.L.	Slots	50,00%	50,00%	Global Amusement Partners Corporation,	C/Costanilla del Olivar, 2	Pozuelo de Alarcón	Madrid
Red de Juegos y Apuestas de Madrid, S.A.	Bingos	40,00%	40,00%	Several	C/Evaristo San Miquel, 2	Madrid	Madrid
Residencial Tibidabo, S.A.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U.	Gran Via de les Corts Catalanes, 756 baixos	Barcelona	Barcelona
Royalbet, S.R.L.	Slots	47,50%	47,50%	Royal Games, S.R.L.	Via Rimondo, 4	Pavia	Italy
Royal Games, S.R.L.	Slots	50,00%	50,00%	Cirsa Italia, S.A.U.	Via F. Rimondo, n° 4	Pavia	Italy
Sala Valencia, S.A.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U.	Cuenca, 20	Valencia	Valencia
Serdisa 2000, S. L.	B2B	50,00%	50,00%	Global Manufacturing Corporation, S.L.U.	Av. Finisierre, 283	La Coruña	La Coruña
Servitronic Andalucía, S. L.	B2B	50,00%	50,00%	Global Manufacturing Corporation, S.L.U.	Pol. Aeropuerto Sector A-2, P1, N4	Sevilla	Sevilla
SGR, S.R.L.	Slots	25,00%	25,00%	Royal Games, S.R.L.	Via Bravanti, 7	Piacenza	Italy
Silver Cup Gaming, Inc.	Casinos	50,00%	50,00%	Cirsa Panamá, S.A.U	Este	Panama City	Panama
Sportium Apostes Catalunya, S.A.U.	Slots	-	-	Sportium Apuestas Deportivas, S.A.	C/ Sena, 2	Sant Cugat Del Valles	Barcelona
Sportium Apuestas Aranon, S.L.U.	Slots	50,00%	50,00%	Sportium Apuestas Deportivas, S.A.	C/ Jaime Ferrán, 5	Zaragoza	Zaragoza
Sportium Apuestas Castilla La Mancha, S.L.U.	Slots	50,00%	50,00%	Sportium Apuestas Deportivas, S.A.	C/ Sena, 2	Sant Cugat Del Valles	Barcelona
Sportium Apuestas Deportivas, S.A.	Slots	50,00%	50,00%	Cirsa Slot Corporation, S.L.U.	C/Santa Mª Magdalena, 10-12	Madrid	Madrid
Sportium Apuestas Galicia, S.L.U.	Slots	50,00%	50,00%	Sportium Apuestas Deportivas, S.A.	C/ Don Pedro, s/n	El Grove - Isla de la Toia	Pontevedra
Sportium Apuestas Levante, S.A.U.	Slots	50,00%	50,00%	Sportium Apuestas Deportivas, S.A.	Complejo Hotelero Monte Picayo	Pucol	Valencia
Sportium Apuestas Navarra, S.A.U.	Slots	50,00%	50,00%	Sportium Apuestas Deportivas, S.A.	Avd. Barañain, 27 1º A	Pamplona	Navarra
Teibin, S.A.U.	Bingos	47,50%	47,50%	Juegos San José, S.A.	General Mas De Gaminde, 47 Baios	Las Palmas G.C.	Gran Canaria
Tirreno Games, SRL	Slots	50,00%	50,00%	Cirsa Italia, S.A.U	Via Crosei, s/n	Navacchio (Cascina)	Italy
Vasca de Explotaciones y de Juego, S.L.	Bingos	50,00%	50,00%	Play To Win, S.L.	C/Antonio de Cabezon, 89	Madrid	Madrid

## List of associates

Company	Activity	Percentage of ownership 2013	Percentage of ownership 2012	Investment holder	Business address	City	Province/Country
Casino de Asturias, S.A.	Casinos	40.00%	40.00%	Global Casino Technology Corporation, S.A.U	Navá, 8	Gijón	Asturias
Compañía Europea de Salones Recreativos, S.L.	B2B	20.00%	20.00%	Universat de Desarrollos Electronicos, S.A.	Blasco de Garay, 70 - 1º B	Madrid	Madrid
Gronina de Bingos, S.L.	Bingos	20.60%	20.60%	International Bingo Technology, S.A.U	Via Luletana, 51	Barcelona	Barcelona
Recreativos Trece, S.L.	Slots	32.00%	32.00%	Urban Leisure, S.L.	Ctra. Rellinars, 345	Terrassa	Barcelona
Urban Leisure, S.L.	Slots	32.00%	32.00%	Global Amusement Partners Corporation,	Ctra. Rellinars, 345	Terrassa	Barcelona
Fianzas y Servicios Financieros, SGR	Structure	35.23%	35.23%	Several	Rafael Salgado, 19 3º	Madrid	Madrid