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INDEPENDENT AUDIT REPORT

CIRSA GAMING CORPORATION GROUP
Consolidated Financial Statements and Consolidated Management Report
for the year ended
December 31, 2016

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
Cirsá Gaming Corporation, S.A.:

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Cirsá Gaming Corporation, S.A. (the parent company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position at December 31, 2016, 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 Cirsá 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, 2016, 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 2016 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 2016 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 AUDITORES Y
ASESORES ASOCIADOS, S.L.
(Signature on the original in Spanish)

Lorenzo López Carrascosa

Miquel Hernández Torralba

April 3, 2017

Cirsa Gaming Corporation Group

Consolidated Financial Statements for the year ended December 31, 2016 in conformity with the international financial reporting standards as 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, 2016 and 2015

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

ASSETS

(Thousands of euros)	Notes	2016	2015
Non-current assets		1,185,252	1,299,607
Goodwill	5	104,412	112,763
Other intangible assets	6	371,279	408,617
Property, plant and equipment	7	464,229	501,585
Investments accounted for using the equity method	8	56,497	75,717
Financial assets	9	113,047	110,251
Deferred tax assets	19.4	75,788	90,674
Current assets		454,557	380,102
Inventories	12	15,319	14,241
Trade and other receivables	9	188,181	181,235
Other financial assets	9	69,595	61,151
Other current assets		7,405	8,555
Cash and cash equivalents	13	174,057	114,920
Total assets		1,639,809	1,679,709

EQUITY AND LIABILITIES

(Thousands of euros)	Notes	2016	2015
Equity		11,834	43,985
Share capital	14.1	24,577	24,577
Share premium		9,500	9,500
Treasury shares	14.2	(184)	(184)
Retained earnings	14.3	30,910	46,632
Translation differences		(307,187)	(267,670)
Profit (loss) for the year attributable to equity holders of the parent		3,264	(15,722)
Non-controlling interests	14.4	250,954	246,852
Non-current liabilities		1,236,149	1,239,989
Bonds	15	935,390	930,214
Bank borrowings	16	78,375	96,361
Other creditors	17	68,713	38,267
Provisions	18	23,031	28,842
Deferred tax liabilities	19.4	130,640	146,305
Current liabilities		391,826	395,735
Bonds	15	4,653	5,306
Bank borrowings	16	49,328	45,015
Trade payables		135,398	137,867
Other creditors	17	188,800	178,892
Current income tax payable	19.2	13,647	28,655
Total equity and liabilities		1,639,809	1,679,709

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

(Thousands of euros)	Notes	2016	2015
Gaming income		1,943,939	1,894,004
Other operating revenues		137,332	142,717
Bingo prizes		(209,540)	(183,468)
Total operating revenues		1,871,731	1,853,253
Variable rent		(258,913)	(253,902)
Net operating revenues from variable rent	3.1	1,612,818	1,599,351
Consumptions		(71,861)	(72,991)
Personnel	21.1	(291,010)	(295,913)
Supplies and external services	21.2	(281,078)	(289,235)
Gaming taxes		(570,601)	(561,203)
Depreciation, amortization and impairment	5, 6 & 7	(196,798)	(201,215)
Change in trade provisions		(31,886)	(2,770)
Financial income		8,731	14,241
Financial costs		(97,516)	(125,435)
Change in financial provisions		186	(428)
Profit/(loss) on investments in associates	8	(3,867)	5,353
Exchange gains/(losses), net	21.3	(1,529)	(3,765)
Profit/(loss) on sale/disposals of non-current assets		205	(9,612)
Profit before income tax		75,794	56,378
Income tax	19.2	(52,256)	(44,659)
Net profit (loss) from continuing activities		23,538	11,719
Profit (loss) for the year attributable to minority interest	14.4	20,274	27,441
Profit (loss) for the year attributable to the parent		3,264	(15,722)

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

(Thousands of euros)	Notes	2016	2015
Net profit (loss) from continuing activities		23,538	11,719
Translation differences		(41,340)	(70,688)
Tax effect		-	-
Other comprehensive profit/(loss) that will be reclassified to profit/(loss) in subsequent years		(41,340)	(70,688)
Other comprehensive profit/(loss) that will not be reclassified to profit/(loss) in subsequent years		-	-
Total comprehensive profit/(loss) for the year after tax		(17,802)	(58,969)
<i>Total comprehensive income /(loss) attributable to:</i>			
<i>The Parent</i>		(36,253)	(72,271)
<i>Non-controlling interests</i>	14.4	18,451	13,302
		(17,802)	(58,969)

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
At December 31, 2014	24,577	9,500	(184)	47,249	(211,121)	249,596	119,617
Net profit (loss) for the year 2015	-	-	-	(15,722)	-	27,441	11,719
Other comprehensive income (loss)	-	-	-	-	(56,549)	(14,139)	(70,688)
Total comprehensive income (loss) for the year 2015	24,577	9,500	(184)	31,527	(267,670)	262,898	60,648
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)
At December 31, 2015	24,577	9,500	(184)	30,910	(267,670)	246,852	43,985
Net profit (loss) for the year 2016	-	-	-	3,264	-	20,274	23,538
Other comprehensive income (loss)	-	-	-	-	(39,517)	(1,823)	(41,340)
Total comprehensive income (loss) for the year 2016	24,577	9,500	(184)	34,174	(307,187)	265,303	26,183
Other changes:							
▪ Additions for the year – Business combinations	-	-	-	-	-	16,722	16,722
▪ Dividends paid	-	-	-	-	-	(31,071)	(31,071)
At December 31, 2016	24,577	9,500	(184)	34,174	(307,187)	250,954	11,834

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

(Thousands of euros)	Notes	2016	2015
Cash-flows from operating activities			
Profit before tax		75,794	56,378
Adjustments to profit:			
Changes in operating provisions		3,323	2,770
Depreciation, amortization and impairment of non-current assets	5, 6 & 7	196,798	201,215
Profit/(loss) on sale/disposals of non-current assets		(205)	9,612
Finance income and costs		92,466	106,269
Exchange gains/(losses), net	21.3	1,529	3,765
Other income and expenses		(6,834)	21,300
Change in:			
Inventories		(899)	(1,115)
Trade and other receivables		(19,196)	(10,523)
Suppliers and other payables		4,291	6,960
Gaming taxes payable		53,718	1,167
Other operating assets and liabilities, net		(8,054)	7,756
Income tax paid		(57,652)	(52,319)
Net cash-flows from operating activities		335,079	353,235
Cash-flows from (used in) investing activities			
Purchase of property, plant and equipment		(101,932)	(95,672)
Purchase of intangible assets		(29,001)	(27,524)
Proceeds from disposal of property, plant and equipment		4,204	6,200
Acquisition of investments in other companies		(24,713)	(62,436)
Current account with Nortia Business Corporation, S. L. – Outflows		(53,149)	(49,956)
Current account with Nortia Business Corporation, S. L. – Inflows		54,066	52,006
Other financial investments		(10,940)	(7,515)
Interest received and cash revenues from financial investments		6,555	7,253
Net cash-flows used in investing activities		(154,910)	(177,644)
Cash-flows from (used in) financing activities			
Proceeds from bank borrowings		2,009,668	1,397,516
Repayment of bank borrowings		(2,022,187)	(1,415,182)
Issue of bonds	15	447,552	496,055
Cancellation of bonds		(450,000)	(461,266)
Acquisition / sale of own bonds		10,211	(9,534)
Finance leases		(2,354)	(8,115)
Interest paid		(84,555)	(114,329)
Dividends paid and other payments		(27,967)	(23,405)
Net cash-flows used in financing activities		(119,632)	(138,260)
Net variation in cash and cash equivalents		60,537	37,331
Net foreign exchange difference on cash balances		(1,400)	(796)
Cash and cash equivalents at January 1		114,920	78,385
Cash and cash equivalents at December 31	13	174,057	114,920

Cirsa Gaming Corporation Group
Notes to the consolidated statements for the year ended December 31, 2016

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, 2016 and 2015 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 2016 and 2015, the Group's legal structure has experienced certain changes, as described below:

2016

- Acquisition of companies

(Thousands of euros)	% voting rights	Consolidation method	Total assets included in the consolidated statements of financial position at December 31, 2016	Operating revenues included in the 2016 consolidated statement of comprehensive income
Comercial Jupama, S.A.(*)	50%	Full	19,680	16,400
Servicios y Distribución de Recreativos, S.A.	100%	Full	1,942	430
Servi-Joc, S.A.	51%	Full	3,017	2,302
Bema Euromatic, S.A.(**)	60.71%	Full	6,261	1,956
Saturno 5 Conexión, S.L.	100%	Full	326	144
Caballo 5, S.L.	100%	Full	229	35
Losimai, S.A.	100%	Full	466	132
Amical Trading, S.L.	100%	Full	3	-
			31,924	21,399

(*) At the date of gaining control, Comercial Jupama, S.A. held equity instruments representing 55% of the company Automáticos Maxorata, S.A., 50% of the company Automáticos Quintana, S.L., and 100% of the company Jupama Servicios, S.L. (liquidated at year end).

(**) At the date of gaining control, Bema Euromatic, S.A. held equity instruments representing 72.22% of the company Recreativos Hatuey, S.A., and 100% of the companies J.R. 25, S.A. and Euromatic Madrid, S.L. (both of them liquidated at year end).

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 2016 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, 2016	Operating revenues included in the 2016 consolidated statement of comprehensive income
Sportium Apuestas Baleares, S.L.	50%	Equity	251	-
Universal de Desarrollos Electrónicos, S.A. de C.V.	100%	Full	309	-
			560	-

The assets shown in the table above for the companies that are 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, 2016.

- Sale of companies resulting in loss of control

In 2016 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 interest after the sale	Consolidation method after the sale
Recreativos Pozuelo, S.L. (*)	50	Equity	-	-
Grupo Royal Games S.R.L. (**)	50	Equity	-	-
			-	-

(*) At both December 31, 2015 and sale date, the company Recreativos Pozuelo, S.L. held equity instruments representing 100% of the Company Ovidio Collado, S.L.

(**) A Group the parent of which is Royal Games S.R.L. and that, at both December 31, 2015 and sale date, held 95% of equity interest in the company Royalbet S.R.L. and 51% in the company Andy Games S.R.L.

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

(Thousands of euros)	Change in non-controlling interests	Profit/(loss) from the sale
Recreativos Pozuelo, S.L.	-	4,049
Grupo Royal Games S.R.L.	-	1,369
	-	5,418

Total assets and operating revenues contributed by these companies to the consolidated statement of financial position at December 31, 2015 and to the consolidated statement of comprehensive income for the year 2015, respectively, are as follows:

(Thousands of euros)	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
Recreativos Pozuelo, S.L.	4,301	-
Grupo Royal Games S.R.L.	4,004	-
	8,305	-

The assets shown in the table above for the companies that at 2015 year end were consolidated using the equity method (Recreativos Pozuelo, S.L. and Royal Games S.R.L.) relate to the investments, deriving from using such method, recognized in the consolidated statement of financial position at December 31, 2015.

- Changes in the percentage of ownership or consolidation method

In 2016 changes in the percentage of ownership or consolidation method have been as follows:

	Consolidation method		Percentage	
	2016	2015	At December 31, 2016	At December 31, 2015
Juegos San José, S.A. (*)	Full	Equity	47.49%	47.49%

(*) At the date of changing the consolidation method the company Juegos San José, S.A. held equity instruments representing 100% of the company Tejebin, S.A., which at year end has been liquidated and extinguished.

As shown in the table above, during 2016 control was gained over the company Juegos San José, S.A., although the ownership percentage held by the Group in the prior year remained unchanged. Control was gained as a result of certain agreements reached with the other shareholders related to the governance of the abovementioned company, which came into effect on January 1, 2016, whereby the Group was handed the control and management of the company. Consequently, in accordance with IFRS, the obligation arose to consolidate said company using the full consolidation method.

- Other changes in the perimeter

In 2016 the companies Cirsa Casino Corporation, S.L., Egartronic Servicios Centrales, A.I.E., Slot Games Online, S.L., J.R. 25, S.A., Euromatic Madrid, S.L., Global Gaming Corporation Russia, S.L., Hispania Investments, S.A., Jupama Servicios, S.L., Capitán Haya 7, S.A., Oporto Juegos, S.A., Tejebin, S.A., and Desarrollos Inmobiliarios Rocare del Norte, S.A. were dissolved and liquidated. These companies were dormant or showed low activity and their dissolution and liquidation did not generate significant results for the Group.

Additionally, during the current year the companies Administradora de Salas de Juego Alfa S.A.C., Centro de Apuestas S.A.C. and Savoy Slot Machines S.A.C. have been taken over by the company Salón de Juegos Portal S.A., which has had no impact on the Group's consolidated figures.

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 Cirsa Costa Rica (**)	100%	Full	60,651	20,433
Resort Paradise, A.B. (***)	82%	Full	41,432	1,676
			116,925	29,661

(*) 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 Cirsa Costa Rica refers to the acquisition of equity instruments representing 100% of the company Grupo Cirsa de Costa Rica, S.A., which is in turn the parent company of 8 Costa Rican subsidiaries that manage 7 casinos in that country (Cirsa Gran Entretenimiento, C.R., Casino el Cacique, S.A., Casino Pájaro Trueno, S.A., Patterson Lake Business Series, S.A., Cirsa Estrellas del Caribe, S.A., Operación Bانشai, 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	-
			3,418	984

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.	-	-
	-	(1,730)

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	-
	2,336	-

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)
	(609)	(617)

- 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.

2. BASIS OF PRESENTATION AND ACCOUNTING STANDARDS

2.1 Basis of presentation

The 2016 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, 2015 were approved on March 31, 2016 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, 2016 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, 2016 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 2016 in addition to those of 2015 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 Royal Decree 602/2016, no comparative information is included in these financial statements regarding the specific remuneration earned by natural persons representing the Company in management bodies in which the Company acts as a managing legal entity, the amount paid for the directors' liability insurance premium for damages arising in acts and omissions related to the performance of the directors' duties, and the average number of people employed during the year in the Spanish companies with a disability equal to or greater than 33%.

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 2016 the Group has recognized impairment losses on goodwill and assets amounting to 9 and 6.8 million euros, respectively (2015: impairment losses on goodwill amounting to 12.5 million euros and on assets amounting to 8.2 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 2016 and 2015 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, 2016 the Group has recognized deferred tax assets amounting to 75,788 thousand euros (2015: 90,674 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, 2016 the Group has recognized provisions for taxes and other risks amounting to 23,031 thousand euros (2015: 28,842 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, 2016 are the same as those applied in the consolidated financial statements for the year ended December 31, 2015, except for the coming into effect of the following standards:

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 5 Non-current assets held for sale and discontinued operations

Assets (or disposal groups) are generally disposed of either through sale or through distribution to owners. The amendment to IFRS 5 clarifies that changing from one of these disposal methods to the other should not be considered a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements under IFRS 5. This amendment is applied prospectively.

2.4 Standards and interpretations issued by the IASB, but not yet mandatory in the fiscal year 2016

- 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. No significant impact is expected on the consolidated financial statements as a result of the adoption of this new standard.

- 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. The Group plans to adopt the new standard on the required effective date. During 2016 the Group has started the preliminary assessment of IFRS 15, which is subject to 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 April 2016 and will oversee any other development.

- 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 arrangements 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.

Given the high number of lease arrangements that are currently considered as operating leases, the Group is analyzing their impact, considering as significant the potential impact on Property, plant and equipment and Other creditors (current and non-current), as well as the classification of expense items in the Statement of comprehensive income. As a result of the different alternatives and the complexity of the estimates and high number of arrangements, the Group has not yet completed the adoption process and, therefore, at present date it is not possible to make an accurate estimate of the impact of applying this standard.

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 2016 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, 2016 and 2015 the Venezuelan economy continued to be considered hyperinflationary in terms of IFRS application.

In 2016 and 2015 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, 2016 and 2015. Consequently, the Group's consolidated figures include almost no impacts in relation to the method described above applied in companies located in hyperinflationary countries.

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, 2016 and 2015.

2016

(Thousands of euros)	Slots	B2B	Casinos	Bingo	Eliminations and other	Total
Assets by segment						
Non-current assets assigned	261,291	133,351	453,974	79,858	180,991	1,109,465
Non-current assets not assigned	-	-	-	-	75,788	75,788
Current assets assigned	108,499	66,073	251,722	25,250	3,012	454,556
Total assets	369,790	199,424	705,696	105,108	259,791	1,639,809
Liabilities by segment						
Liabilities assigned	(428,567)	(107,939)	(558,562)	(133,244)	(268,993)	(1,497,305)
Liabilities not assigned					(130,670)	(130,670)
Total liabilities	(428,567)	(107,939)	(558,562)	(133,244)	(399,663)	(1,627,975)
Net operating revenue from variable rent						
Sales to external customers	643,997	55,508	727,955	205,494	(20,136)	1,612,818
Sales intra-group	916	41,530	1,900	2,854	(47,200)	-
Total net operating revenue from variable rent	644,913	97,038	729,855	208,348	(67,336)	1,612,818
Profit for the year						
EBITDA (*)	116,086	16,208	245,669	42,095	(21,789)	398,269
Financial income	7,298	6,875	10,621	806	(16,869)	8,731
Financial costs	(21,043)	(5,432)	(38,199)	(6,530)	(26,312)	(97,516)
Profit/(loss) before income tax	7,269	12,631	92,630	20,274	(57,010)	75,794
Income tax	(9,132)	(2,418)	(41,830)	(5,480)	6,606	(52,256)
Net profit/(loss) from continuing operations	(1,863)	10,213	50,800	14,794	(50,406)	23,538
Non-monetary expenses						
Depreciation, amortization and impairment	(87,252)	(3,707)	(97,530)	(15,326)	7,017	(196,798)
Changes in trade provisions	(3,076)	(12)	(28,715)	(83)	-	(31,886)
Other significant expenses						
Personnel	(61,460)	(19,511)	(157,604)	(40,905)	(11,530)	(291,010)
Supplies and external services	(78,580)	(18,961)	(154,765)	(57,327)	28,555	(281,078)
Gaming taxes	(354,762)	(1,106)	(156,583)	(58,056)	(94)	(570,601)
Other information by segments						
Investment in non-current assets	56,870	3,905	55,233	14,520	405	130,933
Investments in associates	4,111	1,331	9,972	41,083	-	56,497
Non-controlling interests	(515)	(238)	(17,467)	(2,054)	-	(20,274)

(*) 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.

2015

(Thousands of euros)	Slots	B2B	Casinos	Bingo	Eliminations and other	Total
Assets by segment						
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
Total assets	363,732	188,277	751,317	103,100	273,283	1,679,709
Liabilities by segment						
Liabilities assigned	(432,276)	(104,220)	(578,182)	(154,577)	(220,164)	(1,489,419)
Liabilities not assigned	-	-	-	-	(146,305)	(146,305)
Total liabilities	(432,276)	(104,220)	(578,182)	(154,577)	(366,469)	(1,635,724)
Net operating revenue from variable rent						
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)	-
Total net operating revenue from variable rent	596,371	98,953	771,378	194,009	(61,360)	1,599,351
Profit for the year						
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
Non-monetary expenses						
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)
Other significant expenses						
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)
Other information by segments						
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.

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, 2016 and 2015.

2016

(Thousands of euros)	Sales to external customers	Sales inter-segment	Total revenue by segment	Assets by segment	Investment in non-current assets
Spain	516,806	94,965	611,771	702,620	55,464
Latin America	761,127	708	761,835	927,102	63,316
Italy	334,885	297	335,182	109,467	12,153
Eliminations and other	-	(95,970)	(95,970)	(99,380)	-
	1,612,818	-	1,612,818	1,639,809	130,933

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)	-
	1,599,351	-	1,599,351	1,679,709	123,196

4. BUSINESS COMBINATIONS AND ACQUISITIONS OF ASSOCIATES

4.1 2016

The breakdown of the companies in which the Company has gained unilateral and exclusive control in 2016 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)
Comercial Jupama, S.A. and subsidiaries	April 2016	10,915	19,169	8,254	-	-
Servicios y Distribución de Recreativos, S.A.	July 2016	1,108	1,108	-	-	-
Servi-Joc, S.A.	May 2016	1,884	3,034	1,150	-	-
Bema Euromatic, S.A. and subsidiaries	July 2016	4,654	7,441	2,787	-	-
Saturno 5 Conexión, S.L.	July 2016	251	251	-	-	-
Caballo 5, S.L.	July 2016	300	300	-	-	-
Losimai, S.A.	November 2016	-	-	-	-	-
Amical Trading, S.L.	December 2016	2	2	-	-	-
Juegos San José S.A. and subsidiaries	January 2016	-	13,394	4,531	8,863	-
		19,114	44,699	16,722	8,863	-

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

(Thousands of euros)	Recognized on acquisition	Carrying amount
Property, plant and equipment	19,685	9,126
Intangible assets	19,550	2,547
Other non-current assets	8,230	7,501
Current assets	12,101	12,101
Liabilities (including generated deferred taxes)	(14,867)	(8,071)
	44,699	23,204

If acquisitions had occurred at the beginning of the year, consolidated operating revenues in 2016 would have increased by 8,875 thousand euros and consolidated profit for the year 2016 would have increased by 659 thousand euros. Additionally, the gains contributed to the Group by these companies since the date of acquisition amount to 1,385 thousand euros.

4.2 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	(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)
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	February 2015	24,951	24,951	-	-	-
Resort Paradise, A.B and subsidiary	December 2015	30,294	35,747	5,453	-	-
		64,712	73,205	8,493	-	-

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)	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)
	73,205	27,077

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.

5. GOODWILL

The breakdown of goodwill by operating segments is as follows:

(Thousands of euros)	2016	2015
Bingos	28,428	29,720
Slots	21,457	25,166
Casinos	54,527	57,877
	104,412	112,763

The amount of goodwill at December 31, 2016 and 2015 is shown net of impairment loss allowances, which according to the applicable accounting standards are not revertible, amounting to 119,894 and 110,881 thousand, respectively. During 2016 an impairment loss on goodwill amounting to 9,013 thousand euros has been recognized (2015: 12,500 thousand euros) (Note 10.1).

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

(Thousands of euros)	2016	2015
Balance at January 1	112,763	131,896
Impairment losses	(9,013)	(12,500)
Net exchange differences arising during the period	2,978	(6,633)
Derecognition due to sale of companies (Note 1.3)	(1,259)	-
Other	(1,057)	-
Balance at December 31	104,412	112,763

6. OTHER INTANGIBLE ASSETS

6.1 Movements

2016

(Thousands of euros)	January 1, 2016	Additions	Disposals	Transfers	Translation differences and other	December 31, 2016
COST						
Development costs and patents	52,163	2,378	(1,367)	-	(222)	52,952
Administrative concessions	133,207	8,913	(7,382)	-	(3,186)	131,552
Installation rights	515,173	39,179	(11,490)	-	(255)	542,607
Transfer rights	7,433	731	-	-	(240)	7,924
Software	32,826	1,007	(1,501)	340	200	32,872
Prepayments and other	492	-	-	(340)	(1)	151
	741,294	52,208	(21,740)	-	(3,704)	768,058
AMORTIZATION						
Development costs and patents	(48,081)	(2,014)	1,328	-	172	(48,595)
Administrative concessions	(52,550)	(9,802)	707	-	(789)	(62,434)
Installation rights	(188,356)	(57,163)	8,909	-	301	(236,309)
Transfer rights	(3,592)	(1,731)	-	-	131	(5,192)
Software	(25,735)	(2,497)	1,413	-	(275)	(27,094)
	(318,314)	(73,207)	12,357	-	(460)	(379,624)
Impairment loss	(14,363)	(4,129)	1,337	-	-	(17,155)
Net carrying amount	408,617	(25,127)	(8,046)	-	(4,165)	371,279

2015

(Thousands of euros)	January 1, 2015	Additions	Disposals	Transfers	Translation differences and other	December 31, 2015
COST						
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
	678,318	100,356	(20,656)	469	(17,193)	741,294
AMORTIZATION						
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)
	(265,351)	(68,321)	15,828	-	(470)	(318,314)
Impairment loss	(6,640)	(9,249)	1,526	-	-	(14,363)
Net carrying amount	406,327	22,786	(3,302)	469	(17,663)	408,617

Additions in 2016 include the effects of business combinations (Note 4), which amounted to a gross value of 22,712 thousand euros (2015: 71,871 thousand euros) and accumulated amortization of 3,162 thousand euros (2015: 5,911 thousand euros). These amounts were almost entirely related to installation rights, as in 2015.

Most of the rest of additions in 2016 and 2015 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, 2016 and 2015 is 895 and 1,568 thousand euros, respectively.
- Lottery and interactive products companies: Development of software applications for on-line games. Net value as of December 31, 2016 and 2015 is 741 and 815 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 2016 and 2015 amounted to 2,251 and 1,334 thousand euros, respectively.

Research and development expenses recognized as expenses in 2016 amounted to 103 thousand euros (2015: 80 thousand euros) (Note 21.2).

6.3 Administrative concessions

The gross balance of official licenses to operate as of December 31, 2016 mainly corresponds to:

- An official contract to operate slot machines in Panama amounting to 50,001 thousand euros (48,412 thousand euros at December 31, 2015). The net value of this concession at December 31, 2016 amounts to 16,375 thousand euros (18,984 thousand euros at December 31, 2015).
- An Argentinean company holds the concession of a lottery employing disabled people amounting to 545 thousand euros at December 31, 2016 (663 thousand euros at December 31, 2015). The net value of these concessions at December 31, 2016 and 2015 is zero.
- Licenses of video terminals acquired by Cirsa Italia S.p.A. for an amount of 40,807 thousand euros (40,052 thousand euros at December 31, 2015). The net value of this concession at December 31, 2016 is 20,535 thousand euros (23,325 thousand euros at December 31, 2015).
- Licenses arisen in the gain of control of Casino de Rosario, S.A. for an amount of 25,581 thousand euros at December 31, 2016 (30,182 thousand euros at December 31, 2015). The net value of these licenses at December 31, 2016 is 22,610 thousand euros (27,845 thousand euros at December 31, 2015).

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 (545 and 663 thousand euros at December 31, 2016 and 2015, respectively).

The impairment losses recognized during 2016 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, 2016, the net value of intangible assets in foreign companies of the Group amounted to 144,773 thousand euros (2015: 172,406 thousand euros).

7. PROPERTY, PLANT AND EQUIPMENT

7.1 Movements

2016

(Thousands of euros)	January 1, 2016	Additions	Disposals	Transfers	Translation differences and other	December 31, 2016
Cost						
Land and buildings	295,915	22,759	(2,709)	3,373	(29,390)	289,948
Installations	68,920	6,171	(410)	6,078	381	81,140
Machinery	574,297	74,012	(47,649)	21,545	407	622,612
Data processing equipment	57,547	6,702	(1,484)	1,033	(447)	63,351
Vehicles	14,153	1,016	(644)	-	(1,485)	13,040
Other installations, tools, and furniture	285,959	17,876	(6,436)	3,692	(2,881)	298,210
Assets in progress	16,377	34,523	(1,450)	(35,721)	712	14,441
	1,313,168	163,059	(60,782)	-	(32,703)	1,382,742
Depreciation						
Buildings	(80,233)	(17,473)	1,107	-	2,313	(94,286)
Installations	(49,472)	(9,130)	337	(773)	(1,060)	(60,098)
Machinery	(415,804)	(84,237)	36,673	(12)	(2,074)	(465,454)
Data processing equipment	(49,055)	(6,189)	1,001	-	305	(53,938)
Vehicles	(8,835)	(1,892)	433	-	937	(9,357)
Other installations, tools, and furniture	(204,086)	(27,308)	4,823	785	1,178	(224,608)
	(807,485)	(146,229)	44,374	-	1,599	(907,741)
Impairment losses	(4,098)	(9,935)	3,265	,	(4)	(10,772)
Net carrying amount	501,585	6,895	(13,143)	-	(31,108)	464,229

2015

(Thousands of euros)	January 1, 2015	Additions	Disposals	Transfers	Translation differences and other	December 31, 2015
Cost						
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
	1,313,129	170,595	(64,982)	(469)	(105,105)	1,313,168
Depreciation						
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)
	(732,567)	(153,253)	52,943	-	25,392	(807,485)
Impairment losses	(2,514)	(2,733)	1,142	-	7	(4,098)
Net carrying amount	578,048	14,609	(10,897)	(469)	(79,706)	501,585

The column *Additions* in 2016 includes the effect of the business combinations (Note 4), which has amounted to a gross value of 40,245 thousand euros (42,746 thousand euros in 2015) and accumulated depreciation of 20,560 thousand euros (26,019 thousand euros in 2015).

Additions in 2016 also included investments in assets in Spain (27,051 thousand euros), Colombia (14,570 thousand euros), Argentina (18,968 thousand euros), Mexico (9,010 thousand euros), Peru (2,728 thousand euros) and Panama (7,382 thousand euros), mainly to renovate some already-installed halls, and additions of property, plant and equipment under construction amounting to 34,523 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 said caption of property, plant and equipment under construction in 2016 were recognized according to their nature, since most of the halls under construction were already put to use.

Additionally, 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, for the same purpose as at 2016 year end.

Disposals in 2016 and 2015 show sales of assets and other disposals, mainly due to the substitution of slot machines, which represented a loss of 4,252 thousand euros in 2016 (a loss of 4,813 thousand euros in 2015).

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 Cirsia 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 2016 and 2015 amounted to 41,813 and 40,272 thousand euros, respectively.

7.3 Assets subject to guarantees

Several property, plant and equipment items, whose net value as of December 31, 2016 and 2015 was 11,442 thousand and 12,488 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 9,149 thousand euros at December 31, 2016 (9,227 thousand euros at December 31, 2015).

7.5 Property, plant and equipment located abroad

The net value of property, plant and equipment located abroad was 337,971 thousand euros at December 31, 2016 (2015: 201,424 thousand euros).

7.6 Investment commitments

At December 31, 2016 firm investment commitments amount to 4,046 thousand euros (1,706 thousand euros at December 31, 2015).

8. INVESTMENTS IN ASSOCIATES

This caption includes the following investments:

2016

(Thousands of euros)	Carrying amount of the investment	Assets	Liabilities	Operating revenue	Profit/(loss) for the year
AOG, S.R.L.	25,068	59,679	(9,543)	86,087	1,775
Binbaires, S.A.	11,043	38,731	(5,570)	32,151	5,405
Montecarlo Andalucía, S.L.	3,974	8,222	(274)	22,582	1,492
Sportium Apuestas Deportivas, S.A. and subsidiaries	8,934	32,543	(14,675)	30,580	1,851
Competiciones Deportivas, S.L.	1,657	3,440	(127)	-	-
Other and write-offs	5,821	25,733	(18,219)	93,929	501
	56,497				

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. and subsidiaries	2,861	49,955	(44,321)	18,931	3,509
Competiciones Deportivas, S.L.	1,657	3,436	(123)	-	-
Other and write-offs	12,041	37,225	(16,805)	98,491	(515)
	75,717				

Associates consolidated using the equity method had no contingent liabilities or capital commitments at December 31, 2015 and 2016.

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

(Thousands of euros)	2016	2015
Balance at January 1	75,717	69,924
Share in profit (loss) for the year and write offs	(3,867)	5,353
Other changes	(15,353)	440
Balance at December 31	56,497	75,717

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

Transactions in 2016 and 2015 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)	2016			2015		
	Non-current	Current	Total	Non-current	Current	Total
<u>Loans and receivables</u>						
Nortia Business Corporation, S.L.	71,863	-	71,863	70,883	-	70,883
Loans to jointly-controlled companies and associates	3,260	6,120	9,380	2,746	9,430	12,176
Loans to third parties	28,073	-	28,073	27,564	-	27,564
Deposits and guarantees	8,026	42,432	50,458	7,173	42,288	49,461
Fixed-income securities and deposits	-	22,941	22,941	-	18,486	18,486
Trade and other receivables	-	220,081	220,081	-	204,282	204,282
Other	2,477	5,309	7,786	2,750	1,513	4,263
	113,699	296,883	410,582	111,116	275,999	387,115
Impairment losses	(652)	(39,107)	(39,759)	(865)	(33,613)	(34,478)
	113,047	257,776	370,823	110,251	242,386	352,637

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 (38,021 and 32,477 thousand euros at December 31, 2016 and 2015, 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:

(Thousands of euros)	2016	2015
Loan maturing in 2021, at 5.75% interest rate	31,381	31,381
Long-term promissory notes from the sale of assets, discounted at 5% interest rate	2,308	2,638
Accrued interests	38,174	36,864
	71,863	70,883

At December 31, 2016 and 2015 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 (*):

(Thousands of euros)	2016	2015
Current accounts with jointly-controlled companies and associates	8,216	11,137
Other	1,164	1,039
	9,380	12,176

(*) 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:

(Thousands of euros)	2016	2015
Within one year	6,120	9,430
Between one and two years	815	686
Between two and three years	815	687
Between three and four years	815	686
Between four and five years	815	687
	9,380	12,176

The average interest rate of these assets in 2016 was 5.82% (8.75% at December 31, 2015).

Loans to third parties

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

(Thousands of euros)	2016	2015
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%	546	719
Receivable accounts from the industrial division	2,133	-
Deferred collection for the sale of a minority interest in an Italian company of the operational division	1,561	-
Deferred collection of the sale of a minority interest in a Spanish company engaged in the operation of a bingo hall.	-	285
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
Deferred collection for the sale of a minority interest in a Spanish company of the operational division	3,490	-
Current accounts with third parties for Group purposes, at a floating interest rate of Euribor plus 1% with a minimum of 2%	8,651	8,064
Other	11,692	16,774
	28,073	27,564

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

(Thousands of euros)	2016	2015
Between one and two years	11,580	15,714
Between two and three years	2,676	343
Between three and four years	3,637	369
Between four and five years	1,529	396
More than five years	-	2,678
Indefinite	8,651	8,064
	28,073	27,564

The balances with indefinite maturity relate to current accounts with third parties and accrue a floating interest rate (Euribor plus 1% with a minimum of 2%, whereas at 2015 year-end it was Euribor plus 3% with a minimum of 4%). The current accounts are recorded as non-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:

(Thousands of euros)	2016	2015
Trade receivables	53,203	43,778
Impairment losses	(38,021)	(32,477)
Other related parties	648	1,201
Receivables from Public administrations	28,600	32,536
Other receivables	137,631	126,767
	182,061	171,805

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)	2016	2015
Balance at January 1	33,613	35,438
Net charge for the year	5,232	2,264
Utilized	(4,406)	(4,089)
Additions of companies	4,667	-
Balance at December 31	39,106	33,613

The Group has established credit periods between 90 and 150 days, while the average collection period is approximately of 120 days at December 31, 2016 (120 days at December 31, 2015).

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	9.27%-10.41%
Spain	Industrial	10.37%
Spain	Interactive	9.27%-10.41%
Italy	Gaming	9.15%-11.35%
Peru	Gaming	9.31%-11.89%
Colombia	Gaming	14.29%
Mexico	Gaming	13.56%

Test results

Based on the tests performed, impairment adjustments on goodwill were recorded in 2016 for an amount of 9,013 thousand euros, mainly due to a significant reduction in the estimates of future cash flows for certain casinos in Lima (Peru) amounting to 6,563 thousand euros, as well as due to a lesser impact on the estimates of future cash flows in Cirsagest, S.p.a. for an amount of 2,450 thousand euros. In 2015 impairment adjustments on goodwill were recorded 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).

The breakdown of the recoverable amounts of the CGUs for which, during 2016 and 2015, an impairment loss on related goodwill has been recognized is as follows:

2016

(Thousands of euros)	Recoverable amount of the CGU	Impairment loss	
		On goodwill	On other assets
CGU			
Gaming & Services S.A.	-	6,563	6,825
Cirsagest, S.P.A.U	24,250	2,450	-
Impairment loss recognized		9,013	6,825

2015

(Thousands of euros)	Recoverable amount of the CGU	Impairment loss	
		On goodwill	On other assets
CGU			
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	-
Impairment loss recognized		12,500	8,200

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 6,825 thousand euros (fully corresponding to the casinos in Lima).

In 2015, as a result of the tests performed, impairment losses were recognized amounting to 8,200 thousand euros (fully corresponding to Spanish operators' assets).

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	
	2016	2015
Non-current assets	9,578	4,147
Current assets	174,862	175,416
Non-current liabilities	(25,441)	(1,379)
Current liabilities	(15,066)	(10,840)
Operating revenues	110,205	141,499
Expenses	(108,041)	(86,440)
Net profit for the year	2,164	55,059

Additionally, at December 31, 2016 the overall amount of assets, operating revenues and profit after tax of the jointly controlled companies amount to 174,160, 183,447 and 15,528 thousand euros, respectively (188,883, 248,458 and 16,003 thousand euros, respectively, at December 31, 2015).

12. INVENTORIES

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

(Thousands of euros)	2016	2015
Raw and auxiliary materials	3,648	2,650
Spare parts and other	6,478	6,041
Finished products	232	450
Work in progress	3,010	3,068
Prepayments to suppliers	1,951	2,032
	15,319	14,241

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)	2016	2015
Balance at January 1	1,141	871
Net charge for the year	472	465
Write-off	(449)	(195)
Balance at December 31	1,164	1,141

The write-off in 2016 and 2015 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)	2016	2015
Cash	13,722	13,205
Current accounts	154,846	96,955
Deposits under 3 months	5,489	4,760
	174,057	114,920

These assets are unrestricted and earn market interest rates.

14. EQUITY

14.1 Share capital

At December 31, 2016 and 2015 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:

	2016	2015
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%
	100.00%	100.00%

Part of the Company's shares (26.04% at December 31, 2016 and 2015) 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, 2016 and 2015, 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 reserves of the Parent Company, which are non-distributable.

Legal reserve

In accordance with the Spanish Corporate Enterprises Act, 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, 2016 and 2015 the Parent Company's legal reserve amounted to 4,915 thousand euros.

Additionally, the Group Spanish subsidiaries have provided the legal 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	
	2016	2015	2016	2015
Division				
Casinos	155,602	166,194	19,954	23,386
Slots	82,747	73,861	(1,974)	2,785
B2B	2,801	2,562	238	348
Bingos	9,804	4,235	2,056	922
	250,954	246,852	20,274	27,441

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

(Thousands of euros)	2016	2015
Balance at January 1	246,852	249,596
Share in profit for the year	20,274	27,441
Translation differences	(1,823)	(14,139)
Additions for acquisition / creation of companies, changes in consolidation methods or changes in the % of ownership in companies consolidated under the full consolidation method (Note 4.1)	16,722	8,493
Sale of companies	-	(609)
Dividends paid	(31,071)	(23,930)
Balance at December 31	250,954	246,852

15. BONDS

At December 31, 2014 this caption basically referred to the issue of bonds by a group company located in Luxembourg carried out in 2010 and subsequent extensions thereto amounting to a nominal of 900 million euros. These bonds were listed on the Luxembourg Stock Exchange, accruing an annual interest of 8.75% paid every six months, and maturing in 2018. Additionally, 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 mature in 2023, were partially used for early redemption of a portion of the bonds commented above for a par value of 450 million euros.

Notwithstanding the abovementioned, in April 2016, the same company domiciled in Luxembourg made an issue for an overall amount of 450 million euros below par, at a 99.456%. These bonds, which accrue an annual interest of 5.75% paid every six months and mature in 2021, were used for early redemption of the remaining bonds mentioned in the first paragraph above for a par value of 450 million euros.

Consequently, at December 31, 2016 the Group has issued bonds for a par value of 450 million euros maturing in 2021 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, 2016 the quoted price of the bonds recognized in the liabilities side of the balance sheet maturing in 2021 was 106.25% of their par value and 105.96% of their par value for the bonds maturing in 2023 (94.25% in 2015).

16. BANK BORROWINGS

The breakdown of bank borrowings at December 31, 2016 and 2015 is as follows:

(Thousands of euros)	2016			2015		
	Non-current	Current	Total	Non-current	Current	Total
Mortgage and pledge loans	14,716	7,817	22,533	23,725	2,282	26,007
Other loans	55,484	24,172	79,656	62,128	21,516	83,644
Financial lease agreements (Note 20.2)	4,175	4,839	9,014	4,508	6,594	11,102
Credit and discount lines	4,000	12,500	16,500	6,000	14,623	20,623
	78,375	49,328	127,703	96,361	45,015	141,376

Average interest rates accrued by these borrowings are as follows:

	%	
	2016	2015
Loans	3.90%	4.06%
Financial lease agreements	7.11%	6.06%
Credit and discount lines	2.66%	3.06%

The annual maturity date of these liabilities is as follows:

(Thousands of euros)	2016	2015
Within one year	49,328	45,015
Between one and two years	51,383	29,544
Between two and three years	13,240	44,881
Between three and four years	6,113	10,451
Between four and five years	3,179	3,983
More than five years	4,460	7,502
	127,703	141,376

At December 31, 2016 part of these liabilities, equal to 11,035 thousand euros is denominated in U.S. dollars (17,689 thousand euros at December 31, 2015).

At December 31, 2016, 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 (75 million euros at December 31, 2015). At December 31, 2016 and 2015 the Group has not drawn down any balance of this credit line.

At December 31, 2016 the undrawn amount of credit and discount lines is 18,086 and 1,721 thousand euros, respectively, without considering the credit line commented in the paragraph above. These figures amounted to 8,481 and 4,774 thousand euros, respectively, at 2015 year end.

Finally, at December 31, 2016 and 2015 the guarantees given by credit institutions and insurance companies to the Group, in connection with official gaming concessions and licenses were 121,451 and 107,607 thousand euros, respectively.

17. OTHER CREDITORS

The breakdown of this caption is as follows:

(Thousands of euros)	2016			2015		
	Non-current	Current	Total	Non-current	Current	Total
Public administrations	38,284	89,256	127,540	1,803	74,182	75,985
Bills payable	272	2,928	3,200	786	4,710	5,496
Sundry creditors	30,157	96,616	126,773	35,678	100,000	135,678
	68,713	188,800	257,513	38,267	178,892	217,159

At 2016 year end the non-current portion of liabilities with Public administrations referred mainly to the effect of the voluntary adherence to the payment standstill in relation to the tax on gross revenues in the Argentinian companies CBA and CBA-CIESA UTE (Note 23). The current portion corresponds to gaming taxes with a short-term maturity (2016: 39,036 thousand euros, 2015: 43,692 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 5,754 thousand euros (9,863 thousand euros at prior year end).
- Non-current payable amount related to certain investments in Panama. 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 December 31, 2016 the payable amount is classified as current, whereas at prior year end the non-current payable amount was 3,586 thousand US dollars (3,294 thousand euros).
- Several payables for ordinary transactions amounting to 12,674 thousand euros, with an undetermined maturity (11,774 thousand euros at prior year end).

The caption *Current sundry creditors* mainly includes:

- Asset suppliers amounting to 28,670 thousand euros (34,570 thousand euros at prior year end).
- Payables for the rendering of services amounting to 21,443 thousand euros (31,431 thousand euros at December 31, 2015).
- Current borrowings amounting to 4,048 thousand euros (4,255 thousand euros at prior year end), notably including the payable portion in 2016 for the investments in Panama mentioned above, amounting to 3,401 thousand euros (3,548 thousand euros at prior year end).
- Employee benefits payable amounting to 33,377 thousand euros (2015: 23,405 thousand euros) (Note 21.1).

18. PROVISIONS

The breakdown of this caption is as follows:

(Thousands of euros)	2016	2015
Obligations in relation to employees	9,172	16,015
Tax contingencies	10,111	9,611
Other	3,748	3,216
Balance at December 31	23,031	28,842

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, 2016 as "Tax contingencies" mainly relates to certain liabilities in Mexico and Panama amounting to 3,155 and 5,921 thousand euros, respectively (2015: 3,492 and 4,588 thousand euros, respectively).

At December 31, 2016 and 2015 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)	2016	2015
Balance at January 1	28,842	19,629
Net charge for the year	6,439	14,219
Provisions utilized	(5,353)	(5,702)
Reclassifications to short term	(6,897)	-
Additions due to sale of companies	-	696
Balance at December 31	23,031	28,842

19. TAXES

19.1 Tax Group

The Parent Company, together with 74 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 7 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)	2016	2015
Current	36,528	47,470
Deferred for (increase) decrease in tax loss carryforwards capitalized and tax credits	10,154	(9,523)
Deferred for temporary differences	7,470	5,463
Adjustment in the Mexican income tax for the prior year	295	1,249
Other	(2,191)	-
	52,256	44,659

The breakdown of current income tax payable is as follows:

(Thousands of euros)	2016	2015
Current income tax	36,528	47,470
Withholdings and payments on account	(22,881)	(18,815)
	13,647	28,655

19.3 Analysis of income tax expense

(Thousands of euros)	2016	2015
Profit before tax	75,794	56,378
Tax rate prevailing in Spain	25%	28%
Theoretical income tax expense	18,949	15,786
Adjustments – Effect of:		
Different tax rates prevailing in other countries	7,371	7,761
Changes in the general tax rate in Spain (Note 19.4)	12	508
Countries with no income taxation and/or compensation of tax losses	(850)	(1,398)
Impairment losses on assets and goodwill solely for consolidation purposes	3,960	3,500
Cancelled (recognized) prior years' deferred tax assets from the tax group whose parent is Cirsá Gaming Corporation, S.A.	8,973	(15,000)
Cancelled prior years' tax deferred tax assets from companies that file taxes separately (net of those that have been recognized)	(2,080)	1,818
Translation differences deductible / taxable for tax purposes	1,698	1,691
Revaluation of previous investments in business combinations	1,590	-
Adjustment in the Mexican income tax for the prior year	-	1,249
Limitation on the deductibility of financial expenses in Spanish companies that will not be recovered	6,876	9,261
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	5,757	8,902
	52,256	44,659

At December 31, 2016 and 2015 the effect of corrections in different tax rates mainly corresponds to the higher taxes applied in Argentina, Mexico and Colombia.

In the current year deferred tax assets arisen in prior years in the tax consolidated Group, of which Cirsá Gaming Corporation, S.A. is the parent, have been derecognized or accrued for for an amount below 9 million euros as a result of the approval of Royal Decree Law 3/2016, which has restricted, among others, the utilization of future taxable profit to 25%, thus mitigating all improvements and increases expected in the future cash flows of the tax consolidation group.

Deferred tax assets arisen in prior years recognized in companies filing separate taxes in 2016 (2,080 thousand euros) mainly relate to Spanish companies (in 2015 the derecognized assets amounting to 1,818 thousand euros related to Spanish and Italian companies).

The impact of assets impairment merely for consolidation purposes basically relates to the prevailing tax rate applicable to the impairment of goodwill and other assets in Spain amounting to 15.8 million euros (12.5 million euros at December 31, 2015).

At December 31, 2016 and 2015 non-deductible expenses mainly consist of financial investment impairment allowances carried out by subsidiaries in Latin American countries.

19.4 Deferred tax assets and liabilities

(Thousands of euros)	2016	2015
Assets		
Tax loss carryforwards from the tax group whose parent is Cirsa Gaming Corporation	29,210	37,761
Tax loss carryforwards from the tax group whose parent is Orlando Play, S.A.	884	659
Tax loss carryforwards from other group companies	15,960	16,212
Deductible temporary differences:		
--- Impaired receivables	818	649
--- Impaired securities portfolio	2	5
--- Goodwill impaired in individual books	980	1,062
--- Intragroup margin write-off	5,759	5,293
--- Non-accounting impairment for tax purposes	6,970	8,959
--- Non-deductible amortization for accounting purposes	1,967	3,955
--- Non-deductible financial expenses	-	2,123
--- Other	13,238	13,996
	75,788	90,674
Liabilities		
Taxable temporary differences:		
--- Provision for maximum gaming prizes	(8,878)	(8,596)
--- Difference between tax depreciation and accounting depreciation	(582)	(1,653)
--- Non-accounting impairment for tax purposes	(8,461)	(10,687)
--- Margin write-offs	(2,330)	(2,001)
--- Business combinations (Initial statement of non-current assets at fair value)	(105,721)	(118,537)
--- Other	(4,668)	(4,831)
	(130,640)	(146,305)

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, with the limitation described above. 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, 2016 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	155	-
1998	1	-
1999	997	-
2000	979	-
2001	11,104	-
2002	2,526	-
2003	10,237	-
2004	14,237	-
2005	35,557	-
2006	2,064	937
2007	17,566	396
2008	2,293	372
2009	10,201	1,319
2010	17,532	-
2011	41,037	-
2012	12,124	-
2013	3,328	-
2014	26,977	-
2015	125	1,787
2016	-	908
	209,040	5,719

Tax group whose parent is the Company

At December 31, 2016 and 2015 the said tax group recognized deferred tax assets amounting to 29,210 and 37,761 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, 2016 amount to 23,050 thousand euros; 15,891 thousand euros at December 31, 2015), 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 55,613 thousand euros at December 31, 2016 (2015: 55,939 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, 2016
2016	498
2017	2,259
2018	1,038
2019	3,521
2020	2,677
2021	6,593
2022	865
2023	961
2024	1,400
2025	1,225
2026	522
2027	1,780
2028	771
2029	255
2030	284
2031	268
2032	228
2033	188
No time limit for their utilization	30,280
	55,613

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 884 thousand euros (659 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 546 and 734 thousand euros, respectively (564 and 810 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, 2016 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)	2016	2015
Within one year	74,476	72,930
Between one and five years	320,928	314,265
More than 5 years	86,338	84,546
	481,742	471,741

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)	2016		2015	
	Minimum payments	Present value of payments (Note 16)	Minimum payments	Present value of payments (Note 16)
Within one year	6,048	4,839	8,241	6,594
Between one and five years	6,554	4,175	7,077	4,508
	12,602	9,014	15,318	11,102

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 5,449 thousand euros in 2016 and 3,137 thousand euros in 2015.

21. INCOME AND EXPENSES

21.1 Personnel

(Thousands of euros)	2016	2015
Wages and salaries	219,013	223,229
Social security	53,025	53,486
Indemnities	5,721	5,165
Other personnel expenses	13,251	14,033
	291,010	295,913

Remunerations pending payment at year end of 2016 and 2015 (33,377 and 23,405 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:

	2016			Average number of employees with a disability greater than 33% over total headcount in the year
	Men	Women	Total	
Executives	373	138	511	2
Technicians, production and sales staff	7,092	5,395	12,487	58
Administrative personnel	932	755	1,687	23
	8,397	6,288	14,685	83

	2015			Average number of employees with a disability greater than 33% over total headcount in the year
	Men	Women	Total	
Executives	357	115	472	-
Technicians, production and sales staff	6,655	5,402	12,057	-
Administrative personnel	963	728	1,691	-
	7,975	6,245	14,220	-

The headcount at December 31, 2016 and 2015 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)	2016	2015
Rent and royalties	83,397	79,925
Advertising, promotion and public relations	45,912	50,743
Professional services	22,937	25,659
Sundry services	19,053	19,876
Supplies	29,371	32,863
Travel expenses	12,801	12,098
Repair and maintenance	22,991	22,509
Security	9,227	9,941
Postal services, communications and telephone	10,507	11,450
Insurance premiums	5,747	5,910
Cleaning services	7,957	8,022
Bank services and similar	8,006	7,139
Transportation	3,069	3,020
Research and development expenses (Note 6.2)	103	80
	281,078	289,235

21.3 Exchange gains/(losses)

(Thousands of euros)	2016	2015
Gains	19,127	14,047
Losses	(20,656)	(17,812)
	(1,529)	(3,765)

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, 2016 by 6,793 thousand euros (2015: it decreased the shareholders' equity by 6,040 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)	2016	2015
Sale of slot machines	75	482
Revenues from the rendering of services	1,051	1,083
Operating expenses	(10,316)	(11,305)
Interest income	3,236	4,590
Interest expenses	(134)	-

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 1,108 and 1,034 thousand euros at December 31, 2016 and 2015, 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 Rio 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.

On June 2, 2016 Decree 743/16 was enacted, whereby the members designated by the LNSE are instructed to agree within 120 days on a work schedule, together with the members designated by the Gaming Institute of Buenos Aires, to enhance the competences assumed in this matter by the City of Buenos Aires. Consequently, and in accordance with said Decree, the authority responsible for awarding the concession, LNSE, required CBA-CIESA UTE to pay the tax on gross revenues derived from the gaming operation at a 12% rate and to adjust the non-expired periods, under written warning of terminating the concession.

Considering the new legal framework, on October 21, 2016, within the framework of Law N° 27.260 exceptional regulations, the Committee of CBA-CIESA UTE resolved to voluntarily adhere to a payment standstill for the periods 2007 to April 2016, owing an amount of 733,184 thousand Argentinian pesos and compensatory interest on the amount payable of 243,177 thousand Argentinian pesos.

Additionally, CBA Management resolved to voluntarily adhere to a payment standstill for the periods 1999 to 2007, owing an amount of 91,582 thousand Argentinian pesos and compensatory interest on the amount payable of 68,686 thousand Argentinian pesos.

At the date of adherence the amount payable and compensatory interest must be cancelled in 90 instalments at a monthly interest rate of 1.8%, after paying 15% as a principal advance.

At December 31, 2016, in accordance with the adherence to the payment standstill and the corresponding debt acknowledgment mentioned above, 2,023 and 30,943 thousand euros have been recorded as current and non-current liabilities in the "Other creditors" caption.

With the adherence to this payment standstill all prior obligations related to the tax on gross revenues are extinguished, and no future claims regarding those periods can be lodged by GCABA and LNSE.

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 2016 financial statements of the Group's companies rendered by the main auditors and other firms belonging to the auditor's international network amounted to 1,492 thousand euros in 2016 and 1,617 thousand euros in 2015.

In addition, fees and expenses paid during the year corresponding to other services rendered by the main auditors or other related entities amounted to 190 thousand euros in 2016 and 244 thousand euros in 2015.

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)	2016	2015
Directors		
Salaries	1,164	2,010
Senior executives		
Salaries	5,200	5,000
	6,364	7,010

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, 2016 debit balances in current accounts with the Parent Company's Directors were recorded for an amount of 1,786 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 Corporate Enterprises Act, the Directors have informed the Company that there are no situations representing a conflict for the Group.

During 2016 directors' liability insurance premiums for damages arising in the performance of the directors' duties have been paid for an amount of 136 thousand euros.

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 2016 and 2015 year end is as follows:

(Thousands of euros)	2016		2015	
	Fixed interest rate	Floating interest rate	Fixed interest rate	Floating interest rate
Bonds	940,044	-	935,520	-
Bank borrowings	-	127,702	-	141,376
Other creditors	-	71,064	-	25,654
	940,044	198,766	935,520	167,030

At December 31, 2016 financial liabilities at a fixed interest rate represented 83% of total liabilities (85% at 2015 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 1,988 thousand euros in 2016 and 1,670 thousand euros in 2015.

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 2016 and 2015 year end is as follows:

(Thousands of euros)	2016		2015	
	Fixed interest rate	Floating interest rate	Fixed interest rate	Floating interest rate
Nortia Business Corporation, S.L.	71,863	-	70,883	-
Loans to jointly-controlled companies and associates	8,216	1,164	11,137	1,039
Loans to third parties	7,730	20,343	2,726	24,838
Deposits and guarantees	50,458	-	49,461	-
Fixed-income securities and deposits	22,941	-	18,486	-
	161,208	21,507	152,693	25,877

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	
	2016	2015
+ 10%	(4,545)	(2,468)
+ 5%	(2,381)	(1,293)
- 5%	2,632	1,429
- 10%	5,556	3,016

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

Variation	Thousands of euros	
	2016	2015
+ 10%	(678)	(5,238)
+ 5%	(20)	(2,726)
- 5%	1,504	3,091
- 10%	2,393	6,484

These variations correspond basically to the impact on operating magnitudes, and not on financial figures, since approximately 94% of Group financial liabilities are paid in euros (97% at December 31, 2015).

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, 2016, the Group shows positive working capital (negative working capital in 2015). 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 174 million euros at December 31, 2016 (2015: 115 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 2016 and 2015, 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

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

	2016	2015
(Days)		
Average payment period to suppliers	23.3	26.8
Ratio of transactions paid	19.4	29.0
Ratio of transactions pending payment	3.9	12.4
(Thousands of euros)		
Total payments made	481,971	343,421
Total payments outstanding	49,523	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.

Cirsa Gaming Corporation group

Management Report

Year ended December 31, 2016

Despite the complex economic situation, and the depreciation of some currencies of the Latin American countries (Argentinian and Mexican 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 13,469 thousand euros (0.8%) during the twelve months of 2016.

EBITDA amounts to 398,269 thousand euros, compared to 380,009 thousand euros in the prior year, which represents a 4.8% increase (+18,260 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 2,378 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.

The undersigned, whose positions are indicated under their names, hereby CERTIFY on page number 8566187 the accuracy and integrity of the financial statements and management report for the year ended December 31, 2016 of CIRSA GAMING CORPORATION GROUP, which have been drawn up on 41 two-sided sheets of government-issued stamped paper class 8, M series, sequentially numbered from 8566146 to 8566186.

Terrassa, March 30, 2017

Manuel Lao Hernández
Chairman

Manuel Lao Gorina
Vice-chairman

M^a Ester Lao Gorina
Secretary

List of subsidiaries

Company	Activity	Percentage of ownership 2016	Percentage of ownership 2015	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
Alar, 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
Amical Trading, S.L.	Slots	76,76%	-	Global Game Machine Corporation, S.A.U. Cirsa International Gaming Corporation, S.A.U.	C/ Pili Marçall, 201	Terrassa	Barcelona
Ancon Entertainment, INC.	Casinos	50,00%	50,00%	S.A.U.	Calle 50 y 73 Este San Francisco	Panama City	Panama
Apple Games 2000, S.L.	Slots	49,50%	49,50%	Ecartronic, S.A. Comercial de Recreativos Salamanca, S.A.U.	Sequia de Favara, 11	Picanya	Valencia
Apuestas Electrónicas, S.L.U.	Slots	51,00%	51,00%	S.A.U.	C/ del Toro, 3	Plasencia	Caceréz
Automáticos Manchegos, S.L.U.	Slots	51,00%	51,00%	Interservi, S.A.	Ctra. Nacional 420 km 286	Juan	Ciudad Real
Automaticos Maxorata, S.A.	Slots	55,00%	-	Comercial Jupama, S.A.	c/ Suarez Naranjo, 45	Las Palmas	Gran Canaria
Automáticos Siglo XXI, S.L.U.	Slots	100,00%	100,00%	Juegomatic, S.A.U.	Martillo, 26	Sevilla	Sevilla
Bar Juegos, S.L.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U. y Madriena de Servicios para el Bingo, S.L.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Bena - Euromatic, S.A.	Slots	60,71%	-	Cirsa Slot Corporation, S.A.U. Global Bingo Corporation, S.A.U. y Global Bingo Madrid, S.A.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.	Cantú, 9 - 601, Colonia Nueva Anzures	México D.F.	México
Bincano, S.A.U.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U.	Elcano, 30-32	Billbao	Vizcaya
Binqames, S.A.U.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U.	C/ta. Castellar	Terrassa	Barcelona
Binqaser, A.I.E.	Bingos	100,00%	100,00%	Varios	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 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 Electrónicos 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
Bired Madrid, S.A.U.	Bingos	100,00%	100,00%	Sala Versalles, 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	Billbao	Vizcaya
Caballo 5, S.L.U.	Slots	100,00%	100,00%	Cirsa Slot Corporation, S.A.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Capitan Heva 7, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U. y Global Bingo Stars, S.A.U.	Captán Haya, 7	Madrid	Madrid
Casino Buenos Aires, S.A.	Casinos	-	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, Casino Buenos Aires, S.A.	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 Caciue, 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
Casino Nueva Andalucía Marbella, S.A.U.	Casinos	100,00%	100,00%	Global Casino Technology Corporation, Grupo Cirsa De Costa Rica, S.A.U.	Ctra. Cádiz-Málaga Km. 180	Marbella	Málaga
Casinos Pálaro Trueno, S.A.U.	Casinos	100,00%	100,00%	Grupo Cirsa De Costa Rica, S.A.U.	Oficentro Ejecutivo La Sabana, Torre 6, Piso 3	San José	Costa Rica
Centro de Apuestas, S.A.C.	Casinos	-	90,00%	Gaming And Services, S.A.C.	C/ Mercaderes, 303	Arequipa	Peru
Cirsat, S.R.L.	Slots	51,00%	51,00%	Cirsaget, S.P.A.U.	Via Toscana, 31	Buccinasco	Milan
Cirsaecuador, S.A.U.	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 Couture	Toulouse	France
Cirsa Caribe, C.A.	Casinos	70,00%	70,00%	Cirsa Venezuela, C.A.U.	Avda. 4 de Mayo, Centro Comercial Local 41	Portofmar	Venezuela
Cirsa Casino Corporation, S.L.U.	Casinos	-	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Cirsa Estrellas del Caribe, S.A.U.	Casinos	100,00%	100,00%	Grupo Cirsa De Costa Rica, S.A.U.	Oficentro Ejecutivo La Sabana, Torre 6, Piso 3	San José	Costa Rica
Cirsa Funding Luxembourg, S.A.U.	Structure	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Rue Charles Maréchal, 58	Luxembourg	Luxembourg
Cirsa Gran Entretenimiento De Costa Rica, S.A.U.	Casinos	100,00%	100,00%	Grupo Cirsa De Costa Rica, S.A.U.	Oficentro Ejecutivo La Sabana, Torre 6, Piso 3	San José	Costa Rica
Cirsa Insular, C.A.U.	Casinos	100,00%	100,00%	Cirsa Venezuela, C.A.U.	Estado de Nueva Esparta (Portofmar)	Isla Margarita	Venezuela
Cirsa Interactive Corporation, S.L.U.	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.p.A.U.	Slots	100,00%	100,00%	Cirsa International Gaming Corporation, Cirsa Italia Holding, S.p.A.U.	Centro Direzionale Milanofiori, Strada 2	Assago (Milan)	Italy
Cirsa Land, 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, Cirsa Panamá, S.A.U.	Via Domingo Diaz	Panama City	Panama

List of subsidiaries

Company	Activity	Percentage of ownership 2016	Percentage of ownership 2015	Investment holder	Business address	City	Province/Country
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.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, Portamar	Isla Margarita	Venezuela
Cirsaquest, S.P.A.	Slots	100.00%	100.00%	Cirsa Italia Holding, S.p.A.U.	Centro Direzionale Milanofiori, Strada 2	Assago	Italy
Club Privado De Fumadores Nuestro Espacio	Bingos	100.00%	100.00%	Cirsa de Madrid Reunidos, S.A.U.	C/ Bravo Murillo, 309	Madrid	Madrid
Comdibal 2000, S. L.	BZB	51.00%	51.00%	Universal de desarrollos Electronicos, S.A.	Pl. Els Bellets, c/ del Aire, 1	Terrassa	Barcelona
Comercial de Desarrollos Electronicos, S. A.U.	Slots	100.00%	100.00%	Global Game Machine Corporation, S.A.U.	Pl i Marquill, 201	Terrassa	Barcelona
Comercial de Recreativos Salamanca, S.A.U.	Slots	51.00%	51.00%	Cirsa Slot Corporation, S.A.U.	C/ Cuarta, 17 P.I. El Montavo	Sagrada	Salamanca
Comercial Júpama, S.A.	Slots	50.00%	-	Global Casino Technology Corporation, S.A.U.	c/ Suarez Naranjo, 45	Las Palmas	Gran Canaria
Complejo Hotelero Monte Picavo, S.A.U.	Casinos	100.00%	100.00%	Cirsa Slot Corporation, S.A.U.	Complejo Hotelero Monte Picavo	Saunto	Valencia
Cotecnic 2000, S.L.U.	Slots	100.00%	100.00%	Cirsa Slot Corporation, S.A.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Desarrollos Inmobiliarios Rocate 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
Egatronix, S.A.	Slots	51.00%	51.00%	Cirsa Slot Corporation, S.A.U.	C/ del Aire, 1 Pol. Ind. Els Bellets	Terrassa	Barcelona
Egatronix Servicios Centrales, A.I.E.	Slots	-	37.10%	Apple Games 2000, S.L.	C/ del Aire, 1 Pol. Ind. Els Bellets	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 Trullillanos, S.L.U.	Slots	100.00%	100.00%	Global Amusement Partners Corporation,	Fermina Sevillano, 5-7	Madrid	Madrid
Electronolo Frenze, S.R.L.U.	Slots	100.00%	100.00%	Cirsaquest, S.P.A.U.	Palazzo D4	Assago	Milan
Entidad Gestora del Bingo Siglo XXI, S.L.U.	BZB	100.00%	100.00%	Cirsa Interactive Corporation, S.L.U.	Sena, nº 2	Sant Cugat del	Barcelona
Ferroluegos, S.A.	Bingos	100.00%	100.00%	Global Bingo Corporation, S.A.U. y Global	Ferrocarril, 38	Valles	Barcelona
Flamingo Euromatic-100, S.L.U.	Slots	51.00%	51.00%	Orlando Play, S.A.	P. I. La Juada, C/Sierra Telar, 40	Viator	Madrid
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 Este	Panama City	Panama
Gaming & Services, S.A.C.	Casinos	100.00%	100.00%	Cirsa International Gaming Corporation, S.A.U.	Av. Grau, 1006	Lima	Peru
Garbimatic, S.L.U.	Slots	50.00%	50.00%	Alfematic, S.A.	Ctra. Rellinars, 345	Terrassa	Barcelona
Garrido Player, S.L.U.	Slots	100.00%	100.00%	Cirsa Slot Corporation, S.A.U.	Fermina Sevillano, 5-7	Madrid	Barcelona
Gema, S r l U	Bingos	100.00%	100.00%	Cirsa International Gaming Corporation,	Centro Direzionale Milanofiori, Strada 2, Pal D4	Assago (Milan)	Madrid
Genper, S. A. U.	Slots	100.00%	100.00%	Global Game Machine Corporation, S.A.U.	Pl 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	Sla. C. de Tenerife	Tenerife
Gestión del Juego Integral, S.A.U.	Casinos	100.00%	100.00%	Cirsa Interactive Corporation, S.L.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 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	Fermina Sevillano, 5-7	Madrid	Madrid
Global Game Machine Corporation, S.A.U.	Slots	100.00%	100.00%	Cirsa Slot Corporation, S.A.U.	Pl i Marquill, 201	Terrassa	Barcelona
Global Gaming Corporation Russia, S.L.U.	Slots	-	100.00%	Cirsa Slot Corporation, S.A.U.	Ctra. Castellar, 298	Terrassa	Barcelona
Global Gaming, S.A.U.	Casinos	100.00%	100.00%	Wimmer Group, S.A.	Calle 38 Norte, 6 N-35	Call	Colombia
Global Manufacturing Corporation, S.L.U.	BZB	100.00%	100.00%	Cirsa Gaming Corporation, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Goldenplay, S.L.U.	Slots	51.00%	51.00%	Orlando 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,	c/ Suarez Naranjo, 45	Las Palmas	Gran Canaria
Grasplai, S.A.U.	Bingos	100.00%	100.00%	Telma Enea, S.L.U.	Av. Generalitat, 6	Sla. Coloma	Barcelona
Grupo Cirsa De Costa Rica, S.A.U.	Casinos	100.00%	100.00%	Cirsa International Gaming Corporation,	Oficentro Ejecutivo La Sabana, Torre 6, Piso 3	Terrassa	Costa Rica
Hispania Investment, S.A.U.	Structure	-	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 Global	Ferrocarril, 38	Madrid	Madrid
Iber Matic Games, S.L.	Slots	51.00%	51.00%	Madriena de Servicios para el Bingo, S.L.L.U.	C/ Jaime Ferran, 2-4	Zaragoza	Zaragoza

List of subsidiaries

Company	Activity	Percentage of ownership 2016	Percentage of ownership 2015	Investment holder	Business address	City	Province/Country
Integración Inmobiliaria World de Mexico, S.A. De C.V.	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
International Bingo Technology, S.A.U.	Bingos	100.00%	100.00%	Global Bingo Corporation, S.A.U	Pi i Margall, 201	Terrassa	Barcelona
International Gaming Manufacturing, S.L.U.	B2B	100.00%	100.00%	Cirsa International Gaming Corporation, Egartronic, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Interplay, S.A.	Slots	51.00%	51.00%		C/ Francia, 26 y 27	Puerto Real	Cádiz
Interservi, 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 Internacional Gaming Corporation, Casino Buenos Aires, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Ivisa - Casino Buenos Aires, U.T.E.	B2B	100.00%	100.00%		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	Saunto	Valencia
Juegomatic, S.A.U.	Slots	100.00%	100.00%	Global Game Machine Corporation, S.A.U.	Av. Velázquez, 91	Málaga	Málaga
Juegos Del Oeste, S.L.U.	Slots	51.00%	51.00%	Apuestas Electrónicas, S.L.U.	C/ del Toros, 3	Plasencia	Cáceres
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 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 Cafetería 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	100.00%	90.00%	Gaming And Services, S.A.C.	C/ Jr. Loreto, 228	Tambopata	Peru
Les Loisirs Du Paradis, S.A.R.L.U.	Casinos	82.00%	82.00%	Resort Paradise AB	Hotel Atlantic Palace Secteur balneaire et touristique	Agadir	Morocco
Lightmoon International 21, S.L.	Slots	100.00%	100.00%	Cirsa Slot Corporation, S.L.U.	Ctra. Castellar, 298	Terrassa	Barcelona
Lista Azul, S.A.U.	Bingos	100.00%	100.00%	Bingames, S.A.U.	Gran Passeig de Ronda, 87	Leida	Leida
Losimaj, S.A.U.	Slots	100.00%	-	Cirsa Slot Corporation, S.A.U.	Av. De la Albufera, 129	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
Macroueques, S.A.	Bingos	51.00%	51.00%	International Bingo Technology, S.A.U.	Dionisio Guardiola, 34	Albacete	Albacete
Madriña 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
Maestic-507 Corp, S.A.	Casinos	50.00%	50.00%	Gaming & Services de Panamá, S.A.U.	Calle 50, Calle 73 Este	Panama City	Panama
Maquillero, S.L.U.	Slots	100.00%	100.00%	Cirsa Slot Corporation, S.A.U.	Fermín Sevillano, 5-7	Madrid	Madrid
Marchamatic Indalo, S.L.U.	Slots	51.00%	51.00%	Orlando Play, S.A.	C/Sierra Telar, 40	Viator	Almería
Monri, S.A.U.	Slots	51.00%	51.00%	Iber Matic Games, S.L.	C/ del Aire, 1 Pol. Ind. Els Bellots	Terrassa	Barcelona
New Laomar, S.L.U.	Slots	51.00%	51.00%	Orlando Play, S.A.	c/Sierra Telar, 40	Viator	Almería
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%	51.00%	Cirsa Slot Corporation, S.A.U.	C/ dels Llauradors, 45	Sant Antoni de Portmany	Balearic Islands
Operación Banshai, S.A.U.	Casinos	100.00%	100.00%	Grupo Cirsa De Costa Rica, S.A.U.	Oficentro Ejecutivo La Sabana, Torre 6, Piso 3	San José	Costa Rica
Operadora Internacional de Recreativos, S.A.	Slots	51.00%	51.00%	Cirsa Slot Corporation, S.L.U.	c/ Cervantes, 14 1	Gijón	Asturias
Oporto Juegos, S.A.U.	Bingos	-	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, Orlando Play, S.A.	Swiss Tower, 16th floor, World Trade Center	Panama City	Panama
Orlando Italia, S.r.l.	Slots	51.00%	51.00%	Orlando Play, S.A.	Milano Fiori, Strada 2, Palazzo D4	Assago	Italy
Orlando Play, S.A.	Slots	51.00%	51.00%	Grupo Cirsa De Costa Rica, S.A.U.	Sierra Telar, 40 P.I. La Juajida	Viator	Almería
Patterson Lake Business Services, S.A.U.	Casinos	100.00%	100.00%	Bingames, S.A.U.	Oficentro Ejecutivo La Sabana, Torre 6, Piso 3	San José	Costa Rica
Playcat, S.A.U.	Bingos	100.00%	100.00%	Cirsa International Gaming Corporation, S.A.U.	Cádiz, 1	Terrassa	Barcelona
Pol Management Corporation, B.V. U.	Slots	100.00%	100.00%	Global Bingo Corporation, S.A.U. y Bingos de Madrid Reunidos, S.A.U.	Emancipatie Boulevard 29 New Haven e-Zone Princesa, 31	Curacao	The Netherlands
Princesa 31, S.A.	Bingos	100.00%	100.00%			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.	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
Recreativos Arranz, S.L.U.	Slots	100.00%	100.00%	Cirsa Slot Corporation, S.L.U.	Fermín Sevillano, 5-7	Madrid	Madrid
Recreativos Hatuey, S.A.	Slots	100.00%	-	Berna - Euromatic, S.A.	Fermín Sevillano, 5-7	Madrid	Madrid
Recreativos Manchegos, S.L.U.	Slots	51.00%	51.00%	Interservi, S.A.	Ctra. Nacional 420, Km 286	Juan	Ciudad Real

List of subsidiaries

Company	Activity	Percentage of ownership		Investment holder	Business address	City	Province/Country
		2016	2015				
Recreativos Martos, S.L.U.	Slots	100,00%	100,00%	Global Game Machine Corporation, S.A.U.	Ctra. De Castellar, 298	Terrassa	Barcelona
Recreativos Ocomar Levante, S.L.U.	Slots	51,00%	51,00%	Orlando Play, S.A.	Ctra. De Castellar, 298	Terrassa	Barcelona
Recreativos Panaemi, S.L.U.	Slots	51,00%	51,00%	Orlando Play, S.A.	c/ German Bernacer, 22 P.I. Eliche	Murcia	Barcelona
Recreativos Rodas, S.A.U.	Slots	100,00%	100,00%	Genper, S.A.U.	German Bernacer, 22 P.I. Eliche Parque Ind.	Eliche	Murcia
Red de Bingos Andaluces, A.I.E.	Bingos	54,00%	54,00%	Varios	Martillo, 26	Sevilla	Alicante
Red de Interconexión de Andalucía, S.L.U.	B2B	100,00%	100,00%	Cirsa Interactive Corporation, S.L.U.	Martillo, 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
Resort Paradise AB	Casinos	82,00%	82,00%	Cirsa International Gaming Corporation, S.A.U.	Box, 1432	Stockholm	Sweden
Romgar, S.L.	Bingos	100,00%	100,00%	Teima Enea, S.L.U.	Cayetano del Toro, 23	Cádiz	Cádiz
S.A. Explotadora de Recreativos	Slots	61,40%	61,40%	Cirsa Slot Corporation, S.A.U.	C/ del Aire, 1 Pol. Ind. Els Bellots	Terrassa	Barcelona
Sadelu, S.L.U.	Bingos	65,00%	65,00%	Teima Enea, S.L.U.	c/ Carota Alexandre, 106	Torremolinos	Málaga
Sala Valencia, S.A.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U.	Cuenca, 20	Valencia	Valencia
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
Salón de Juegos Portal, S.A.U.	Casinos	100,00%	90,00%	Gaming And Services, S.A.C.	C/ Mercaderes, 303	Arequipa	Peru
Saturno 5 Conexión, S.L.U.	Slots	100,00%	-	Cirsa Slot Corporation, S.A.U.	Fermina Sevillano, 5-7	Madrid	Madrid
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%	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 Grand Victoria Dominicana, SRL	Casinos	100,00%	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 v 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 Malecón)	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 (Porlamar)	Isla Margarita	Venezuela
Servicios Especializados Del Juego, S.A. De C.V.	Bingos	100,00%	100,00%	Bincamex, S.A. de C.V.	Bosque de Duraznos, 61 3B	Mexico City	Mexico
Servicios Integrales del Juego, A.I.E	Structure	100,00%	100,00%	Varios	Ctra. Castellar, 298	Terrassa	Barcelona
Servicios y Distribución de Recreativos, S.A.U.	Slots	100,00%	-	Global Game Machine Corporation, S.A.U.	Ctra. Castellar, 298	Terrassa	Barcelona
Servi-Joc, S.A.	Slots	51,00%	-	Cirsa Slot Corporation, S.A.U.	Ctra. Reilinars, 345	Terrassa	Barcelona
Slot Games Online, S.L.	Slots	-	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	Barcelona
Sobreaquas, S.A.	Casinos	100,00%	100,00%	Casino Buenos Aires, S.A.	Av. Alicia Moreau de Justo, 1960, 1º ofic 102	Buenos Aires	Argentina
Sodemar, S.L.U.	Bingos	100,00%	100,00%	Teima Enea, S.L.U.	Sacramento, 16 duplicado	Cádiz	Cádiz
Stemal Bay Venezuela, C.A.U	B2B	100,00%	100,00%	Cirsa Interactive Corporation, S.L.U.	Avda. Fco. de Miranda	Caracas	Venezuela
Technoc, S.L.U.	Slots	51,00%	51,00%	Egatron, S.A.	Gremio de Jaboneros, 3B Pol.I. Son Castello	Palma de Mallorca	Mallorca
Technoappel, S.L.	Slots	51,00%	51,00%	Cirsa Slot Corporation, S.A.U.	Pol Ind Campolano, calle B1	Albacete	Albacete
Tefie, S.A.U.	Bingos	100,00%	100,00%	International Bingo Technology, S.A.U	Tenor Fieta, 57	Zaragoza	Zaragoza
Teima 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 delleplane, s/n	Buenos Aires	Argentina
Trea Rios Hotel la Carpiñera, S.A.U.	Casinos	100,00%	100,00%	Grupo Cirsa De Costa Rica, S.A.U.	Oficento Ejecutivo La Sabana, Torre 6, Piso 3	San José	Costa Rica
Uniplay, S.A.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
Universai de Desarrollos Electrónicos, S. A. De C.V.	B2B	100,00%	-	Cirsa International Gaming Corporation, S.A.U.	Guillermo Gonzalez Camanera, 660 Piso 9 Of. 5	Mexico City	Mexico
Urban Leisure, S.L.	Slots	75,00%	75,00%	Global Amusement Partners Corporation,	Ctra. Reilinars, 345	Terrassa	Barcelona
Verneda 90, S.A.U	Bingos	100,00%	100,00%	International Bingo Technology, S.A.U	Gulpuzcoa, 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	Boqotá 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 2016	Percentage of ownership 2015	Investment holder	Business address	City	Province/Country
CBA-CIESA, UTE	Casinos	50,00%	50,00%	Casino Buenos Aires, S.A.	Avda. Rawson de Delleplane, s/n	Buenos Aires	Argentina
Magic Star, S.A. - Casino Buenos Aires, S.A. UTE	Casinos	50,00%	50,00%	Casino Buenos Aires S.A.	C/ Elvira Rawson de Delleplane, s/n	Buenos Aires	Argentina

List of associates

Company	Activity	Percentage of ownership 2016	Percentage of ownership 2015	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%	Royal Games, S.R.L.	Dársena Sur	Milán	Italy
AOG, S.r.l.	Bingos	50,00%	50,00%	Cirsa International Gaming Corporation, S.A.U. y Gema S.r.l. U.	Comune di Milano Via Galeo 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
Automaticos Quintana, S.L.	Slots	50,00%	-	Comercial Jupama, S.A.	C/ Parque de la libertad, 30	Santa Lucía de Tiratana	Gran Canaria
Audiovisual Finanzas, S.G.R.	Structure	35,23%	35,23%	Varios	C/ Luis Buñuel, 2 2ª	Madrid	Madrid
Binbaires, S.A.	Casinos	33,33%	33,33%	Cirsa International Gaming Corporation,	Pinamar	Pinamar	Argentina
Binelec, S.L.	B2B	50,00%	50,00%	Universal 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
Binsavo, S.A.	Casinos	50,00%	50,00%	Global Bingo Corporation, S.A.U.	Ruiz Morote, 5	Juan	Ciudad Real
Casino de Asturias, S.A.	Casinos	40,00%	40,00%	Global Casino Technology Corporation, S.A.U.	Nava, 8	Gijón	Asturias
Casino la Toja, S.A.	Casinos	50,00%	50,00%	Global Casino Technology Corporation,	Isla de La Toja	El Grove	Pontevedra
Cirsa Digital, S.A.U.	Slots	50,00%	50,00%	Sportium Apuestas Deportivas, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Cludeen, S.L.	B2B	50,00%	50,00%	Universal de Desarrollos Electrónicos, S.A.	C/ Enrique Mariñas, 36 planta 5 local 1B	A Coruña	A Coruña
Compañía Europea de Salones Recreativos, S.L.	B2B	20,00%	20,00%	Universal 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	Panamá City	Panamá
Digital Gaming México, S.A.P.I.	Slots	65,00%	65,00%	Sportium Apuestas Deportivas, S.A.	Boulevard Luis Donald Colosio, SA-1	Hidalgo	Mexico
Emilucasa, S.A.	Casinos	50,00%	50,00%	Cirsa International Gaming Corporation,	Bacacay, 2789 piso 5-20	Buenos Aires	Argentina
Giochigenova, S.R.L.	Slots	50,00%	50,00%	CirsaGest, S.P.A.	Via Col Dino, 6	Genova	Italy
Gironina de Bingos, S.L.	Bingos	20,60%	20,60%	International Bingo Technology, S.A.U.	Via Laietana, 51	Barcelona	Barcelona
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
Metrosevi Andalucía de Salones, S.L.	Bingos	25,00%	25,00%	Global Bingo Corporation, S.A.U.	C/ Rastrofilo, 4	Sevilla	Sevilla
Montecario Andalucía, S.L.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U.	Av. Cruz del Campo, 49	Sevilla	Sevilla
Opa Services, S.r.l.	Bingos	30,00%	30,00%	A.O.G., S.r.l.	Toricella, 11	Rome	Italy
Ovidio Collado, S.L.U.	Slots	-	50,00%	Recreativos Pozuelo, S.L.	C/ Costanilla del Olivar, 2	Alarcón	Madrid
Polispace, S.L.U.	B2B	50,00%	50,00%	Binelec, S.L.	Atenas, 45	Alarcón	Madrid
Recreativos Pozuelo, S.L.	Slots	-	50,00%	Global Amusement Partners Corporation,	C/ Costanilla del Olivar, 2	Málaga	Málaga
Recreativos Trece, S.L.	Slots	50,00%	50,00%	Global Amusement Partners Corporation,	Ctra. Rellinars, 345	Alarcón	Madrid
Red de Juegos y Apuestas de Madrid, S.A.	Bingos	40,00%	40,00%	Varios	C/Evaristo San Miguel, 2	Terrassa	Barcelona
Royalbet, S.R.L.	Slots	-	47,50%	Royal Games, S.R.L.	Via Rismondo, 4	Madrid	Madrid
Royal Games, S.R.L.	Slots	-	50,00%	CirsaGest, S.P.A.	Via F. Rismondo, nº 4	Pavia	Italy
Serdisga 2000, S. L.	B2B	50,00%	50,00%	Universal de Desarrollos Electrónicos, S.A.	Av. Finisterre, 283	Pavia	Italy
Silver Cup Gaming, Inc.	Casinos	50,00%	50,00%	Cirsa Panamá, S.A.U.	Este	La Coruña	La Coruña
Sportium Apostes Catalunya, S.A.U.	Slots	50,00%	50,00%	Sportium Apuestas Deportivas, S.A.	C/ Sena, 2	Sant Cugat Del	Panamá
Sportium Apuestas Aragón, S.L.U.	Slots	50,00%	50,00%	Sportium Apuestas Deportivas, S.A.	C/ Jaime Ferrán, 5	Valles	Barcelona
Sportium Apuestas Asturias, S.A.U.	Slots	50,00%	50,00%	Sportium Apuestas Deportivas, S.A.	C/ B. Parcela 45B pol. Ind Asipo	Zaragoza	Zaragoza
Sportium Apuestas Baleares, S.L.U.	Slots	50,00%	-	Sportium Apuestas Deportivas, S.A.	La Rambla 13 1	Caves - Llanera	Asturias
Sportium Apuestas Canarias, S.L.U.	Slots	50,00%	50,00%	Sportium Apuestas Deportivas, S.A.	C/ Garcia Morato, 1	Mallorca	Mallorca
Sportium Apuestas Castilla La Mancha, S.L.U.	Slots	50,00%	50,00%	Sportium Apuestas Deportivas, S.A.	C/ Santa Maria, 10-12	Teide	Gran Canaria
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 Toja	Pontevedra
Sportium Apuestas Levante, S.A.U.	Slots	50,00%	50,00%	Sportium Apuestas Deportivas, S.A.	c/ Ronda Guglielmo Marconi, 11	Paterna	Valencia
Sportium Apuestas Melilla, S.L.U.	Slots	50,00%	50,00%	Sportium Apuestas Deportivas, S.A.	Avda. Candido Lobera, 5 Atico 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

List of associates

Company	Activity	Percentage of ownership 2016	Percentage of ownership 2015	Investment holder	Business address	City	Province/Country
Sportium Apuestas Panama, S.A.	Slots	60,00%	60,00%	Sportium Apuestas Deportivas, S.A.	Corregimiento de San Francisco, calle 50 y 73 Este	Panama City	Panama
Sportium Zona Norte, S.A.U.	Slots	50,00%	50,00%	Sportium Apuestas Deportivas, S.A.	C/ Las Balsas, 20 nave 49	Logroño	Logroño
Telebin, S.A.U	Binacos	-	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 Croset, s/n	(Cascina)	Italy



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.

Ernst & Young, S.L.

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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

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 statement of changes in equity for the years ended December 31, 2015 and 2014
- Consolidated statement of cash flows for the years ended December 31, 2015 and 2014
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Consolidated Management Report

Appendix Consolidation perimeter at December 31, 2015 and 2014

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

ASSETS

(Thousands of euros)	Notes	2015	2014
Non-current assets		1,299,607	1,376,238
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
Current assets		380,102	338,292
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
Total assets		1,679,709	1,714,530

EQUITY AND LIABILITIES

(Thousands of euros)	Notes	2015	2014
Equity		43,985	119,617
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
Non-current liabilities		1,239,989	1,224,116
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
Current liabilities		395,735	370,797
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
Total equity and liabilities		1,679,709	1,714,530

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)
Total operating revenues		1,853,253	1,591,523
Variable rent		(253,902)	(238,088)
Net operating revenues from variable rent	3.1	1,599,351	1,353,435
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
Profit before income tax		56,378	108,508
Income tax	19.2	(44,659)	(32,035)
Net profit (loss) from continuing activities		11,719	76,473
Translation differences		(70,688)	(46,983)
Tax effect		-	-
Other comprehensive profit/(loss) that will be reclassified to profit/(loss) in subsequent years		(70,688)	(46,983)
Other comprehensive profit/(loss) that will not be reclassified to profit/(loss) in subsequent years		-	-
Total comprehensive profit/(loss) for the year		(58,969)	29,490
Net profit (loss) attributable to:			
<i>Equity holders of the parent</i>		(15,722)	55,927
<i>Non-controlling interests</i>	14.4	27,441	20,546
		11,719	76,473
Total comprehensive income /(loss) attributable to:			
<i>Equity holders of the parent</i>		(72,271)	13,209
<i>Non-controlling interests</i>	14.4	13,302	16,281
		(58,969)	29,490

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
At December 31, 2013	24,577	9,500	(184)	30,187	(181,831)	86,108	(31,643)
Net profit (loss) for the year 2014	-	-	-	55,927	-	20,546	76,473
Other comprehensive income (loss)	-	-	-	-	(42,718)	(4,265)	(46,983)
Total comprehensive income (loss) for the year 2014	-	-	-	55,927	(42,718)	16,281	29,490
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)
At December 31, 2014	24,577	9,500	(184)	47,249	(211,121)	249,596	119,617
Net profit (loss) for the year 2015	-	-	-	(15,722)	-	27,441	11,719
Other comprehensive income (loss)	-	-	-	-	(56,549)	(14,139)	(70,688)
Total comprehensive income (loss) for the year 2015	-	-	-	(15,722)	(56,549)	13,302	(58,969)
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)
At December 31, 2015	24,577	9,500	(184)	30,910	(267,670)	246,852	43,985

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

(Thousands of euros)	Notes	2015	2014
Cash-flows from operating activities			
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)
Net cash-flows from operating activities		353,235	253,399
Cash-flows from (used in) investing activities			
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
Net cash-flows used in investing activities		(177,644)	(191,075)
Cash-flows from (used in) financing activities			
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)
Net cash-flows used in financing activities		(138,260)	(38,919)
Net variation in cash and cash equivalents		37,331	23,405
Cash and cash equivalents from business combinations		-	11,565
Net foreign exchange difference on cash balances		(796)	(2,501)
Cash and cash equivalents at January 1		78,385	45,916
Cash and cash equivalents at December 31	13	114,920	78,385

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
			116,925	29,661

(*) 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 Banshai, S.A. Desarrollos Inmobiliarios Rocare del Norte, S.A. and Tres Ríos 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	-
			3,418	984

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., Metronía 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., Metronía 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.	-	-
	-	(1,730)

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	-
	2,336	-

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)
	(609)	(617)

- 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	-
			98,503	51,515

(*) 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	-
			2,512	-

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	-
	2,915	(1,009)

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	-
	10,888	12,056

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 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)
	96,616

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)
	(440)	(38,865)

(*) 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
Assets by segment						
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
Total assets	363,732	188,277	751,317	103,100	273,283	1,679,709
Liabilities by segment						
Liabilities assigned	(432,276)	(104,220)	(578,182)	(154,577)	(220,164)	(1,489,419)
Liabilities not assigned	-	-	-	-	(146,305)	(146,305)
Total liabilities	(432,276)	(104,220)	(578,182)	(154,577)	(366,469)	(1,635,724)
Net operating revenue from variable rent						
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)	-
Total net operating revenue from variable rent	596,371	98,953	771,378	194,009	(61,360)	1,599,351
Profit for the year						
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
Non-monetary expenses						
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)
Other significant expenses						
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)
Other information by segments						
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
Assets by segment						
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
Total assets	416,048	123,940	809,088	115,437	250,017	1,714,530
Liabilities by segment						
Liabilities assigned	(426,755)	(61,546)	(553,559)	(153,529)	(235,251)	(1,430,640)
Liabilities not assigned	-	-	-	-	(164,273)	(164,273)
Total liabilities	(426,755)	(61,546)	(553,559)	(153,529)	(399,524)	(1,594,913)
Net operating revenue from variable rent						
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)	-
Total net operating revenue from variable rent	544,794	84,077	624,557	163,618	(63,611)	1,353,435
Profit for the year						
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
Non-monetary expenses						
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)
Other significant expenses						
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)
Other information by segments						
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)	-
	1,599,351	-	1,599,351	1,679,709	123,196

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)	-
	1,353,435	-	1,353,435	1,714,530	123,610

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 Cirsá Costa Rica Resort Paradise, A.B and subsidiary	February 2015	24,951	24,951	-	-	-
	December 2015	30,294	35,747	5,453	-	-
		64,712	73,205	8,493	-	-

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)
	73,205	27,077

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	-
		47,381	366,590	170,934	157,739	3,019

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)
	366,590	88,006

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
	112,763	131,896

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
Balance at December 31	112,763	131,896

6. OTHER INTANGIBLE ASSETS

6.1 Movements

2015

(Thousands of euros)	January 1, 2014	Additions	Disposals	Transfers	Translation differences and other	December 31, 2014
COST						
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
	678,318	100,356	(20,656)	469	(17,193)	741,294
AMORTIZATION						
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)
	(265,351)	(68,321)	15,828	-	(470)	(318,314)
Impairment loss	(6,640)	(9,249)	1,526	-	-	(14,363)
Net carrying amount	406,327	22,786	(3,302)	469	(17,663)	408,617

2014

(Thousands of euros)	January 1, 2014	Additions	Disposals	Transfers	Translation differences and other	December 31, 2014
COST						
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
	380,840	320,225	(24,576)	-	1,829	678,318
AMORTIZATION						
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)
	(199,227)	(71,778)	8,156	-	(2,502)	(265,351)
Impairment loss	(3,354)	(3,464)	-	-	178	(6,640)
Net carrying amount	178,259	244,983	(16,420)	-	(495)	406,327

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
Cost						
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
	1,313,129	170,595	(64,982)	(469)	(105,105)	1,313,168
Depreciation						
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)
	(732,567)	(153,253)	52,943	-	25,392	(807,485)
Impairment losses	(2,514)	(2,733)	1,142	-	7	(4,098)
Net carrying amount	578,048	14,609	(10,897)	(469)	(79,706)	501,585

2014

(Thousands of euros)	January 1, 2014	Additions	Disposals	Transfers	Translation differences and other	December 31, 2014
Cost						
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
	881,514	495,337	(51,029)	-	(12,693)	1,313,129
Depreciation						
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)
	(575,241)	(195,098)	37,685	-	87	(732,567)
Impairment losses	(2,996)	(1,284)	1,766	-	-	(2,514)
Net carrying amount	303,277	298,955	(11,578)	-	(12,606)	578,048

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)
	75,717				

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)
	69,924				

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)
Balance at December 31	75,717	69,924

"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)
	110,251	242,386	352,637	104,635	237,005	341,640

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:

(Thousands of euros)	2015	2014
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
	70,883	68,559

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 (*):

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

(*) 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:

(Thousands of euros)	2015	2014
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
	12,176	6,600

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:

(Thousands of euros)	2015	2014
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
	27,564	25,624

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

(Thousands of euros)	2015	2014
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
	27,564	25,624

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:

(Thousands of euros)	2015	2014
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
	171,805	178,285

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
Balance at December 31	33,613	35,438

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	-
Impairment loss recognized		12,500	8,200

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	-
Impairment loss recognized		12,675	-

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
	14,241	12,939

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)
Balance at December 31	1,141	871

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
	114,920	78,385

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%
	100.00%	100.00%

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
	246,852	249,596	27,441	20,546

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)
Balance at December 31	246,852	249,596

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
	96,361	45,015	141,376	109,394	49,250	158,644

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
	141,376	158,644

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
	38,267	178,892	217,159	39,612	154,315	193,927

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
Balance at December 31	28,842	19,629

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
Balance at December 31	28,842	19,629

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
	44,659	32,035

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)
	28,655	26,148

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
	44,659	32,035

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
Assets		
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
	90,674	85,408
Liabilities		
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)
	(146,305)	(164,273)

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
	214,607	4,894

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)	
Last year for utilization	Unused deductions at December 31, 2015
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
	55,939

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
	471,741	419,380

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
	15,318	11,102	22,162	15,856

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
	295,913	246,042

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
	7,975	6,245	14,220	7,460	5,882	13,342

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
	289,235	253,019

21.3 Exchange gains/(losses)

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

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
	7,010	6,617

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
	935,520	167,030	897,242	187,413

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	-
	152,693	25,877	134,281	23,108

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:

	2015
(Days)	
Average payment period to suppliers	26.8
Ratio of transactions paid	29.0
Ratio of transactions pending payment	12.4
(Euros)	
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 Entrenamiento, 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
Altematic, 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	Picanva	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%	51,00%	Intersevi, S.A.	C/Sierra Telar, 40	Viator	Almería
Automáticos Mancheqos, S.L.	Slots	100,00%	100,00%	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 Madriñe de Servicios para el Bingo, S.L.U.	Martillo, 26	Sevilla	Sevilla
Bar Juegos, S.L.	Bingos	100,00%	100,00%	Madriñe de Servicios para el Bingo, S.L.U. y Madriñe 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 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	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 Malagueños, 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%	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.	Elcano, 30-32	Bilbao	Vizcaya
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 Dellepiane, s/n	Buenos Aires D.F.	Argentina
Casino Cirsa Valencia, S.A.U.	Casinos	100,00%	100,00%	Global Casino Technology Corporation, Casino Buenos Aires, S.A.	Avda. de las Cortes Valencianas, 59	Valencia	Valencia
Casino de Rosario, S.A.	Casinos	50,00%	50,00%	Grupo Cirsa De Costa Rica, S.A.U.	C/ Córdoba, 1365, Piso 5 of. 508	Santa Fé-Rosario	Argentina
Casino El Cacique, S.A.U.	Casinos	100,00%	-	Global Casino Technology Corporation, 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, Grupo Cirsa De Costa Rica, S.A.U.	Ctra. Cádiz-Málaga Km. 180	Marbella	Málaga
Casinos Pájaro Trueno, S.A.U.	Casinos	100,00%	-	Gaming And Services, S.A.C.	C/ 66-A, Sabana Norte, Apartado 249-1007	San José	Costa Rica
Centro de Apuestas, S.A.C.	Casinos	90,00%	90,00%	Cirsaest, S.P.A.U.	C/ Mercaderes, 303	Arequipa	Peru
Cirsa+, S.R.L.	Slots	51,00%	51,00%	Cirsa International Gaming Corporation, S.A.U.	Via Toscana, 31	Buccinasco	Milan
Cirsaecuador, S.A.	Casinos	100,00%	100,00%	Cirsa Slot Corporation, S.L.U.	Inglaterra E3263 y Ava. Amazonas	Quito	Ecuador
Cirsa Amusement France, S.A.U.	Slots	100,00%	100,00%	Cirsa Venezuela, C.A.U.	10 Impasse Leonce Coultre	Toulouse	Francia
Cirsa Caribe, C.A.	Casinos	70,00%	70,00%	Cirsa Gaming Corporation, S.A.	Avda. 4 de Mayo, Centro Comercial Local 41	Porlamar	Venezuela
Cirsa Casino Corporation, S.L.U.	Casinos	100,00%	100,00%	Grupo Cirsa De Costa Rica, S.A.U.	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 Entrenamiento De Costa Rica.	Casinos	100,00%	100,00%	Cirsa Venezuela, C.A.U.	Rue Charles Martel, 58	San José	Costa Rica
Cirsa Insular, C.A.U.	Casinos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Estado de Nueva Esparta (Porlamar)	San José	Costa Rica
Cirsa Interactive Corporation, S.L.U.	Casinos	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 International Gaming Corporation, Cirsa Italia Holding, S.p.A.U.	Ctra. Castellar, 298	Terrassa	Barcelona
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, Cirsa Gaming Corporation, S.A.	Centro Direzionale Milanofiori, Strada 2	Assago (Milan)	Italy
Cirsa Servicios Corporativos, S.L.U.	Structure	100,00%	100,00%	Cirsa International Gaming Corporation, Cirsa Gaming Corporation, S.A.	Via Domingo Diaz	Panama City	Panama
Cirsa Slot Corporation, S.A.U.	Slots	100,00%	100,00%	Cirsa International Gaming Corporation, 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.	Ctra. de Castellar, 298	Terrassa	Barcelona
	Casinos	100,00%	100,00%		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 Milanofiori, 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
Comidab 2000, S. L.	B2B	51,00%	51,00%	Global Manufacturing Corporation, S.L.U.	Pl. 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. Technoappell, S.L.	Pi i 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 Montalvo	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
Egarrtronic, S.A.	Slots	51,00%	51,00%	Cirsa Slot Corporation, S.A.U.	C/ del Aire, 1 Pol. Ind. Els Bellots	Terrassa	Barcelona
Egarrtronic 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 Trullitanos, S.L.U.	Slots	100,00%	100,00%	Global Amusement Partners Corporation, S.A.U.	Palazzo D4	Assago	Milan
Electronolo Firenze, S.R.L.U.	Slots	100,00%	100,00%	Cirsaest, S.P.A.U.	Palazzo D4	Assago	Milan
Enidad 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
Ferroteques, 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 Tebar, 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.	Av. Grau, 1006	Terrassa	Barcelona
Garrido Player, S.L.U.	Slots	100,00%	-	Cirsa Slot Corporation, S.A.U.	Ctra. Rellinars, 345	Terrassa	Madrid
Gema, S.r.l.U.	Bingos	100,00%	100,00%	Cirsa Slot Corporation, S.A.U.	Fermina Sevillano, 5-7	Assago (Milan)	Italy
Genper, S.A.U.	Slots	100,00%	100,00%	Cirsa International Gaming Corporation, S.A.U.	D4	Terrassa	Barcelona
Gestión de Bingos Gobyán, S.A.U.	Bingos	100,00%	100,00%	Global Game Machine Corporation, S.A.U.	Pi i Margall, 201	Terrassa	Barcelona
Gestión del Juego Integral, S.A.U.	Casinos	100,00%	100,00%	International Bingo Technology, S.A.U.	Pza. C. de la Iglesia, 10	Sta. C. de Tenerife	Tenerife
Gestora de Inversiones Cobimar, S.L.U.	Slots	51,00%	51,00%	Cirsa Interactive Corporation, S.L.U.	Ctra. Castellar, 298	Terrassa	Barcelona
Global Anusement Partners Corporation, S.A.U.	Slots	100,00%	100,00%	Interservi, S.A.	Ctra. Nacional 420, km 286	Juan	Ciudad Real
Global Beijing Aragón, S.L.U.	Slots	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Global Bingo Madrid, S.A.U.	Slots	100,00%	100,00%	Global Game Machine Corporation, S.A.U.	C/ Jaime Ferrán, 5 Pol. Ind. La Coquilada	Zaragoza	Zaragoza
Global Bingo Stars, S.A.U.	Bingos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Global Casino Technology Corporation, S.A.U.	Casinos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Global Gaming Corporation Russia, S.L.U.	Slots	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Fermina Sevillano, 5-7	Terrassa	Barcelona
Global Gaming, S.A.U.	Casinos	100,00%	100,00%	Global Bingo Corporation, S.A.U. y Global Bingo Madrid, S.A.U.	Ctra. de Castellar, 298	Terrassa	Barcelona
Global Manufacturing Corporation, S.L.U.	B2B	100,00%	100,00%	Cirsa Slot Corporation, S.A.U.	Pi i Margall, 201	Terrassa	Barcelona
Goldemplay, S.L.U.	Slots	51,00%	51,00%	Cirsa Slot Corporation, S.A.U.	Ctra.Castellar, 298	Terrassa	Barcelona
Gonmatic, S.L.U.	Slots	100,00%	100,00%	Global Casino Technology Corporation, S.A.U.	Calle 38 Norte, 6 N-35	Cali	Colombia
Gran Casino de las Palmas, S.A.U.	Casinos	100,00%	100,00%	Telma Enea, S.L.U.	Ctra. de Castellar, 298	Terrassa	Barcelona
Grasplai, S.A.U.	Bingos	100,00%	100,00%	Cirsa International Gaming Corporation, S.A.U.	Av. Generalitat, 6	San José	Costa Rica
Grupo Cirsa De Costa Rica, S.A.U.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation, S.A.U.	C/ 66-A, Sabana Norte, Apartado 249-1007	Terrassa	Barcelona
Hispania Investment, S.A.U.	Structure	100,00%	100,00%	Global Bingo Corporation, S.A.	Ferrocarril, 38	Madrid	Madrid
Hostebar 98, S.L.	Bingos	100,00%	100,00%	Cirsa Slot Corporation, S.A.U.	C/ Jaime Ferrán, 2-4	Zaragoza	Zaragoza
Iber Matic Games, S.L.	Slots	51,00%	51,00%	Promociones e Inversiones de Guerrero, S.A.P.I. De C.V.	c/ Guillermo Gonzalez Camarena 600 Piso 8	Mexico City	Mexico
Integración Inmobiliaria World de Mexico, S.A.	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%	Egarrtronic, 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	Alcázar de San 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 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
Jesali, S.A.U.	Casinos	100,00%	100,00%	Complejo Hotelero Monte Picayo, S.A.U.	Av. Velázquez, 91	Sagunto	Valencia
Juegomatic, S. A.U.	Slots	100,00%	100,00%	Global Game Machine Corporation, S.A.U.	Entenza, 96 bajos	Barcelona	Málaga
Juegos y Bingos, S.A.U.	Bingos	-	100,00%	International Bingo Technology, S.A.U.	C/ del Toros, 3	Barcelona	Barcelona
Juegos Del Oeste, S.L.U.	Slots	51,00%	-	Apuestas Electrónicas, S.L.U.	Calle 50 y 73 Este San Francisco	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.	Asunción, 3	Panama City	Sevilla
La Cafetería del Bingo, S.L.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U.	C/ Jr. Loreto, 228	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	Cira, 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 Azuli, S.A.U.	Bingos	100,00%	100,00%	Bingames, S.A.U.	Cira, de Castellar, 298	Terrassa	Leida
Mabel 96, S.L.U.	Slots	100,00%	100,00%	Global Game Machine Corporation, S.A.U.	Dionisio Guardiola, 34	Terrassa	Barcelona
Macrojuegos, S.A.	Bingos	51,00%	51,00%	International Bingo Technology, S.A.U.	Fermina Sevillano, 5-7	Albacete	Albacete
Madriña 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
Maquillero, S.L.U.	Slots	100,00%	-	Cirsa Slot Corporation, S.A.U.	C/Sierra Telar, 40	Madrid	Madrid
Marchamatic Indato, S.L.U.	Slots	51,00%	51,00%	Oriando Play, S.A.	C/ Rambla, 49	Viator	Almeria
Montri, S.A.U.	Slots	51,00%	51,00%	Iber Matic Games, S.L.	Calle 50, Calle 73 Este	Barcelona	Barcelona
Multicasino, S.A.	Casinos	50,00%	50,00%	Gaming & Services de Panamá, S.A.U.	c/Sierra Telar, 40	Panama City	Panama
New Laomar, S.L.U.	Slots	51,00%	51,00%	Oriando Play, S.A.	Avda. Abraham Lincoln	Viator	Almeria
Nightfall Construccions, S.R.L.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation, S.A.U.	C/ dels Lauradors, 45	Santo Domingo	Dominican Republic
Oper Ibiza, S.L.	Slots	51,00%	-	Cirsa Slot Corporation, S.A.U.	C/ 66-A, Sabana Norte, Apartado 249-1007	Santo Domingo	Balearic Islands
Operación Banshai, S.A.U.	Casinos	100,00%	-	Grupo Cirsa De Costa Rica, S.A.U.	C/ Cervantes, 14 1	San Carlos	Costa Rica
Operadora Internacional de Recreativos, S.A.	Casinos	51,00%	51,00%	Cirsa Slot Corporation, S.L.U.	Av. Oporto, 4	Gijón	Asturias
Oporto Juegos, S.A.U.	Slots	100,00%	100,00%	Global 5 Estrellas, S.A.	Swiss Tower, 16th floor, World Trade Center	Madrid	Madrid
Orbis Development, S.A.U.	Bingos	100,00%	100,00%	Cirsa International Gaming Corporation,	Milano Fiori, Strada 2, Palazzo D4	Panama City	Panama
Oriando Italia, S.r.l.	Slots	51,00%	51,00%	Oriando Play, S.A.	Sierra Telar, 40 P.I. La Juaida	Assago	Italy
Oriando Play, S.A.	Slots	51,00%	51,00%	Global Game Machine Corporation, S.A.U.	C/ 66-A, Sabana Norte, Apartado 249-1007	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, 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 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.	Martillo, 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.	Fermina 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 Octomar 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. Eliche	Murcia	Murcia
Recreativos Rodas, S.A.U.	Slots	100,00%	100,00%	Genper, S.A.U.	German Bernacer, 22 P.I. Eliche Parque Ind.	Eliche	Alicante
Red de Bingos Andaluces, A.I.E.	Bingos	54,00%	54,00%	Varios	Martillo, 26	Sevilla	Sevilla
Red de Interconexión de Andalucía, S.L.U.	B2B	100,00%	100,00%	Cirsa Interactive Corporation, S.L.U.	Martillo, 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. Explotadora de Recreativos	Slots	61.40%	61.40%	Cirsa Slot Corporation, S.A.U.	C/ del Aire, 1 Pol. Ind. Elis Bellots	Terrassa	Barcelona
Sadeju, S.L.U.	Bingos	65.00%	65.00%	Telma Enea, S.L.U.	c/ Carlota Alexandre, 106	Torre molinos	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
Salon 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 Gomez / 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 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 Malecón	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 (Porlamar)	Isia Margarita	Venezuela
Servicios Especializados Del Juego, S.A. De C.V.	Bingos Structure	100.00%	100.00%	Bincamex, S.A. de CV.	Bosque de Duraznos, 61 3B	Mexico City	Mexico
Servicios Integrales 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 Bravanii, 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
Sternat Bay Venezuela, C.A.U	B2B	100.00%	100.00%	Cirsa Interactive Corporation, S.L.U.	Avda. Fco. de Miranda	Caracas	Venezuela
Techitaco Co., Ltd.U.	B2B	-	100.00%	Red de Interconexión de Andalucía, S.L.U.	33, Youido-Dong, Yeongdeungpo-Gu	Seoul	South Korea
Technoc. S.L.U.	Slots	51.00%	51.00%	Egarrtric, S.A.	Gremio de Jaboneros, 3B Pol.I. Son Castello	Palma de Mallorca	Mallorca
Tecnoapp, S.L.	Slots	51.00%	51.00%	Cirsa Slot Corporation, S.A.U.	Pol Ind Campollano, calle B1	Albacete	Albacete
Telfe, S.A.U	Bingos	100.00%	100.00%	Global Bingo Technology, S.A.U	Tenor Fieta, 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%	55.00%	Casino Buenos Aires, S.A.	Avda. Elvira Rawson de déllepiane, s/n	Buenos Aires	Argentina
Tres Rios Hotel la Carpintera, 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
Uniplay, S.A.U.	Slots	100.00%	100.00%	Cirsa Gaming Corporation, S.A.	Ccolum	Madrid	Madrid
Universal de Desarrollos Electrónicos, S. A.	B2B	100.00%	100.00%	Cirsa Gaming Corporation, S.A.	Fermina Sevillano, 5-7	Terrassa	Barcelona
Urban Leisure, S.L.	Slots	75.00%	32.00%	Global Amusement Partners Corporation,	Ctra. Castellar, 298	Terrassa	Barcelona
Verneda 90, S.A.U.	Bingos	100.00%	100.00%	Investments & Securities Panama, S.A.U.	Ctra. Reilinars, 345	Barcelona	Barcelona
Winner Group, S.A.	Casinos	50.01%	50.01%	Investments & Securities Panama, S.A.U.	Gupuzcoa, 70	Barcelona	Barcelona
Yumbo San Fernando, S.A.	Bingos	60.00%	60.00%	Bingames, S.A.U. y Global Bingo Corporation, S.A.U.	Calle 90, nº 19c-32, Oficina 401	Bootá DC	Colombia
					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. Elvira Rawson de Dellepiane, s/n,	Buenos Aires	Argentina
Andy Games, S.R.L.	Slots	25,50%	25,50%	Royal Games, S.R.L.	Darsena Sur	Milan	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.	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%	Universal 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. Ferrelo, 55 A	Mestre	Italy
Bingo Electronico de Euskadi, S.L.	Bingos	-	25,00%	Play To Win, S.L.	C/ Antonio Cabezon, 89	Madrid	Madrid
Bingo Electronico de México, S.L. De C.V.	Bingos	-	50,00%	Play To Win, S.L.	Lapo Ladoqa, 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 Casillo, 244 Pl 7 Dpto. 703 Edif. Bellavista	Las Palmas G.C.	Gran Canaria
Casino de Asturias, S.A.	Casinos	40,00%	40,00%	Global Casino Technology Corporation, S.A.U.	Nava, 8	Gijón	Asturias
Casino la Toja, S.A.	Casinos	50,00%	50,00%	Global Casino Technology Corporation, S.A.U.	Isla de La Toja	El Grove	Pontevedra
Cirsa Digital, S.A.U.	Slots	50,00%	50,00%	Sportium Apuestas Deportivas, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Cludeen, S.L.	B2B	50,00%	50,00%	Universa de Desarrollos Electrónicos, S.A.	C/ Enrique Maniñas, 36 planta 5 local 1B	A Coruña	A Coruña
Compañía 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.	Bacacay, 2789 piso 5-20	Buenos Aires	Argentina
Enjoy With Us, S.L.	Bingos	-	50,00%	Play To Win, S.L.	C/ Antonio Cabezon, 89	Madrid	Madrid
Extremia de explotaciones recreativas y de juego, S.L.	Bingos	-	50,00%	Play To Win, S.L.	C/ Antonio de Cabezon, 89	Madrid	Madrid
Giochigenova, S.R.L.	Slots	50,00%	50,00%	CirsaGest, S.P.A.	Via Col Dino, 6	Genoa	Italy
Gironna de Bingos, S.L.	Bingos	20,60%	20,60%	International Bingo Technology, S.A.U.	Via Laretana, 51	Barcelona	Barcelona
Intesa Giochi, S.R.L.U.	Slots	-	50,00%	Royal Games, S.R.L.	Via Casali Felice, 32	Milan	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
Madridena de Explotaciones Recreativas y de Juego, S.A.	Bingos	-	50,00%	Play To Win, S.L.	C/ Antonio de Cabezon, 89	Madrid	Madrid
Majestic Food Services, S.A.U.	Casinos	50,00%	50,00%	Gaming & Services de Panamá, S.A.U.	Calle 50, Calle 73 Este	Panama City	Panama
Mediterranea de explotaciones recreativas y de juego, S.L.	Bingos	-	50,00%	Play To Win, S.L.	C/ Antonio de Cabezon, 89	Madrid	Madrid
Meironia CR, S.A.	Bingos	-	50,00%	Play To Win, S.L.	San José-Tibas San Juan 100m norte	Tibas	Costa Rica
Meitonia Panama, S.A.	Bingos	-	50,00%	Play To Win, S.L.	450 m oeste	Panama City	Panama
Metroservi Andaluza de Salones, S.L.	Bingos	25,00%	25,00%	Global Bingo Corporation, S.A.U.	Av. Baiboa Edif. Bay Hall Plaza	Sevilla	Sevilla
Montecarlo Andaluza, S.L.	Slots	50,00%	50,00%	Global Bingo Corporation, S.A.U.	C/ Rasrillo, 4	Sevilla	Sevilla
Opa Services, S.r.l.	Bingos	30,00%	30,00%	A.O.G., S.r.l.	Av. Cruz del Campo, 49 Torricella, 11	Roma	Italia
Operadora de Explotaciones Recreativas y de Juego, S.L.	Bingos	-	50,00%	Play To Win, S.L.	Antonio Cabezon, 89	Madrid	Madrid
Ovidio Collado, S.L.U.	Slots	50,00%	50,00%	Recreativos Pozuelo, S.L.	C/ Costanilla del Olivar, 2	Alicorn	Madrid
Play to Win, S.L.	Bingos	-	50,00%	Global Bingo Corporation, S.A.U.	Antonio Cabezon, 89	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, S.A.U.	C/ Costanilla del Olivar, 2	Alicorn	Madrid
Recreativos Trece, S.L.	Slots	50,00%	32,00%	Global Amusement Partners Corporation, S.A.U.	Ctra. Rellinars, 345	Terrassa	Barcelona
Red de Juegos y Apuestas de Madrid, S.A.	Bingos	40,00%	40,00%	Varios	C/ Evaristo San Miguel, 2	Madrid	Madrid
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.	Via F. Rismondo, nº 4	Pavia	Italy
Serdisa 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	Panama City San Cugat Del Valles	Panama
Sportium Apuestas Catalunya, S.A.U.	Slots	50,00%	50,00%	Sportium Apuestas Deportivas, S.A.	C/ Sena, 2	Barcelona	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 - Llanera	Asturias
Sportium Apuestas Canarias, S.L.U.	Slots	50,00%	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/ 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 Alico 3	Mejilla	Mejilla
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	Panama	Panama
Sportium Zona Norte, S.A.U.	Slots	50,00%	50,00%	Sportium Apuestas Deportivas, S.A.	C/ Las Balsas, 20 nave 49	Logroño	Logroño
Tejebin, 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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N.º I.F. B-08770902

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
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- 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
Non-current assets		1,376,238	956,221	942,338
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
Current assets		338,292	280,154	278,344
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
Total assets		1,714,530	1,236,375	1,220,682

EQUITY AND LIABILITIES

(Thousands of euros)	Notes	2014	2013 Restated	January 1, 2013 Restated
Equity		119,617	(31,643)	14,113
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
Non-current liabilities		1,224,116	957,416	853,208
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
Current liabilities		370,797	310,602	353,361
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
Total equity and liabilities		1,714,530	1,236,375	1,220,682

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

(Thousands of euros)	Notes	2014	2013 (restated)
Gaming income		1,641,326	1,434,877
Other operating revenues		116,569	109,816
Bingo prizes		(166,372)	(174,603)
Total operating revenues		1,591,523	1,370,090
Variable rent		(238,088)	(209,293)
Net operating revenues from variable rent	3.1	1,353,435	1,160,797
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)
Profit before income tax		108,508	21,636
Income tax	19.2	(32,035)	(20,653)
Net profit (loss) from continuing activities		76,473	983
Translation differences		(46,983)	(44,802)
Tax effect		-	-
Other comprehensive profit/(loss) that will be reclassified to profit/(loss) in subsequent years		(46,983)	(44,802)
Other comprehensive profit/(loss) that will not be reclassified to profit/(loss) in subsequent years		-	-
Total comprehensive profit/(loss) for the year		29,490	(43,819)
<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
		76,473	983
<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
		29,490	(43,819)

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
At December 31, 2012 (*)	24,577	9,500	(184)	54,443	(139,708)	65,485	14,113
Net profit (loss) for the year 2013	-	-	-	(13,133)	-	14,116	983
Other comprehensive income (loss)	-	-	-	-	(42,192)	(2,610)	(44,802)
Total comprehensive income (loss) for the year 2013	-	-	-	(13,133)	(42,192)	11,506	(43,819)
Other changes:							
▪ 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)
At December 31, 2013 (*)	24,577	9,500	(184)	30,187	(181,831)	86,108	(31,643)
Net profit (loss) for the year 2014	-	-	-	55,927	-	20,546	76,473
Other comprehensive income (loss)	-	-	-	-	(42,718)	(4,265)	(46,983)
Total comprehensive income (loss) for the year 2014	-	-	-	55,927	(42,718)	16,281	29,490
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)
At December 31, 2014	24,577	9,500	(184)	47,249	(211,121)	249,596	119,617

(*) 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

(Thousands of euros)	Notes	2014	2013 Restated
Cash-flows from operating activities			
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)
Net cash-flows from operating activities		253,399	165,407
Cash-flows from (used in) investing activities			
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
Net cash-flows used in investing activities		(191,075)	(98,442)
Cash-flows from (used in) financing activities			
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)
Net cash-flows used in financing activities		(38,919)	(58,594)
Net variation in cash and cash equivalents		23,405	8,371
Cash and cash equivalents from business combinations		11,565	-
Net foreign exchange difference on cash balances		(2,501)	(3,200)
Cash and cash equivalents at January 1		45,916	40,745
Cash and cash equivalents at December 31	13	78,385	45,916

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	-
			98,503	51,515

(*) 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	-
			2,512	-

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	-
	2,915	(1,009)

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	-
	10,888	12,056

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:

(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 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)
	96,616

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:

(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)
	(440)	(38,865)

(*) 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
			71,253	35,368

(*) 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	-
			546	311

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)
	(1,448)	(552)

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
	8,868	17,560

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
	(99)	(11,123)

(*) 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

(Thousands of euros)	December 31, 2013	January 1, 2013
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
Impact	-	-

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

(Thousands of euros)	2013
Gaming income	(276,667)
Other operating revenues	(15,828)
Bingo prizes	77,650
Total operating revenues	(214,845)
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
Profit (loss) before tax	(7,849)
Income tax	7,849
Net profit (loss) for the year	-

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

(Thousands of euros)	Increase / (Decrease) 2013
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
Impact on cash and cash equivalents	2,029

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

	Slots	B2B	Casinos	Bingo	Eliminations and other	Total
(Thousands of euros)						
Assets by segment						
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
Total assets	416,048	123,940	809,088	115,437	250,017	1,714,530
Liabilities by segment						
Liabilities assigned	(426,755)	(61,546)	(553,559)	(153,529)	(235,251)	(1,430,640)
Liabilities not assigned	-	-	-	-	(164,273)	(164,273)
Total liabilities	(426,755)	(61,546)	(553,559)	(153,529)	(399,524)	(1,594,913)
Net operating revenue from variable rent						
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)	-
Total net operating revenue from variable rent	544,794	84,077	624,557	163,618	(63,611)	1,353,435
Profit for the year						
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
Non-monetary expenses						
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)
Other significant expenses						
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)
Other information by segments						
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
Assets by segment						
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
Total assets	318,135	170,782	682,041	129,592	(64,175)	1,236,375
Liabilities by segment						
Liabilities assigned	(306,212)	(111,746)	(450,454)	(165,357)	(185,953)	(1,219,722)
Liabilities not assigned	-	-	-	-	(48,296)	(48,296)
Total liabilities	(306,212)	(111,746)	(450,454)	(165,357)	(234,249)	(1,268,018)
Net operating revenue from variable rent						
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)	-
Total net operating revenue from variable rent	485,097	87,270	468,307	163,804	(43,681)	1,160,797
Profit for the year						
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
Non-monetary expenses						
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)
Other significant expenses						
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)
Other information by segments						
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

(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)	-
	1,353,435	-	1,353,435	1,714,530	123,610

2013 (restated)

(Thousands of euros)	Sales to external customers	Sales inter-segment	Total revenue by segment	Assets by segment	Investment in non-current assets
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)	-
	1,160,797	-	1,160,797	1,236,375	99,473

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	-
		47,381	366,590	170,934	157,739	3,019

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)
	366,590	88,006

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	-
		18,450	50,254	23,898	7,646	-

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)
	50,254	27,138

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
	131,896	144,595

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	-
Balance at December 31	131,896	144,595

6. OTHER INTANGIBLE ASSETS

6.1 Movements

2014

(Thousands of euros)	January 1, 2014	Additions	Disposals	Transfers	Translation differences and other	December 31, 2014
COST						
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
	380,840	320,225	(24,576)	-	1,829	678,318
AMORTIZATION						
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)
	(199,227)	(71,778)	8,156	-	(2,502)	(265,351)
Impairment loss	(3,354)	(3,464)	-	-	178	(6,640)
Net carrying amount	178,259	244,983	(16,420)	-	(495)	406,327

2013 (Restated)

(Thousands of euros)	January 1, 2013	Additions	Disposals	Transfers	Translation differences and other	December 31, 2013
COST						
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
	263,262	130,244	(9,532)	-	(3,134)	380,840
AMORTIZATION						
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)
	(153,158)	(51,106)	4,005	-	1,032	(199,227)
Impairment loss	(3,354)	-	-	-	-	(3,354)
Net carrying amount	106,750	79,138	(5,527)	-	(2,102)	178,259

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
Cost						
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
	881,514	495,337	(51,029)	-	(12,693)	1,313,129
Depreciation						
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)
	(575,241)	(195,098)	37,685	-	87	(732,567)
Impairment losses	(2,996)	(1,284)	1,766	-	-	(2,514)
Net carrying amount	303,277	298,955	(11,578)	-	(12,606)	578,048

2013 (Restated)

(Thousands of euros)	January 1, 2013	Additions	Disposals	Transfers	Translation differences and other	December 31, 2013
Cost						
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
	859,325	111,582	(36,243)	-	(53,150)	881,514
Depreciation						
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)
	(529,658)	(107,356)	28,318	-	33,455	(575,241)
Impairment losses	(2,086)	(1,490)	580	-	-	(2,996)
Net carrying amount	327,581	2,736	(7,345)	-	(19,695)	303,277

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)
	69,924				

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)
	116,340				

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:

(Thousands of euros)	2014	Restated 2013
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)
Balance at December 31	69,924	116,340

"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:

(Thousands of euros)	2014			2013 (Restated)		
	Non- current	Current	Total	Non- current	Current	Total
<u>Loans and receivables</u>						
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)
	104,635	237,005	341,640	117,016	216,692	333,708

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:

(Thousands of euros)	2014	Restated 2013
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
	68,559	66,372

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 (*):

(Thousands of euros)	2014	Restated 2013
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
	6,600	16,179

(*) 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:

(Thousands of euros)	2014	Restated 2013
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
	6,600	16,179

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:

(Thousands of euros)	2014	Restated 2013
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
	25,624	36,483

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

(Thousands of euros)	2014	Restated 2013
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
	25,624	36,483

Trade and other receivables

This caption is broken down as follows:

(Thousands of euros)	2014	Restated 2013
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
	178,285	171,113

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)	2014	Restated 2013
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
Balance at December 31	35,438	27,855

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.

Country	Activity	Discount rate (before tax)
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
CGU			
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	-
Impairment loss recognized		12.7	-

2013 (Restated)

(Millions of euros)	Recoverable amount of the CGU	Impairment loss	
		On goodwill	On other assets
CGU			
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
Impairment loss recognized		20.1	0.8

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
	12,939	12,037

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)
Balance at December 31	871	1,163

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:

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

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:

	2014	2013
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%
	100.00%	100.00%

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	-
	249,596	86,108	20,546	14,116

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)
Balance at December 31	249,596	86,108

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
	109,394	49,250	158,644	89,259	36,118	125,377

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
	158,644	125,377

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
	39,612	154,315	193,927	33,461	141,279	174,740

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:

(Thousands of euros)	2014	Restated 2013
Obligations in relation to employees	15,844	12,275
Tax assessments appealed by the Group	1,059	2,926
Other	2,726	6,479
Balance at December 31	19,629	21,680

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:

(Thousands of euros)	2014	Restated 2013
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
Balance at December 31	19,629	21,680

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)	2014	Restated 2013
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
	32,035	20,653

The breakdown of current income tax payable is as follows:

(Thousands of euros)	2014	Restated 2013
Current income tax	33,791	28,425
Withholdings and payments on account	(7,643)	(9,701)
	26,148	18,724

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
	32,035	20,653

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
Assets		
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
	85,408	96,734
Liabilities		
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)
	(164,273)	(48,296)

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	-
		205,928	3,099

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)	
Last year for utilization	Unused deductions at December 31, 2014
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
	55,438

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:

(Thousands of euros)	2014	Restated 2013
Within one year	64,835	59,269
Between one and five years	279,383	263,239
More than 5 years	75,162	72,857
	419,380	395,365

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)	2014		Restated 2013	
	Minimum payments	Present value of payments (Note 16)	Minimum payments	Present value of payments (Note 16)
Within one year	10,659	8,529	7,711	6,169
Between one and five years	11,503	7,327	14,422	9,187
	22,162	15,856	22,133	15,356

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

(Thousands of euros)	2014	Restated 2013
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
	246,042	199,801

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
	7,460	5,882	13,342	5,751	4,466	10,217

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
	253,019	222,340

21.3 Exchange gains/(losses)

(Thousands of euros)	2014	Restated 2013
Gains	5,814	1,839
Losses	(18,641)	(3,488)
	(12,827)	(1,649)

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:

(Thousands of euros)	2014	Restated 2013
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:

(Thousands of euros)	2014	Restated 2013
Directors		
Salaries	1,817	1,157
Senior executives		
Salaries	4,800	4,800
	6,617	5,957

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
	897,242	187,413	770,010	152,741

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	-
	134,281	23,108	126,815	28,500

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%
Total payments in the year	292,035	100.00%	326,786	100.00%
Weighted average payment period exceeded (days)	36		40	
Overdue payments exceeding the legal payment period at the closing date	13,169		8,992	

(*) 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%	Eqartonic, 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 Coultre	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	Venezuela
Cirsa Casino Corporation, S L U	Casinos	100,00%	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 Martel, 58	Luxembourg	Luxembourg
Cirsa Insular, C A U	Casinos	100,00%	100,00%	Cirsa Venezuela, C A U	Eslado de Nueva Esparta (Portofmar)	Isia Margarita	Venezuela
Cirsa Interactive Corporation, S L U	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%	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
Cirsacom, S R L U	Slots	-	100.00%	Cirsa Italia, S A U	Centro Direzionale Milanofori, Strada 2	Assago	Italy
Cirsaguest, S P A U	Slots	100.00%	100.00%	Cirsa Italia Holding, S A U.	Centro Direzionale Milanofori, Strada 2	Assago	Italy
Club Privado De Fumadores Nuestro Espacio Comibal 2000, S L	Bingos	100.00%	100.00%	Bingos de Madrid Reunidos, S A U.	C/ Bravo Munlo, 309	Madrid	Madrid
Comercial de Desarrollos Electrónicos, S A U	Slots	100.00%	50.00%	Global Manufacturing Corporation, S L U	Pl Elis Bellots, c/ del Aire, 1	Terrassa	Barcelona
	Slots	100.00%	100.00%	Global Game Machine Corporation, S A U	Pl i Marçali, 201	Terrassa	Barcelona
	Slots	51.00%	-	Tecnoappei, S L	C/ Cuarta, 17 P I El Montalvo	Carbayosa de la Sagrada	Salamanca
Complejo Hotelero Salamanca, S A U	Casinos	100.00%	100.00%	Global Casino Technology Corporation, S A U	Complejo Hotelero Monte Picayo	Saunto	Valencia
Equartronic, S A	Slots	51.00%	51.00%	Cirsa Slot Corporation, S L U	C/ del Aire, 1 Pol Ind Elis Bellots	Terrassa	Barcelona
Equartronic Servicios Centrales, A I E	Slots	37.10%	37.10%	Apple Games 2000, S L	C/ del Aire, 1 Pol Ind Elis Bellots	Terrassa	Barcelona
Electrónicos Radisa, S L U	Slots	100.00%	100.00%	Cirsa Slot Corporation, S L U	Fermina Sevillano, 5-7	Madrid	Madrid
Electrónicos Trullianos, S L U	Slots	100.00%	75.00%	Global Amusement Partners Corporation, Cirsagesi, S P A U	Fermina Sevillano, 5-7	Madrid	Madrid
Electronolo Firenze, S R L U	Slots	100.00%	-	Cirsa Interactive Corporation, S L	Palazzo D4	Assago	Milan
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 Vallés	Barcelona
Ferroteques, S A	Bingos	100.00%	100.00%	Global Bingo Corporation, S A U y Global Bingo Madrid, S A U	Ferrocami, 38	Madrid	Madrid
Flamingo Euromatic-100, S L U	Slots	51.00%	50.00%	Orlando Play, S A	P I La Juada, C/Sierra Telar, 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 Este	Panama City	Panama
Gaming & Services, S A C	Casinos	100.00%	100.00%	Cirsa International Gaming Corporation, S A U.	Av Grau, 1006	Lima	Peru
Garbimatic, S L U.	Slots	50.00%	25.50%	Alfematic, S A	C/ra Reilmars, 345	Terrassa	Barcelona
Gema, S R I U	Bingos	100.00%	100.00%	Cirsa International Gaming Corporation, S A	Centro Direzionale Milanofori, Strada 2, Pal D4	Assago (Milan)	Italy
Genper, S A U	Slots	100.00%	100.00%	Global Game Machine Corporation, S A	Pl i Marçali, 201	Terrassa	Barcelona
Gestión de Bingos Gobylan, S A U	Bingos	100.00%	100.00%	International Bingo Technology, S A U	Pza de la Ilesia, 10	S/ra C de Tenerife	Tenerife
Gestión del Juego Integral, S A U	Casinos	100.00%	100.00%	Cirsa Interactive Corporation, S L U	C/ra Castellar, 298	Terrassa	Barcelona
Gestión Integral De Maquinas Recreativas, S L U	Slots	-	100.00%	Electronicos Radisa, S L U.	Fermina Sevillano, 5-7	Madrid	Madrid
Gestora de inversiones Cobiman, S L U.	Slots	51.00%	51.00%	Interservi, S A	C/ra. Nacional 420, km 286	Alcázar de San Juan	Ciudad Real
Global Amusement Partners Corporation, S A U	Slots	100.00%	100.00%	Cirsa Gaming Corporation, S A	C/ra. Castellar, 298	Terrassa	Barcelona
Global Beijing Aizoon, S L U	Slots	100.00%	-	Global Game Machine Corporation, S A U.	C/ Jaime Ferran, 5 Pol Ind La Coquillada	Zaragoza	Zaragoza
Global Bingo Corporation, S A U	Bingos	100.00%	100.00%	Cirsa Gaming Corporation, S A.	C/ra Castellar 298	Terrassa	Barcelona
Global Bingo Madrid, S A U	Bingos	100.00%	100.00%	Cirsa Gaming Corporation, S A	C/ra Castellar 298	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.	Fermina Sevillano, 5-7	Madrid	Barcelona
Global Cnco Estrellas, S A	Bingos	100.00%	100.00%	Global Bingo Corporation, S A U y Global Cirsa Slot Corporation, S L 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	Pl i Marçali, 201	Terrassa	Barcelona
Global Gaming Corporation Russia, S L U.	Slots	100.00%	100.00%	Cirsa Slot Corporation, S L U	C/ra 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	C/ra. de Castellar, 298	Call	Colombia
Goldenplay, S L U	Slots	51.00%	50.00%	Orlando Play S A	C/ra. de Castellar, 298	Terrassa	Barcelona
Gonmatic, S L U	Slots	100.00%	100.00%	Cirsa Slot Corporation, S L U	German Bemazer, 22 P I. Elche Parque Ind	Elche	Alicante
Gran Casino de las Palmas, S A U	Casinos	100.00%	100.00%	Global Casino Technology Corporation	Fermina Sevillano, 5-7	Madrid	Madrid
Graspla, S A U	Bingos	100.00%	100.00%	Telma Enea, S L U	c/ Suarez Naranjo, 46	Las Palmas	Gran Canaria
Hispania Investment, S A U	Structure	100.00%	100.00%	Cirsa Gaming Corporation, S A	Av Generalitat, 6	S/ra Colombia	Barcelona
Hostlebar 98, S L	Bingos	100.00%	100.00%	Global Bingo Corporation, S A U y Madriena de Servicios para el Bingo, S L U	C/ra de Castellar, 338	Terrassa	Barcelona
Iber Matic Games, S L	Slots	51.00%	100.00%	Cirsa Slot Corporation, S L U	Ferrocami, 38	Madrid	Madrid
Integracion Inmobiliaria World de Mexico, S A De C V	Bingos	100.00%	100.00%	Promociones e Inversiones de Guerrero S A P I De C V	C/ Jaime Ferran 2-4	Zaragoza	Zaragoza
International Bingo Technology, S A U	Bingos	100.00%	100.00%	Global Bingo Corporation, S A U	c/ Guillermo Gonzalez Camarena 600 Piso B	Mexico City	Mexico
International Gaming Manufacturing, S L U	B2B	100.00%	100.00%	Cirsa Casino Corporation, S L U	Pl i Marçali, 201	Terrassa	Barcelona
Interplay, S A U.	Slots	51.00%	-	Egertronic S A	C/ Francia, 26 y 27	Puerto Real	Cádiz

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 Passequ 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%	100,00%	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	Fermna Sevillano, 5-7	Madrid	Madrid
Marchamatic Indalo, S.L.U.	Slots	51,00%	50,00%	Orlando Play, S.A	C/Sierra Tejar, 40	Viator	Almeria
Mendoza Central Entretenimientos, S.A.U.	Casinos	-	51,00%	Cirsa Internacional Gaming Corporation, S.A.U.	9 de Julio n° 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	Viator	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 Juada	Viator	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	Fermna 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	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	Santo Domingo	Dominican Republic
SCB Marqanta, C.A.U	Casinos	100,00%	100,00%	Bincamex, S.A. de CV	Malecón	Guzman	Dominican Republic
C.V.	Bingos	100,00%	100,00%	Vanos	Estado de Nueva España (Portomar)	Guzman	Dominican Republic
Servicios Integrales del Juego, A.I.E	Structure	100,00%	100,00%	Cirsa Slot Corporation, S.L.U.	Bosque de Duraznos, 61 3B	Mexico City	Venezuela
SGR, S.R.L	Slots	100,00%	25,00%	CirsaGest, S.P.A.U	Ctra Castellar, 298	Terrassa	Mexico
Slot Games Online, S.L	Slots	100,00%	100,00%	International Bingo Technology, S.A.U	Via Bravani, 7	Piacenza	Barcelona
Sobma, S.A.U	Bingos	100,00%	100,00%	Casino Buenos Aires, S.A	Ctra De Castellar, 298	Terrassa	Italia
Sobreaquas, S.A	Casinos	100,00%	100,00%	Global Manufacturing Corporation, S.L.U.	Av Velazquez 91-93	Málaga	Barcelona
Social Games Online, S.L	Structure	100,00%	100,00%	Telma Enea, S.L.U	Ctra De Castellar, 298	Málaga	Málaga
Sodemar, S.L.U	Bingos	100,00%	100,00%	Cirsa Interactive Corporation, S.L.U	Av Alicia Morean de Justo, 1960, 1º ofic 102	Buenos Aires	Argentina
Sternal Bay Venezuela, C.A.U	B2B	100,00%	100,00%	Equartonic, S.A	Medes, 4 -6	Barcelona	Barcelona
Techlotto Co., Ltd U	B2B	100,00%	100,00%	Cirsa Slot Corporation, S.L.U	Sacramento, 16 duplicado	Cádiz	Venezuela
Tecnoc, S.L.U	Slots	51,00%	51,00%	Global Bingo Corporation, S.A.U	Avda. Fco de Miranda	Caracas	Venezuela
Tecnocappel, S.L	Slots	51,00%	51,00%	Global Bingo Corporation, S.A.U	33, Youndo-Dong, Yeongdeungpo-Gu	Seoul	Korea
Tecnostar, S.A.U	Casinos	-	-	Cirsa Slot Corporation, S.L.U	Gremio de Jaboneros, 3B Pol I Son Castello	Zaragoza	Mallorca
Telle, S.A.U.	Bingos	100,00%	100,00%	International Bingo Technology, S.A.U	C/ Tenor Fleita, 57	Montevideo	Zaragoza
Telma Enea, S.L.U	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U	Tenor Fleita, 57	Zaragoza	Zaragoza
Travlon, S.A	Casinos	55,00%	55,00%	Casino Buenos Aires, S.A	Sevilla, 10-14	Jerez de la Frontera	Cádiz
Unidesa Equipment, S.A.U.	B2B	100,00%	100,00%	Universal de Desarrollos Electrónicos, S.A	Avda Elvira Rawson de dellepiane s/n	Buenos Aires	Argentina
Unidesa Perú, S.A	B2B	100,00%	100,00%	Universal de Desarrollos Electrónicos, S.A	241 Persimond Street	Johannesburg	South Africa
Unplay, S.L.U.	Slots	100,00%	100,00%	Cirsa Gaming Corporation, S.A	Avda Jose Pardo, 513, 8	Lima	Peru
Universal de Desarrollos Electrónicos, S.A	Slots	100,00%	100,00%	Cirsa Gaming Corporation, S.A	Femina Sevillano, 5-7	Madrid	Madrid
Urban Leisure, S.L.	Slots	32,00%	32,00%	Global Amusement Partners Corporation,	Ctra. Casteller, 298	Terrassa	Barcelona
Verneda 90, S.A.U	Bingos	100,00%	100,00%	International Bingo Technolov, S.A.U	Ctra Rellinars, 345	Terrassa	Barcelona
Winner Group, S.A	Casinos	50,01%	50,01%	Investments & Securities Panama, S.A.U	Guapuzco, 70	Barcelona	Barcelona
Yumbó San Fernando, S.A	Bingos	60,00%	60,00%	Bingames, S.A.U y Global Bingo Corporation S.A.U	Calle 90, nº 19c-32, Oficina 401	Santa Fe de Bogotá DC	Colombia
					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 Mariñas, 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
Madrinea 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