INDEX TO FINANCIAL STATEMENTS

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INDEPENDENT AUDIT REPORT

CIRSA GAMING CORPORATION GROUP
Consolidated financial statements and Consolidated management report for the year ended December 31, 2013

Building a better working world

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Translation of an audit report, consolidated financial statements and consolidated management report originally issued in Spanish.
In the event of discrepancy, the Spanish-language version prevails (See note 30)

AUDIT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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

We have audited the consolidated financial statements of Cirsa Gaming Corporation, S.A. (hereinafter, *the Parent Company*) and its controlled entities (hereinafter, *the Group*), which comprise the consolidated statement of financial position at December 31, 2013, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flow, and the consolidated notes thereto for the year then ended. As indicated in note 2 to the accompanying consolidated financial statements, the Company's directors are responsible for the preparation of the Group's consolidated financial statements in accordance with the International Financial Reporting Standards adopted by the European Union and other provisions in the regulatory framework for financial information applicable to the Group. Our responsibility is to express an opinion on the aforementioned consolidated financial statements taken as a whole, based upon work performed in accordance with prevailing audit regulations in Spain, which require the examination, through the performance of selective tests, of the evidence supporting the consolidated financial statements, and the evaluation of whether their presentation, the accounting principles and criteria applied and the estimates made are in agreement with the applicable regulatory framework for financial information.

In our opinion, the accompanying 2013 consolidated financial statements give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of Cirsa Gaming Corporation, S.A. and its controlled entities at December 31, 2013, and the consolidated results of operations and consolidated cash flow for the year then ended, in conformity with International Financial Reporting Standards, as adopted by the European Union, and other applicable provisions in the regulatory framework for financial information.

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The accompanying 2013 consolidated management report contains such explanations as the directors of Cirsa Gaming Corporation, S.A. consider appropriate concerning the situation of the Group, the evolution of its business and other matters; however, it is not an integral part of the consolidated financial statements. We have checked that the accounting information included in the aforementioned consolidated management report agrees with the 2013 consolidated financial statements. Our work as auditors is limited to verifying the consolidated management report in accordance with the scope mentioned in this paragraph, and does not include the review of information other than that obtained from the accounting records of the Group entities.

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

CORTÉS & PÉREZ AUDITORES Y ASESORES ASOCIADOS, S.L.
(Signature on the original in Spanish)

Lorenzo López Carrascosa

Jaume Cetrà Oliva

April 1, 2014

Cirsa Gaming Corporation Group

Consolidated Financial Statements for the year ended December 31, 2013 in conformity with the international financial reporting standards adopted by the European Union (IFRS-EU) and Consolidated Management Report

CONTENTS

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

ASSETS

(Thousands of euros)	Notes	2013	2012
Non-current assets		**1,004,209**	**1,015,736**
Goodwill	5	185,293	216,336
Other intangible assets	6	194,922	122,943
Property, plant and equipment	7	397,978	454,663
Financial assets	8	127,386	140,916
Deferred tax assets	18.4	98,630	80,878
Current assets		**313,984**	**324,919**
Inventories	11	13,949	12,327
Trade and other receivables	8	200,027	202,237
Other financial assets	8	34,911	46,981
Other current assets		6,721	8,140
Cash and cash equivalents	12	58,376	55,234
Total assets		**1,318,193**	**1,340,655**

EQUITY AND LIABILITIES

(Thousands of euros)	Notes	2013	2012
Equity		**(31,643)**	**14,113**
Share capital	13.1	24,577	24,577
Share premium		9,500	9,500
Treasury shares	13.2	(184)	(184)
Retained earnings	13.3	43,320	54,274
Translation differences		(181,831)	(139,708)
Profit (loss) for the year attributable to equity holders of the parent		(13,133)	169
Non-controlling interests	13.4	86,108	65,485
Non-current liabilities		**989,158**	**908,322**
Bonds	14	764,720	663,844
Bank borrowings	15	110,630	140,908
Other creditors	16	35,639	38,338
Provisions	17	23,237	19,938
Deferred tax liabilities	18.4	54,932	45,294
Current liabilities		**360,678**	**418,220**
Bonds	14	5,290	4,644
Bank borrowings	15	56,507	59,254
Suppliers		112,730	129,593
Other creditors	16	164,212	193,023
Current income tax payable	18.2	21,939	31,706
Total equity and liabilities		**1,318,193**	**1,340,655**

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

(Thousands of euros)		Notes	2013	2012
Gaming income			1,711,544	1,679,668
Other operating revenues			125,644	137,965
Bingo prizes			(252,253)	(241,284)
Total operating revenues			**1,584,935**	**1,576,349**
Variable rent			(221,945)	(226,313)
Net operating revenues from variable rent		**3.1**	**1,362,990**	**1,350,036**
Consumptions			(67,164)	(81,616)
Personnel		20.1	(241,841)	(242,247)
External supplies and services		20.2	(258,419)	(266,419)
Gaming taxes			(493,454)	(437,743)
Depreciation, amortization and impairment		5, 6 and 7	(162,987)	(153,374)
Change in trade provisions			(5,417)	(6,171)
Financial income			10,558	12,505
Financial costs			(99,149)	(102,606)
Change in financial provisions			(5,137)	(585)
Share of the associates' profit		8.1	119	153
Foreign exchange results		20.3	(7,265)	(6,333)
Results on sale/disposals of non-current assets			(3,349)	79
Profit before income tax			**29,485**	**65,679**
Income tax expense		18.2	(28,502)	(56,067)
Net loss			**983**	**9,612**
Translation differences			(44,802)	(17,760)
Tax effect			-	-
Other comprehensive profit/(loss) that will be reclassified to profit/(loss) in future years			**(44,802)**	**(17,760)**
Other comprehensive profit/(loss) that will not be reclassified to profit/(loss) in future years			-	-
Total comprehensive loss for the year			**(43,819)**	**(8,148)**
Net profit (loss) attributable to:				
	Equity holders of the parent		(13,133)	169
	Non-controlling interests	13.4	14,116	9,443
			983	**9,612**
Total comprehensive income /(loss) attributable to:				
	Equity holders of the parent		(55,325)	(16,528)
	Non-controlling interests	13.4	11,506	8,380
			(43,819)	**(8,148)**

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

(Thousands of euros)	Share capital (Note 13.1)	Share premium	Treasury shares (Note13.2)	Retained earnings (Note 13.3)	Translation differences	Non-controlling Interests (Note 13.4)	Total
At December 31, 2011	**24,577**	**9,500**	**(184)**	**53,510**	**(123,011)**	**71,229**	**35,621**
Net profit (loss) for the year 2012	-	-	-	169	-	9,443	9,612
Other comprehensive income (loss)	-	-	-	-	(16,697)	(1,063)	(17,760)
Total comprehensive income (loss) for the year 2012	-	-	-	**169**	**(16,697)**	**8,380**	**(8,148)**
Other changes:							
▪ Changes in the percentage of ownership	-	-	-	764	-	407	1,171
▪ Dividends paid	-	-	-	-	-	(14,531)	(14,531)
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)**

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

(Thousands of euros)	Notes	2013	2012
Cash-flows from operating activities			
Profit before tax		29,485	65,679
Adjustments to profit:			
Changes in operating provisions		5,417	6,171
Depreciation, amortization and impairment	5, 6 and 7	162,987	153,374
Losses from sales and disposals of non-current assets		3,349	(79)
Finance income and costs		93,608	90,533
Exchange losses	20.3	7,265	6,333
Other income and expenses		(5,930)	1,040
Change in:			
Inventories		(1,335)	1,696
Trade and other receivables		(4,543)	(8,990)
Suppliers and other payables		(13,862)	368
Gaming taxes payable		(12,810)	(10,794)
Other operating assets and liabilities		(15,723)	(16,404)
Income tax paid		(43,523)	(48,878)
Net cash-flows from operating activities		**204,385**	**240,049**
Cash-flows from (used in) investing activities			
Purchase of property, plant and equipment		(81,523)	(127,259)
Purchase of intangibles		(36,602)	(17,539)
Proceeds from disposal of property, plant and equipment		20,895	16,181
Acquisition of business, net of cash acquired		(22,536)	(11,279)
Current account with Nortia Business Corporation, S. L. – Outflows		(110,335)	(61,109)
Current account with Nortia Business Corporation, S. L. – Inflows		110,335	61,109
Other financial assets		(2,907)	(2,929)
Interest received and cash revenues from financial assets		7,031	7,223
Net cash-flows used in investing activities		**(115,642)**	**(135,602)**
Cash-flows from (used in) financing activities			
Proceeds from bank borrowings		1,327,645	886,303
Repayment of bank borrowings		(1,381,608)	(874,415)
Issue of bonds	14	101,694	-
Acquisition / Sale of own bonds	14	-	5,118
Finance leases		(5,283)	(10,846)
Interest paid		(96,167)	(93,681)
Funds from loans from Nortia Business Corporation, S.L.		(12,301)	(9,900)
Dividends paid and other payments		(15,298)	(14,547)
Net cash-flows used in financing activities		**(81,318)**	**(111,968)**
Net variation in cash and cash equivalents		**7,425**	**(7,521)**
Net foreign exchange difference on cash balances		**(4,283)**	**(3,900)**
Cash and cash equivalents at January 1		**55,234**	**66,655**
Cash and cash equivalents at December 31	**12**	**58,376**	**55,234**

1. DESCRIPTION OF THE GROUP

1.1 Group activity

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

- Designing and manufacturing slot machines, which are sold to Group companies and third parties, and development of interactive gaming systems

- Operating, both in Spain and abroad, slot machines, bingo halls, casinos and lotteries

1.2 Composition and structure of the Group

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

The companies invested by the Company at December 31, 2013 and 2012 are detailed in the Appendix, grouped in the following categories:

- The subsidiaries are companies where most of the voting rights are controlled either directly or indirectly by the Company so that it can manage the financial and operating policies in order to obtain profit from the investment.

- The jointly controlled companies are entities ruled by a contractual arrangement between the partners whereby they establish joint control on the business, and which requires the unanimous consent of the venturers regarding the operating decisions.

- The affiliated companies are enterprises not included in the previous two categories and in which there is an ownership interest on a long-term basis that favors their activity, but with limited influence over their management and control.

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

1.3 Changes in the consolidation perimeter

During 2013 and 2012, the Group's legal structure has experienced certain changes, as described below:

2013

- Acquisition of companies

(Thousands of euros)	% voting rights	Consolidation method	Total assets included in the consolidated statement of financial position at December 31, 2013	Operating revenues included in the 2013 consolidated statement of comprehensive income
Lightmoon International 21	100%	Full	4,266	556
Alfematic, S.A.	50.004%	Full	7,230	3,863
Garbimatic, S.L.(*)	25.50%	Full	1,369	1,373
Interservi, S.A.	51%	Full	4,489	5,982
Gestora de Inversiones Cobiman, S.L.U. (**)	51%	Full	3	-
Egartronic, S.A.	50.99%	Full	36,145	14,049
Tecnijoc, S.L.U. (***)	50.99%	Full	5,540	3,495
Apple Games 2000, S.L. (***)	49.50%	Full	7,782	2,881
S. A. Explotadora de Recreativos	61.41%	Full	4,429	3,169
			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% y el 97% de Tecnijoc, S.L.U. and Apple Games 2000, S.L., respectively, at the date of acquisition.

Note 4 includes information on business combinations of the year.

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

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

At December 31, 2013, Traylon, S.A. contributes total assets amounting to 23,435 thousand euros to the consolidated statement of financial position and operating revenues amounting to 8,384 thousand euros to the consolidated statement of comprehensive income for the year then ended, whereas at December 31, 2013 Electrónicos Trujillanos, S.A. contributes total assets and operating revenues amounting to 2,090 thousand euros and 952 thousand euros, respectively.

- Creation of companies

In 2013 the following companies have been created:

(Thousands of euros)	% of ownership held by the Group	Consolidation method	Total assets included in the consolidated statement of financial position at December 31, 2013	Operating revenues included in the 2013 consolidated statement of comprehensive income
Magic Star - Casino Buenos Aires, UTE.	33.34%	Proportional	260	311
Digital Gaming México, SAPI	100%	Full	129	-
Cirsa Italia Holding, S.A.	100%	Full	-	-
Social Games Online, S.L.	100%	Full	3	-
Sportium Apostes Catalunya, S.A.	50%	Proportional	30	-
Sportium Apuestas Castilla La Mancha, S.L.	50%	Proportional	2	-
Cirsagest, Spa	100%	Full	123	-
			547	**311**

- Sale of companies

In 2013 the following companies have been sold:

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

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

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

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

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

(Thousands of euros)	Total assets included in the consolidated statement of financial position at December 31, 2012	Operating revenues included in the 2012 consolidated statement of comprehensive income
Sociedad de Inversiones Cirsa Chile, Limitada and subsidiaries	-	-
Servitronic Andalucía, S.L.	2,043	2,259
Sacres, S.A.	-	-
Cirsa Digital. S.A.U.	3,665	2,895
Recreativos Bigar, S.L.	2,488	1,202
Novojuegos, S.A.U.	1,303	10,011
Empresa Explotadora del Juego del Bingo, S.A.U.	3,088	4,654
	12,587	**21,021**

- Changes in the percentage of ownership

In 2013 changes in the percentage of ownership have been as follows:

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

(*) At December 31, 2013 and 2012 the company Juegomátic, S.A. holds 100% of Automáticos Siglo XXI. Consequently, the change in the percentage of ownership has also affected the percentage of control that the Group holds in it.

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

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

(Thousands of euros)	Changes in non-controlling interests	Changes in accumulated results ("Reserves")
Bumex Land, S.L.	1,310	(1,310)
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 in the company Automáticos Siglo XX, S.L., which is fully owned by Juegomátic, S.A.

- Other changes in the perimeter

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

2012

- Acquisition of companies

(Thousands of euros)	% voting rights	Consolidation method	Total assets included in the consolidated statement of financial position at December 31, 2012	Operating revenues included in the 2012 consolidated statement of comprehensive income
Majestic Food Services, Inc.	50%	Proportional	118	472
Canarias de Explotaciones Recreativas y de Juego, S.L.	50%	Proportional	1,063	62
Recreativos Arranz, S.L.	100%	Full	1,018	25
Cludeen, S.L.	50%	Proportional	56	23
Mabel 96, S.L.	100%	Full	587	-
Entidad Gestora del Bingo Siglo XXI, S.L.U.	100%	Full	20	-
			2,862	**582**

Note 4 includes information on business combinations of the year.

The acquisition of 50% ownership interest in the companies Majestic Food Services, Inc., Canarias de Explotaciones Recreativas y de Juego, S.L. and Cludeen, S.L. did not result in a business combination, since the Group did not hold unilateral and exclusive control. The acquisition price amounted to 5, 3 and 20 thousand euros, respectively. These acquisitions did not give rise to any goodwill.

- Creation of companies

(Thousands of euros)	Total assets included in the consolidated statement of financial position at December 31, 2012	Operating revenues included in the 2012 consolidated statement of comprehensive income
Sportium Apuestas Galicia, S.L.	1,000	-
	1,000	**-**

- Sale of companies

(Thousands of euros)	Total assets included in the consolidated statement of financial position at December 31, 2011	Operating revenues included in the 2011 consolidated statement of comprehensive income
Happy Games, S.R.L.	831	1,701
Recreativos Jeroni Orfila, S.L.	1,108	361
	1,939	**2,062**

- Changes in the percentage of ownership

	Consolidation method		Percentage	
	2012	2011	At December 31, 2012	At December 31, 2011
Macrojuegos, S.A.	Full	Full	51.0%	100.00%
Juegomátic, S.A.(*)	Full	Full	65.0%	75.00%
UTE CBA-Ciesa	Proportional	Proportional	45.0%	50.00%

(*) At December 31, 2013 and 2012 the company Juegomátic, S.A. holds 100% of Automáticos Siglo XXI. Consequently, the change in the percentage of ownership has also affected the percentage of control that the Group holds in it.

As observed in the table above, the changes in the percentage of ownership occurred in 2012 did not result in any change in the method of consolidation.

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

(Thousands of euros)	Changes in non-controlling interests	Changes in accumulated results
Macrojuegos, S.A.	210	-
Juegomátic, S.A. (*)	197	764
	407	**764**

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

- Other changes in the perimeter

  (a) Dissolution and liquidation of dormant companies:

  Baru Speles
  Cirsa Amusement Corporation, S.L.
  Unidesa Colombia, Ltd
  Nyalam, S.A.

  (b) Dissolution of companies due to merger within the Group:

  Necos Limited
  Recreativos del Istmo, S.A.
  Recreativos Acapulco MRA, S.L.
  Recreativos Ove, S.L.
  Baquei Inversiones, S.L.
  Monazar Star, S.L.

2. BASIS OF PRESENTATION AND ACCOUNTING STANDARDS

2.1 Basis of presentation

The 2013 consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards adopted by the European (IFRS-EU) Union published by the International Accounting Standards Board (IASB) and further interpretations.

The Company belongs to a group, whose parent is Nortia Business Corporation, S.L. (Nortia Group), domiciled in Terrassa (Spain). The Company meets the criteria for exemption from preparing consolidated financial statements under article 43 of the Commercial Code. Consequently, these consolidated financial statements are considered voluntary. The consolidated financial statements of Nortia Group and the consolidated management report for the year ended December 31, 2012 were approved on March 27, 2013 and filed with the Barcelona Mercantile Registry together with the corresponding audit report. The consolidated financial statements and consolidated management report for the year ended December 31, 2013 will be approved in the due manner and filed, together with the audit report, with the Barcelona Mercantile Registry according to the legal deadlines.

The financial statements of the companies composing the Group for the year ended December 31, 2013 have not yet been submitted for approval by the shareholders in general meeting. Nevertheless, the Board of Directors of the Group's Parent Company expects that they will be approved without modification and, therefore, will not have any impact on the present consolidated financial statements.

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

For comparative purposes, the accompanying consolidated financial statements, which have been prepared at historical cost, include the figures of 2013 in addition to those of 2012 for each item of the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows, and the consolidated notes thereto, except when allowed by an accounting standard.

2.2 Estimates and judgments

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

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

- Impairment of assets

The Group assesses for impairment at year end for all non-financial assets which carrying amount could be unrecoverable. Goodwill and intangible assets with an indefinite useful life are tested for impairment annually, or when there is evidence of impairment, based on financial projections and estimates of future operating cash flows. In 2013 the Group has recognized impairment losses on goodwill amounting to 20.1 million euros (2012: 14.0 million euros) (Note 5).

- Non-current assets with finite useful life

The Group reviews periodically useful lives of non-current assets, adjusting prospectively amortization methods where applicable. In 2013 and 2012 it was not necessary to make any adjustment in the useful life of non-current assets with definite useful lives.

- Recoverability of deferred tax assets

When the Group recognizes deferred tax assets, the estimated taxable profits that will be generated in future years are reviewed at year end in order to assess their recoverability, and any impairment loss is recognized accordingly. At December 31, 2013 the Group has recognized deferred tax assets amounting to 98,630 thousand euros (2012: 80,878 thousand euros), as described in Note 18.4.

- Provisions for taxes and other risks

Provisions are recognized for taxes and risks that will probably arise based on related studies. At December 31, 2013 the Group has recognized provisions for taxes and other risks amounting to 23,237 thousand euros (2012: 19,938 thousand euros), as described in Note 17.

- Business combinations and goodwill

The Group assesses for each business combination, the fair value of assets, liabilities and acquired contingent liabilities, allocating the cost of the business combination to the identified elements. Likewise, goodwill arising from the acquisition is assigned to its corresponding cash-generating unit, based on expected synergies, for subsequent impairment tests (Note 5).

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

The accounting policies used in the preparation of the consolidated financial statements for the year ended December 31, 2013 are the same as those applied in the consolidated financial statements for the year ended December 31, 2012, except for the amendment to IAS 1 – Presentation of Items of Other Comprehensive Income:

- Amendments to IAS 1 – Presentation of Items of Other Comprehensive Income

Amendments to IAS 1 introduce a grouping of items presented in other comprehensive income. Items that will be reclassified ('recycled') to profit or loss at a future point in time (e.g. translation differences) have to be presented separately from items that will not be reclassified. The amendment affects presentation only and has no impact on the Group's consolidated statement of financial position or performance.

2.4 Standards and interpretations issued by the IASB, but not yet mandatory in 2013

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

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

These amendments remove the unintended consequences of IFRS 13 on the disclosures required under IAS 36. In addition, these amendments require disclosure of the recoverable amounts for the assets or CGUs for which impairment loss has been recognized or reversed during the period. These amendments are effective retrospectively for annual periods beginning on or after 1 January 2014 with earlier application permitted, provided IFRS 13 is also applied. These amendments will have an impact on future disclosures, but will not have any impact on the Group's consolidated statement of financial position or performance.

- IFRS 10 - Consolidated Financial Statements.

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated, compared with the requirements that were in IAS 27. IFRS 10 will become effective for annual periods beginning on or after January 1, 2014.

The Group is currently analyzing the impact of the adoption of this standard. However, based on the analysis performed to date, the Group estimates that its initial adoption will have no significant impact on the figures presented in these consolidated financial statements

However, as commented in Note 29, it should be noted that in January 2014, through an agreement reached between the shareholders of the companies mentioned below, and with no change in the percentage of ownership held in them, the Group has gained control, as defined in IFRS 10, over two companies in which it holds a 50% interest (Casino Rosario, S.A. and Multicasinos, S.A.). The said companies are no longer accounted for using the proportional consolidation method in these financial statements (equity method under the application of the current standard), but the full consolidation method as from the acquisition of control.

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

IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportional consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. The application of this new standard will impact the financial position of the Group, since proportional consolidation is eliminated (Note 10). In application of this new standard, joint ventures will be recognized using the equity method. The standard will become effective for annual periods beginning on or after January 1, 2014, and will be retrospectively applied for joint ventures prevailing at the date of first application.

At the date of these financial statements, the Group is analyzing the impact of this standard. However, in the absence of a final quantitative analysis, it should be noted that, although its initial adoption will have no relevant impact on equity, significant changes are expected to occur in the presentation of the consolidated statement of financial position at December 31, 2013 and the 2013 consolidated statement of comprehensive income.

- IFRS 12, Disclosures of Involvement with Other Entities.

IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required, but the standard will have no impact on the financial position or performance of the Group. It will become effective for annual periods beginning on or after January 1, 2014.

2.5 Consolidation methodology

The consolidation methodology is described in the following sections:

Consolidation methods

The methods applied in the consolidation process are as follows:

- Full consolidation method for subsidiaries
- Proportional consolidation method for jointly controlled companies
- Equity method for affiliated companies

Harmonization

The financial year of the companies within the consolidation perimeter ends on December 31. For consolidation purposes the corresponding 2013 financial statements of each company have been used.

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

Elimination of internal transactions

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

Translation of financial statements in foreign currency

- General method

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

- Method applied to companies in hyperinflationary countries

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

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

  - Adjusting the consolidated statement of comprehensive income to reflect the financial loss caused by the impact of inflation in the year on net monetary assets (loss of purchasing power).

  - Adjusting the components of the consolidated statement of comprehensive income and of the consolidated statement of cash flows according to the inflation index since their generation, with a balancing entry in financial results.

  - Translating all components of the financial statements of the companies operating in hyperinflationary by applying the closing exchange rate.

At December 31, 2013 and 2012 the Venezuelan economy continued to be considered hyperinflationary in terms of IFRS application.

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

The main impacts for 2012 were as follows:

(Thousands of euros)	2012
Revenue	17
EBITDA	(23)
Profit (loss) in the net monetary position*	(587)
Net income	(3,531)

*Loss in the net monetary position is included in the financial expense of the consolidated statement of comprehensive income.

The Venezuelan consumer price index issued by the Central Bank of Venezuela was used to identify inflation rates. Its value at December 31, 2013 and 2012 was 498.1 and 318.9, with an increase during 2013 and 2012 of 56.2% and 20%, respectively.

All components of the financial statements of the Venezuelan companies have been translated at the closing exchange rate, which at December 31, 2013 was 23.53 Bolivares fuertes per euro (20.51 Bolivares fuertes per euro at December 31, 2012).

2.6 Business combinations

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

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

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

2.7 Intangible assets

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

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

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

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

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

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

2.8 Property, plant and equipment

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

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

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

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

	Method	Rate
Commercial buildings (new/used) and plant	Straight line	2-4%
Riverboats	Straight line	6,6%
Production installations (new/used)	Straight line	8-16%
Other installations	Straight line	8-12%
Production machinery	Straight line	10%
Other production equipment	Straight line	20%
New slot machines ("A" and "B" / "V" and "C")	Declining/Straight line	20%
Used slot machines	Straight line	40%
Furniture (new/used)	Straight line	10-20%
Vehicles (new/used)	Declining/Straight line	10-32%
Tools and furniture (new/used)	Straight line	30-60%
EDP equipment (new/used)	Declining/Straight line	25-50%
Molds and dices	Straight line	25%
Other PP&E items	Straight line	16%

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

2.9 Investments in associates

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

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

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

2.10 Financial assets

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

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative instruments having neither maturity date (or not expected to be held until maturity), nor nature of trading portfolio, nor derived from trading activities or loans. Upon initial recognition, where possible, they are measured at fair value, recognizing changes in fair value directly within a separate caption in equity until the investment is derecognized or impaired, at which time the accumulated profit or loss previously recorded in equity is taken to the consolidated statement of comprehensive income.

At December 31, 2013 there are no available-for-sale investments, whereas at December 31, 2012 the Group's available-for-sale investments were measured at acquisition cost, since they could not be measured reliably at fair value, either through quoted prices, or by applying any other accepted measurement technique.

Loans and receivables

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

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

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

2.11 Cancelation 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

<u>Non-financial assets</u>

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:

<u>Slots</u>:

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

<u>B2B</u>:

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

Casinos:

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

Bingos:

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

On-line:

The Group started to operate in this segment in June 2012, when licenses to operate in Spain were obtained. In August 2012 it also started to operate in Italy. The activity consists in the operation of gaming through the Internet.

Other segments:

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

The following chart shows information on revenue and results, information about assets and liabilities, and other information related to the different operating segments as for December 31, 2013 and 2012.

2013

(Thousands of euros)	Slots	B2B	Casinos	Bingo	On-line	Eliminations and other	Total
Assets by segment							
Non-current assets assigned	257,622	87,553	448,113	116,657	6,498	(10,864)	905,579
Non-current assets not assigned	-	-	-	-	-	98,630	98,630
Current assets assigned	92,781	84,271	251,236	25,837	1,421	(141,562)	313,984
Total assets	**350,403**	**171,824**	**699,349**	**142,494**	**7,919**	**(53,796)**	**1,318,193**
Liabilities by segment							
Liabilities assigned	(345,244)	(112,777)	(473,046)	(178,884)	(3,695)	(181,258)	(1,294,904)
Liabilities not assigned	-	-	-	-	-	(54,932)	(54,932)
Total liabilities	**(345,244)**	**(112,777)**	**(473,046)**	**(178,884)**	**(3,695)**	**(236,190)**	**(1,349,836)**
Net operating revenue from variable rent							
Sales to external customers	517,543	52,591	576,784	212,940	3,799	(667)	1,362,990
Sales inter-segment	2,922	38,991	1,130	1,937	-	(44,980)	-
Total net operating revenue from variable rent	**520,465**	**91,582**	**577,914**	**214,877**	**3,799**	**(45,647)**	**1,362,990**
Profit for the year							
EBITDA (*)	53,682	22,172	225,779	25,556	(5,359)	(19,719)	302,111
Financial income	2,685	10,191	11,665	2,144	391	(16,518)	10,558
Financial costs	(15,654)	(5,963)	(34,876)	(12,582)	(226)	(29,848)	(99,149)
Profit before income tax	(27,710)	22,284	98,902	(29,200)	(7,468)	(27,323)	29,485
Income tax expense	(4,179)	(2,928)	(51,749)	28,097	471	1,786	(28,502)
Net profit from continuing operations	(31,889)	19,356	47,153	(1,103)	(6,997)	(25,537)	983
Non-monetary expenses							
Depreciation, amortization and impairment	(53,772)	(3,367)	(70,515)	(39,576)	(311)	4,554	(162,987)
Changes in trade provisions	(3,853)	501	(2,025)	(56)	-	16	(5,417)
Other significant expenses							
Personnel	(49,029)	(17,943)	(117,205)	(43,320)	(1,710)	(12,634)	(241,841)
External supplies and services	(72,193)	(17,860)	(115,269)	(68,180)	(6,008)	21,091	(258,419)
Gaming taxes	(312,996)	(1,308)	(109,229)	(68,928)	(778)	(215)	(493,454)
Other information by segments							
Investment in non-current assets	35,153	3,409	61,483	16,722	434	924	118,125
Investments in associates	704	725	795	-	-	944	3,168

(*) For financial information purposes, EBITDA is defined as profit (loss) before income tax, financial result, gains (losses) from investments in associates, gains (losses) from disposal/write-off of non-current assets, change in operating provisions, and impairment charges, depreciation and amortization.

2012

(Thousands of euros)	Slots	B2B	Casinos	Bingo	On-line	Eliminations and other	Total
Assets by segment							
Non-current assets assigned	206,315	67,814	486,611	116,243	3,191	54,684	934,858
Non-current assets not assigned	-	-	-	-	-	80,878	80,878
Current assets assigned	114,024	38,645	251,732	34,752	1,550	(115,784)	324,919
Total assets	**320,339**	**106,459**	**738,343**	**150,995**	**4,741**	**19,778**	**1,340,655**
Liabilities by segment							
Liabilities assigned	(271,780)	(60,308)	(491,561)	(188,511)	(7,469)	(261,619)	(1,281,248)
Liabilities not assigned	-	-	-	-	-	(45,294)	(45,294)
Total liabilities	**(271,780)**	**(60,308)**	**(491,561)**	**(188,511)**	**(7,469)**	**(306,913)**	**1,326,542**
Net operating revenue from variable rent							
Sales to external customers	497,125	58,112	559,624	229,006	1,881	4,288	1,350,036
Sales inter-segment	1,437	45,377	1,765	1,941	-	(50,520)	-
Total net operating revenue from variable rent	**498,562**	**103,489**	**561,389**	**230,947**	**1,881**	**(46,232)**	**1,350,036**
Profit for the year							
EBITDA (*)	93,318	22,279	203,738	25,918	(5,429)	(17,813)	322,011
Financial income	3,139	7,749	27,588	462	2	(26,435)	12,505
Financial costs	(18,429)	(7,293)	(35,761)	(65,310)	(64)	(25,749)	(102,606)
Profit before income tax	15,467	19,478	103,749	(19,153)	(5,665)	(48,197)	65,679
Income tax expense	(16,163)	(12,777)	(32,368)	3,175	1,404	662	(56,067)
Net profit from continuing operations	(696)	6,701	71,381	(15,978)	(4,261)	(47,535)	9,612
Non-monetary expenses							
Depreciation, amortization and impairment	(56,217)	(4,181)	(69,787)	(28,971)	(176)	5,958	(153,374)
Changes in trade provisions	(3,564)	(773)	(1,531)	(303)	-	-	(6,171)
Other significant expenses							
Personnel	(46,841)	(18,934)	(113,850)	(44,137)	(1,075)	(17,410)	(242,247)
External supplies and services	(69,296)	(21,352)	(123,698)	(72,292)	(5,684)	25,903	(266,419)
Gaming taxes	(250,130)	(1,128)	(107,343)	(78,503)	(550)	(89)	(437,743)
Other information by segments							
Investment in non-current assets	34,261	2,346	82,940	22,316	2,909	47	144,819
Investments in associates	665	668	772	-	-	944	3,049

(*) For financial information purposes, EBITDA is defined as profit (loss) before income tax, financial result, gains (losses) from investments in associates, gains (losses) from disposal/write-off of non-current assets, change in operating provisions, and impairment charges, depreciation and amortization.

3.2 Geographic segments

In the presentation of information by geographic segments, sales are based on the destination country and the assets on their location. The following chart shows this information as for December 31, 2013 and 2012.

2013

(Thousands of euros)	Sales to external customers	Sales inter-segment	Total revenue by segment	Assets by segment	Investment in non-current assets
Spain	431,832	77,842	509,674	560,457	36,985
Latin America	624,948	477	625,425	761,702	74,765
Italy	306,210	2,048	308,258	140,944	6,375
Eliminations and others	-	(80,367)	(80,367)	(144,910)	-
	1,362,990	**-**	**1,362,990**	**1,318,193**	**118,125**

2012

(Thousands of euros)	Sales to external customers	Sales inter-segment	Total revenue by segment	Assets by segment	Investment in non-current assets
Spain	443,336	33,851	477,187	844,240	40,609
Latin America	609,319	623	609,942	794,853	95,578
Italy	297,381	849	298,230	151,496	8,632
Eliminations and others	-	(35,323)	(35,323)	(449,934)	-
	1,350,036	**-**	**1,350,036**	**1,340,655**	**144,819**

4. BUSINESS COMBINATIONS

4.1 2013

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

		(Thousands of euros)				
Name and description of companies and business	Acquisition date	Acquisition price	Fair value of acquired net assets	Minority interest arisen in the business combination	Fair value of prior ownership interest	Goodwill arising on acquisition
Lightmoon International 21	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. has been gained by means of an increase in the percentage of ownership already held by the Group at prior year end (during 2013, 5% of equity instruments in Traylon, S.A. and 25% in Electrónicos Trujillanos, S.L. has been acquired, reaching 55% and 75% of their equity, respectively, after the acquisitions).

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

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

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

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

(*) Includes the assets and liabilities that Traylon, S.A. and Electrónicos Trujillanos, S.L. would have incorporated had the aforementioned business combinations not taken place. Prior to the acquisition of control, these companies were already accounted for using the proportional consolidation method at 50%.

If acquisitions had occurred at the beginning of the year, consolidated operating revenues and consolidated profit for the year 2013 would have increased by 40,529 and 2,656 thousand euros, respectively. Additionally, the Group's gains contributed by these companies since the date of acquisition amount to 3,109 thousand euros.

4.2 2012

The breakdown of the companies in which the Company has gained unilateral and exclusive control in 2012 is summarized as follows:

			(Thousands of euros)		
Name and description of companies and business	**Acquisition date**	**% of voting rights**	**Acquisition price**	**Fair value of acquired net assets**	**Goodwill arising on acquisition**
Recreativos Arranz, S.L.	November 2012	100%	752	752	-
Mabel 96, S.L.	December 2012	100%	410	410	-
Entidad Gestora del bingo Siglo XXI, S.L.U.	December 2012	100%	3	3	-
			1,165	**1,165**	

The figure in the column Acquisition price is lower than the amount for that concept shown in the consolidated statement of cash flows, since there are payments corresponding to acquisitions made in prior years.

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

(Thousands of euros)	Fair value recognized on acquisition	Carrying amount
Property, plant and equipment	63	63
Goodwill	-	-
Intangible assets	1,311	-
Other non-current assets	103	103
Current assets	122	122
Liabilities (including generated deferred taxes)	(434)	(41)
	1,165	**247**

If acquisitions had occurred at the beginning of the year, consolidated operating revenue and consolidated profit for the year 2012 would have increased by 756 thousand and 66 thousand euros, respectively. Additionally, the Group's gains contributed by these companies in 2012 since the acquisition date amounted to 31 thousand euros.

5. GOODWILL

The breakdown of goodwill by operating segments is as follows:

(Thousands of euros)	2013	2012
Bingos	61,113	78,136
Slots	56,247	59,413
Casinos	67,933	76,769
Other	-	2,018
	185,293	**216,336**

The amount of goodwill at December 31, 2013 and 2012 is shown net of impairment loss allowances, which according to the applicable accounting standards are not revertible, amounting to 85,706 and 65,593 thousand, respectively. During 2013 an impairment loss on goodwill amounting to 20,113 thousand euros has been recognized (2012: 14,013 thousand euros) (Note 9.1).

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

(Thousands of euros)	2013	2012
Balance at January 1	216,336	227,381
Impairment losses	(20,113)	(14,013)
Net exchange differences arising during the period	(8,928)	3,540
Sale of companies	(2,002)	(572)
Balance at December 31	**185,293**	**216,336**

6. OTHER INTANGIBLE ASSETS

6.1 Movements

2013

(Thousands of euros)	January 1, 2013	Additions	Disposals	Transfers	Translation differences and other	December 31, 2013
COST						
Development costs and patents	48,280	4,139	(774)	-	(91)	51,554
Administrative concessions	83,720	12,268	(1,623)	2,085	(3,024)	93,426
Installation rights	141,761	103,535	(5,009)	1,406	(134)	241,559
Transfer rights	4,171	4,951	(150)	-	(104)	8,868
Software	23,645	5,320	(1,197)	26	(921)	26,873
Prepayments and other	8,963	2,388	(966)	(3,517)	(2)	6,866
	310,540	**132,601**	**(9,719)**	**-**	**(4,276)**	**429,146**
AMORTIZATION						
Development costs and patents	(43,683)	(3,686)	474	1	10	(46,884)
Administrative concessions	(27,480)	(7,584)	1,024	-	1,603	(32,437)
Installation rights	(90,731)	(39,696)	3,309	-	3	(127,115)
Transfer rights	(623)	(560)	61	-	36	(1,086)
Software	(18,241)	(2,744)	157	(1)	966	(19,863)
	(180,758)	**(54,270)**	**5,025**	**-**	**2,618**	**(227,385)**
Impairment loss	**(6,839)**	**-**	**-**	**-**	**-**	**(6,839)**
Net carrying amount	**122,943**	**78,331**	**(4,694)**	**-**	**(1,658)**	**194,922**

2012

(Thousands of euros)	January 1, 2012	Additions	Disposals	Transfers	Translation differences and other	December 31, 2012
COST						
Development costs and patents	46,848	1,502	(70)	-	-	48,280
Administrative concessions	72,494	270	(18)	12,865	(1,891)	83,720
Installation rights	137,140	10,908	(6,288)	-	1	141,761
Transfer rights	3,717	411	-	-	43	4,171
Software	18,125	3,348	(82)	696	1,558	23,645
Prepayments and other	21,574	946	(1)	(13,561)	5	8,963
	299,898	**17,385**	**(6,459)**	**-**	**(284)**	**310,540**
AMORTIZATION						
Development costs and patents	(41,179)	(2,505)	-	-	1	(43,683)
Administrative concessions	(22,099)	(5,718)	-	-	337	(27,480)
Installation rights	(77,144)	(17,531)	3,935	-	9	(90,731)
Transfer rights	(512)	(109)	-	-	(2)	(623)
Software	(16,103)	(2,573)	81	-	354	(18,241)
	(157,037)	**(28,436)**	**4,016**	**-**	**699**	**(180,758)**
Impairment loss	**(6,687)**	**(152)**	-	-	-	**(6,839)**
Net carrying amount	**136,174**	**(11,203)**	**(2,443)**	**-**	**416**	**122,943**

Additions in 2013 include the effects of business combinations (Note 4), which amounted to a gross value of 82,861 thousand euros and accumulated amortization of 21,449 thousand euros. These amounts were almost entirely related to installation rights and administrative concessions.

Most of the rest of additions in 2013 and 2012 included in *Installation rights* mainly relate to the non-refundable payment in exchange of the exclusive rights to operate the premises where the recreational machines are located. The disposals in this caption for both years mainly relate to installation rights pending amortization in premises which are closed, or it was decided not to operate the machine for profitability reasons.

In 2012 transfers under the caption *Prepayments and other* (see Note 6.3) mainly corresponded to licenses of video terminals of Cirsa Italia, S.p.A. in operation at December 31, 2012, and therefore, they were transferred to *Administrative concessions*, for an amount of 12.3 million euros.

6.2 Development costs and patents

They correspond mainly to the following:

- Industrial companies: Creation of new models of slot machines and technological innovations for them. Net value as of December 31, 2013 and 2012 is 3,052 and 2,392 thousand euros, respectively.
- Lottery and interactive products companies: Development of software applications for on-line games. Net value as of December 31, 2013 and 2012 is 1,608 and 2,205 thousand euros, respectively.

The internal cost of developing new models of slot machines and software for on-line games by the B2B division of the Group are capitalized as an increase in the value of developments costs and patents. The total amount of works performed by the Group for the intangible assets in 2013 and 2012 amounted to 2,679 and 1,423 thousand euros, respectively.

Research and development expenses recognized as expenses in 2013 amounted to 162 thousand euros (2012: 295 thousand euros) (Note 20.2).

6.3 Administrative concessions

The gross balance of official licenses to operate as of December 31, 2013 mainly corresponds to:

- An official contract to operate slot machines in Panama amounting to 37,493 thousand euros (29,336 thousand euros at December 31, 2012). The net value of this concession at December 31, 2013 amounts to 19,166 thousand euros (12,999 thousand euros at December 31, 2012).
- Ownership interest in an Argentinean company that operates a lottery employing disabled people amounting to 1,114 thousand euros at December 31, 2013 (1,591 thousand euros at December 31, 2012). The net value of these concessions at December 31, 2013 and 2012 is zero.
- Licenses of video terminals acquired by Cirsa Italia S.p.A. for an amount of 39,524 thousand euros (37,978 thousand euros at December 31, 2012). The net value of this concession at December 31, 2013 is 30,508 thousand euros (32,612 thousand euros at December 31, 2012).

6.4 Installation rights

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

6.5 Impairment losses

The balance of impairment loss basically covers the net value of certain administrative concessions in Argentina (1,114 and 1,591 thousand euros at December 31, 2013 and 2012, respectively), and investments in research and development projects based on implementing new technologies in the gaming industry (1,745 thousand euros at December 31, 2013 and 2012).

Note 9 includes several elements in relation to a test of the potential impairment of the Group's assets.

6.6 Other information

At December 31, 2013, the net value of intangible assets in foreign companies of the Group amounted to 114,331 thousand euros (2012: 62,043 thousand euros).

7. PROPERTY, PLANT AND EQUIPMENT

7.1 Movements

2013

(Thousands of euros)	January 1, 2013	Additions	Disposals	Transfers	Translation differences and other	December 31, 2013
Cost						
Land and buildings	216,450	6,332	(20)	2,587	(24,812)	200,537
Installations	69,066	5,069	(177)	783	(4,903)	69,838
Machinery	434,390	62,555	(28,118)	15,541	(41,345)	443,023
EDP equipment	57,462	3,783	(1,956)	1,647	(1,883)	59,053
Vehicles	6,833	397	(196)	836	(4,756)	3,114
Other installations, tools, and furniture	228,424	13,348	(6,752)	3,107	(8,019)	230,108
Assets in progress	9,152	29,696	(601)	(24,501)	(2,200)	11,546
	1,021,777	**121,180**	**(37,820)**	**-**	**(87,918)**	**1,017,219**
Depreciation						
Buildings	(36,174)	(7,464)	-	-	3,575	(40,063)
Installations	(44,557)	(7,245)	75	-	3,502	(48,225)
Machinery	(296,404)	(78,020)	23,928	(31)	28,613	(321,914)
EDP equipment	(38,870)	(6,268)	1,662	-	1,405	(42,071)
Vehicles	(3,271)	(1,895)	195	-	2,079	(2,892)
Other installations, tools, and furniture	(133,129)	(23,200)	3,549	31	4,299	(148,450)
	(552,405)	**(124,092)**	**29,409**	**-**	**43,473**	**(603,615)**
Impairment loss	**(14,709)**	**(1,516)**	**599**	-	-	**(15,626)**
Net carrying amount	**454,663**	**(4,428)**	**(7,812)**	**-**	**(44,445)**	**397,978**

2012

(Thousands of euros)	January 1, 2012	Additions	Disposals	Transfers	Translation differences and other	December 31, 2012
Cost						
Land and buildings	222,918	5,054	(252)	1,817	(13,087)	216,450
Installations	62,346	7,913	(2,629)	1,989	(553)	69,066
Machinery	430,551	39,852	(48,275)	19,413	(7,151)	434,390
EDP equipment	55,479	3,851	(3,883)	2,931	(916)	57,462
Vehicles	6,691	406	(392)	2,672	(2,544)	6,833
Other installations, tools, and furniture	209,807	10,183	(5,849)	17,598	(3,315)	228,424
Assets in progress	11,309	44,833	(204)	(46,420)	(366)	9,152
	999,101	**112,092**	**(61,484)**	-	**(27,932)**	**1,021,777**
Depreciation						
Buildings	(31,075)	(7,175)	4	-	2,072	(36,174)
Installations	(38,573)	(7,912)	2,030	(74)	(28)	(44,557)
Machinery	(280,730)	(64,879)	45,388	257	3,560	(296,404)
EDP equipment	(38,633)	(4,687)	2,704	10	1,736	(38,870)
Vehicles	(2,933)	(1,638)	169	-	1,131	(3,271)
Other installations, tools, and furniture	(114,899)	(23,549)	2,949	(193)	2,563	(133,129)
	(506,843)	**(109,840)**	**53,244**	-	**11,034**	**(552,405)**
Impairment loss	**(14,290)**	**(1,152)**	**733**	-	-	**(14,709)**
Net carrying amount	**477,968**	**1,100**	**(7,507)**	-	**(16,898)**	**454,663**

Additions in 2013 basically correspond to purchases of machines in Spain (14,253 thousand euros), Colombia (11,470 thousand euros), Argentina (1,031 thousand euros), Mexico (2,308 thousand euros), and Peru (1,637 thousand euros), mainly to update already-installed machines, and additions of property, plant and equipment under construction amounting to 6,802 thousand euros as a result of the opening of new halls or renovation of already-existing halls in Panama, and 7,451 thousand euros as a result of the opening of a bingo hall in Argentina.

Additions in 2012 basically corresponded to purchases of machines in Spain (20,404 thousand euros), Colombia (8,068 thousand euros), Argentina (7,566 thousand euros) and Peru (3,814 thousand euros), also mainly to update already-installed machines, and additions of property, plant and equipment under construction amounting to 27,114 thousand euros as a result of the opening of new halls or renovation of already-existing halls in Panama.

Additions in 2013 also include the effect of the business combinations (Note 4) (plus the addition of assets in 2012 as a result of the acquisition of the joint ventures detailed in Note 1.3), amounting in total to a gross value of 28,348 thousand euros (1,038 thousand euros in 2012) and 17,839 thousand euros of accumulated depreciation (2012: 219 thousand euros).

Disposals in 2013 and 2012 show sales of assets and other disposals, mainly due to the substitution of slot machines, which represented a loss of 4,109 thousand euros in 2013 (a loss of 5,687 thousand euros in 2012).

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

The cost value of the slot machines manufactured by Group companies and sold to slot machine operators of the Group, are recognized as property, plant and equipment by crediting the corresponding expenses in the consolidated statement of comprehensive income. The amount of work performed by the Group for property, plant and equipment in 2013 and 2012 amounted to 29,228 and 30,928 thousand euros, respectively.

7.3 Assets subject to guarantees

Several property, plant and equipment items, whose net value as of December 31, 2013 and 2012 was 57,219 thousand and 75,635 thousand euros, respectively, were used as guarantee for mortgage loan debts.

7.4 Assets subject to charges and limitations

All assets are unrestricted, except for those acquired through financial lease contracts, whose net book value amounted to 20,281 thousand euros at December 31, 2013 (33,537 thousand euros at December 31, 2012) (Note 19.2).

7.5 Property, plant and equipment located abroad

The net value of property, plant and equipment located abroad was 276,396 thousand euros at December 31, 2013 (2012: 329,486 thousand euros).

7.6 Investment commitments

At December 31, 2013 firm investment commitments amount to 9,538 thousand euros (no firm investment commitments at December 31, 2012).

8. FINANCIAL ASSETS

This caption is composed by the following balances:

	2013			2012		
(Thousands of euros)	**Non-current**	**Current**	**Total**	**Non-current**	**Current**	**Total**
Investments in associates						
Investments accounted for under equity method	3,168	-	3,168	3,049	-	3,049
Available-for-sale financial assets						
Equity instruments measured at cost	-	-	-	3,018	-	3,018
Loans and receivables						
Nortia Business Corporation, S.L.	66,372	-	66,372	72,206	-	72,206
Loans to jointly-controlled business and associates	2,480	11,637	14,117	9,742	7,196	16,938
Loans to third parties	43,404	-	43,404	39,723	-	39,723
Public administrations	-	-	-	1,154	-	1,154
Deposits and guarantees	7,330	30,087	37,417	9,689	32,159	41,848
Fixed-income securities and deposits	-	2,390	2,390	-	3,534	3,534
Trade and other receivables	-	205,439	205,439	-	218,011	218,011
Other	5,682	16,359	22,041	5,240	13,094	18,334
	128,436	265,912	394,348	143,821	273,994	417,815
Impairment loss	(1,050)	(30,974)	(32,024)	(2,905)	(24,776)	(27,681)
	127,386	**234,938**	**362,324**	**140,916**	**249,218**	**390,134**

Current portion of Nortia Business Corporation, S.L., and of loans to third parties and receivables from Public administrations is included in the caption *Trade and other receivables* in the consolidated statement of financial position.

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

The accumulated balance of impairment loss of non-current financial assets mainly corresponds to loans to third parties, while impairment loss of current financial assets corresponds to trade and other receivables (26,049 and 24,776 thousand euros at December 31, 2013 and 2012, respectively).

8.1 Investments in associates

This caption includes the following investments:

2013

(Thousands of euros)	Book value	Assets	Liabilities	Operating revenues	Profit (loss) for the year
Casino de Asturias, S.A.	795	1,120	(6)	108	58
Urban Leisure, S.L.	461	1,245	(312)	2,129	136
Gironina de Bingos, S.L.	-	2,781	(1,697)	-	-
Recreativos Trece, S.L.	243	578	(174)	908	23
Compañía Europea de Salones Recreativos, S.L.	725	5,862	(2,793)	4,717	287
Fianzas y Servicios Financieros, SGR	944	5,272	(3,256)	423	-
	3,168	**16,858**	**(8,238)**	**8,285**	**504**

2012

(Thousands of euros)	Book value	Assets	Liabilities	Operating revenues	Profit (loss) for the year
Casino de Asturias, S.A.	772	1,089	(6)	109	91
Urban Leisure, S.L.	429	1,333	(236)	2,746	154
Gironina de Bingos, S.L.	-	2,781	(1,697)	-	-
Recreativos Trece, S.L.	236	531	(80)	921	59
Compañía Europea de Salones Recreativos, S.L.	668	5,789	(3,007)	5,482	299
Fianzas y Servicios Financieros, SGR	944	5,081	(3,076)	455	-
	3,049	**16,604**	**(8,102)**	**9,713**	**603**

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

(Thousands of euros)	2013	2012
Balance at January 1	3,049	2,896
Investment in associate's profit	119	153
Investment in associate's losses	-	-
Balance at December 31	**3,168**	**3,049**

Transactions in 2013 and 2012 between companies mentioned above and other companies consolidated through the full and/or proportional consolidation method are irrelevant.

8.2 Loans and receivables

Nortia Business Corporation, S.L.

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

(Thousands of euros)	2013	2012
Loan maturing in 2017, at 8.75% interest rate	31,381	43,381
Long-term promissory notes from the sale of real state, discounted at 5% interest rate	3,619	3,619
Accrued interests	31,372	25,206
	66,372	**72,206**

The decrease in the loan granted to Nortia Business Corporation, S.A. is due to the fact that during 2013 a partial advance payment amounting to 12 million euros has been made. Additionally, the effective interest rate of the loan granted to Nortia Business Corporation (5.73%) does not match the nominal interest rate (8.75%), since interest will be paid upon the maturity of the loan. Moreover, during the current year, the maturity date of such loan has been modified and extended from 2015 to 2017.

At December 31, 2013 and 2012 the carrying amount of this loan was similar to its fair value.

Credits to jointly-controlled business and associates

This caption is broken down as follows (*):

(Thousands of euros)	2013	2012
Loans granted to a joint venture domiciled in Argentina. These loans are expressed in US dollars and accrue interest at an annual rate of Libor (six months) and mature in 2014	3,367	7,399
Current accounts with jointly-controlled business and associates	8,270	7,196
Other	2,480	2,343
	14,117	**16,938**

(*) The above amounts are the remaining balances after the eliminations derived from the proportional consolidation process.

The maturity date of these assets is as follows:

(Thousands of euros)	2013	2012
Within one year	11,637	7,196
Between one and two years	620	586
Between two and three years	620	7,985
Between three and four years	620	586
Between four and five years	620	585
	14,117	**16,938**

The average interest rate of these assets in 2013 and 2012 was 6.75% and 5.1%, respectively.

Loans to third parties

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

(Thousands of euros)	2013	2012
Mortgage loan in US dollars to a company that owns a hotel in Dominican Republic where a casino operated by the Group is located. It earns an annual interest of 7.25%.	951	1,155
Loan to the minority shareholder of a Spanish operating company of the Group (effective interest rate of the transaction: 8.0%)	12,034	11,180
Non-trade loan with annual variable maturity dates until 2014. It does not yield any explicit interest, with a 5% effective interest rate of the transaction.	-	2,219
Loans to the minority shareholder of a Colombian subsidiary at an interest rate of 4.5%.	-	4,050
Loans granted in USD to a former shareholder of a Mexican company at an 8.75% interest rate, and with a tangible security.	905	1,664
Deferred collection of the sale of a minority interest in a Spanish company engaged in the operation of a bingo hall.	493	1,194
Current accounts between a group company and companies related to it (third parties for Group purposes), at a floating interest rate of Euribor plus 4% with a minimum of 5.5%.	16,637	-
Other	12,384	18,261
	43,404	**39,723**

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

(Thousands of euros)	2013	2012
Between one and two years	12,584	17,030
Between two and three years	4,494	4,173
Between three and four years	4,392	4,885
Between four and five years	2,973	8,573
More than five years	18,961	5,062
	43,404	**39,723**

Trade and other receivables

This caption is broken down as follows:

(Thousands of euros)	2013	2012
Trade receivables	32,742	39,857
Impairment losses	(26,049)	(24,776)
Other related parties	1,979	5,773
Receivables from Public administrations	29,092	34,691
Other receivables	141,610	137,158
Nortia Business Corporation, S.L. – Promissory notes from sale of assets	16	532
	179,390	**193,235**

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)	2013	2012
Balance at January 1	24,776	24,654
Net charge for the year	4,490	5,459
Utilized	(353)	(5,337)
Additions of companies	2,061	-
Balance at December 31	**30,974**	**24,776**

The Group has established credit periods between 90 and 150 days, while the average collection period is approximately of 120 days at December 31, 2013 (120 days at December 31, 2012).

8.3 Available-for-sale financial assets

The caption of available-for-sale financial assets recognized at 2012 year end included the ownership interest of 8.4% in a real estate company of the Nortia Business Corporation Group, with a cost of 3,018 thousand euros. These assets were measured at cost, as they cannot be determined with reasonable accuracy at fair value. In any case, the Group estimated that under no circumstances these investments could be impaired. On January 15, 2013 the Group sold the said ownership interest to Nortia Business Corporation, S.L. for an amount of 3,100 thousand euros.

9. IMPAIRMENT TEST

9.1 Goodwill

Cash-generating units

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

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

Key assumptions

- Budgeted gross margins - to determine the value assigned to the budgeted gross margins, the average gross margin achieved in the year immediately preceding the year budgeted is used, increased by the expected efficiency improvements. The period used in these projections is 5 years. From the fifth year the figures are extrapolated using a growth rate similar to expected inflation.

- Increase in costs - to determine the value assigned to the increase in raw materials prices, the price index expected during the year for each country where the Group operates is used. The values assigned to key assumptions are consistent with respect to external sources of information.

- The discount rate applied to projected cash flows is determined by the specific risk of each cash-generating unit, taking into account the type of activity and country where it is located. The following chart shows the discount rates used based on business and geographic area for the CGUs with significant goodwill associated to them.

Country	Activity	Discount rate (before tax)
Spain	Gaming	13.71%
Spain	Industrial	13.71%
Spain	Interactive	13.71%
Italy	Gaming	13.00%
Peru	Gaming	15.64%
Colombia	Gaming	15.00%

Test results

As a consequence of the tests performed, impairment adjustments have been recognized in 2013 amounting to 20,113 thousand euros, mainly due to the reduction in the estimate of future cash flows of certain operators in Spain (3,713 thousand euros) and certain bingo halls (16,400 thousand euros). In 2012 impairment adjustments were recognized amounting to 14,013 thousand euros, mainly due to the reduction in the estimate of future cash flows of certain operators in Spain (5,172 thousand euros) and certain bingo halls (7,573 thousand euros).

9.2 Other assets

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

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

As a result of the tests performed, apart from the impairment losses described in the paragraphs below, an impairment loss amounting to 600 thousand euros was recognized related to the casino segment (1,152 thousand euros related to the casino segment in 2012) and 200 thousand euros related to the bingo segment.

Impairment loss recognized in the prior year mainly corresponded to the impairment of a casino operated by the Group in Venezuela (Isla Margarita). This casino had been dormant since 2011 due to the temporary close-down of the gaming activities ordered by the Government. However, the said impairment loss was recognized in 2012; since until that moment the activity was expected to resume in the short term, which did not occur and, consequently, the corresponding assets were impaired.

10. INTERESTS IN JOINTLY CONTROLLED COMPANIES

Jointly controlled companies have been incorporated in the consolidated financial statements through the proportional method.

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

	Data affected by % of equity interest	
(Thousands of euros)	**2013**	**2012**
Non-current assets	107,834	146,116
Current assets	164,152	179,439
Non-current liabilities	(30,019)	(48,401)
Current liabilities	(54,210)	(81,781)
Operating revenues	388,950	406,094
Expenses	(336,619)	(354,647)
Net profit for the year	52,331	51,447

11. INVENTORIES

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

(Thousands of euros)	**2013**	**2012**
Raw and auxiliary materials	2,935	2,794
Spare parts and other	5,771	6,155
Finished products	149	749
Work in progress	3,075	1,425
Prepayments to suppliers	2,019	1,204
	13,949	**12,327**

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

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

(Thousands of euros)	**2013**	**2012**
Balance at January 1	2,111	2,280
Additions	54	59
Write-off	(972)	(228)
Balance at December 31	**1,193**	**2,111**

The write-off in 2013 and 2012 corresponds to the destruction of several inventories from the industrial division.

12. CASH AND CASH EQUIVALENTS

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

(Thousands of euros)	2013	2012
Cash	14,052	13,900
Current accounts	44,068	40,981
Deposits	256	353
	58,376	**55,234**

These assets are unrestricted and earn market interest rates.

13. EQUITY

13.1 Share capital

At December 31, 2013 and 2012 the Company's share capital consisted of 122,887,121 shares with a par value of 0.20 euros each. All shares bear the same political and economic rights.

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

	2013	2012
Nortia Business Corporation, S.L., company belonging to Mr. Manuel Lao Hernández and his family	52.43%	52.43%
Mr. Manuel Lao Hernández	46.65%	46.65%
Treasury shares	0.92%	0.92%
	100.00%	**100.00%**

Part of the Company's shares (26.04% at December 31, 2013 and 31.04% in 2012) and shares of several subsidiaries are pledged in favor of Institut Català de Finances as a guarantee for a loan granted to Nortia Business Corporation S.L., main shareholder of the Company.

13.2 Treasury shares

At December 31, 2013 and 2012, the Company has 1,131,421 treasury shares at an average cost of 0.1626 each, which are shown reducing the Group's net equity.

13.3 Retained earnings

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

Legal reserve

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

At December 31, 2013 and 2012 the Parent Company's legal reserve amounted to 4,915 thousand euros.

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

Treasury shares reserve

As indicated in Note 13.2 above, the Parent Company acquired treasury shares. In accordance with prevailing mercantile legislation, the Group has provided the corresponding non-distributable reserve by the amount of treasury shares, maintained until sold or amortized.

13.4 Non-controlling interests

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

(Thousands of euros)	Amount in statement of financial position		Participation in results	
	2013	2012	2013	2012
Division				
Casinos	64,996	65,009	13,121	12,689
Slots	21,112	476	995	(3,246)
	86,108	**65,485**	**14,116**	**9,443**

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

(Thousands of euros)	2013	2012
Balance at January 1	65,485	71,229
Net profit for the year attributable to non-controlling interest	14,116	9,443
Translation differences	(2,610)	(1,063)
Additions for acquisition / creation of companies, changes in consolidation methods (from proportional to full) or changes in the % of ownership in companies consolidated under the full consolidation method	23,799	407
Sale of companies	(1,448)	-
Dividend payments	(13,234)	(14,531)
Balance at December 31	**86,108**	**65,485**

14. BONDS

This caption basically refers to the issue of bonds by a subsidiary located in Luxembourg amounting to 780 million euros, including an initial amount of 400 million euros, issued in 2010 below par, at a 97.89% price, an additional issue in January 2011 of 280 million euros as an extension of the former one, and an issue of 100 million euros at 99.75% of the nominal value in January 2013 as an extension of the issue carried out in 2010. These bonds are listed on the Luxembourg Stock Exchange, accruing an annual interest of 8.75% paid every six months, and maturing in 2018.

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

At December 31, 2013 the quoted price of the bonds recognized in the liabilities side of the balance sheet was 105.8% of their par value (98.8% at 2012 year end).

15. BANK BORROWINGS

(Thousands of euros)	2013 Non-current	2013 Current	2013 Total	2012 Non-current	2012 Current	2012 Total
Mortgage and pledge loans	46,408	3,088	49,496	73,151	2,493	75,644
Other loans	52,716	32,714	85,430	50,451	28,422	78,873
Financial lease agreements (Note 19.2)	11,506	10,095	21,601	17,306	11,233	28,539
Credit and discount lines	-	10,610	10,610	-	17,106	17,106
	110,630	56,507	167,137	140,908	59,254	200,162

Average interest rates accrued by these borrowings are as follows:

	% 2013	% 2012
Loans	4.69%	5.08%
Financial lease agreements	5.27%	5.24%
Credit and discount lines	4.54%	4.82%

The annual maturity date of these liabilities is as follows:

(Thousands of euros)	2013	2012
Within one year	56,507	59,254
Between one and two years	31,442	28,873
Between two and three years	24,162	72,415
Between three and four years	9,847	16,408
Between four and five years	31,038	5,462
More than five years	14,141	17,750
	167,137	200,162

Part of these liabilities, equal to 28,933 and 40,440 thousand euros at December 31, 2013 and 2012, respectively, is denominated in U.S. dollars.

At December 31, 2013 and 2012, shares of several subsidiaries were pledged in favor of Deutsche Bank London AG as a security for the credit line of 50 million euros received from that entity. At December 31, 2013 the Group has drawn down 25 million euros of this credit line (at 2012 year end it had been fully drawn down). At December 31, 2013, like in the prior year, the drawn amount was recognized as a non-current liability, since during 2012 the Group renegotiated the maturity of the credit line, extending the initial maturity set for 2012 to 2018. However, due to the issue of bonds described in Note 29, during January 2014 the Group has settled the said drawn amount of the credit line.

At December 31, 2013 the undrawn amount of credit and discount lines is 10,114 and 5,452 thousand euros, respectively, without considering the credit line commented in the prior year. These figures amounted to 3,660 and 1,825 thousand euros, respectively, at 2012 year end.

Finally, at December 31, 2013 and 2012 the guarantees given by credit institutions and insurance companies to the Group, in connection with official gaming concessions and licenses were 105,267 and 111,399 thousand euros, respectively.

16. OTHER CREDITORS

The breakdown of this caption is as follows:

(Thousands of euros)	2013			2012		
	Non-current	Current	Total	Non-current	Current	Total
Public administrations	911	69,109	70,020	1,622	84,547	86,169
Bills payable	1,289	3,482	4,771	164	3,194	3,358
Sundry creditors	33,439	91,621	125,060	36,552	105,282	141,834
	35,639	**164,212**	**199,851**	**38,338**	**193,023**	**231,361**

In 2013 the non-current portion of liabilities with Public administrations refers mainly to deferral on gaming taxes granted by the corresponding authorities, which have accrued an annual interest rate of 5% (2012: 5%). The current portion corresponds to gaming taxes with a short-term maturity (2013: 37,057 thousand euros, 2012: 54,565 thousand euros), payroll withholding tax, VAT, social security contributions and similar concepts pending to be filed.

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

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

- Asset suppliers amounting to 4,304 thousand euros (1,101 thousand euros at prior year end)
- Non-current payable amount related to certain investments in Panama amounting to 11,539 thousand dollars (8,367 thousand euros). The debt derived from this investment will be settled through 47 equal monthly instalments of 395 thousand dollars, including interest, the first payment being in January 2014 until December 2017.
- Several payables for ordinary transactions amounting to 8,814 thousand euros, with an undetermined maturity (9,734 thousand euros at prior year end).

The caption *Current sundry creditors* mainly includes:

- Asset suppliers amounting to 27,072 thousand euros (29,391 thousand euros at prior year end).
- Payables for the rendering of services amounting to 23,030 thousand euros (19,701 thousand euros at December 31, 2012).
- Current borrowings amounting to 15,462 thousand euros, notably including:
  - Payable amount of the loan granted during 2014in US dollars by International Game Technology (2,353 thousand euros). The loan was obtained to finance the investment made by Casino de Rosario, S.A. (joint venture). It has a right of mortgage on that company's building, accrues an annual interest rate of Libor plus 5.75% and will be cancelled in 48 equal monthly consecutive installments from September 2010. At prior year end, this loan was recognized for an amount of 18,774 thousand euros, of which 13,142 thousand euros were non-current and 5,632 thousand euros were current.
  - The payable portion in 2014 for the investments in Panama (3,866 thousand euros) mentioned above.
  - Current payable amounting to 4,432 thousand euros (6,112 thousand dollars) corresponding to a loan granted by the other shareholder of Casino de Rosario, S.A. (joint venture) to this company that matures in 2014. This loan accrues interest at 6-month Libor plus 2%. At prior year end this loan was recognized for an amount of 5,307 thousand euros as non-current (7,002 thousand dollars).
- Employee benefits payable amounting to 19,135 thousand euros (2012: 17,210 thousand euros) (Note 20.1).
- Additionally, at prior year end payable amounts regarding current accounts with related entities amounting to 15,333 thousand euros were recognized, including the current account with Nortia Business Corporation, S.L. (12,305 thousand euros), which accrued an annual interest of 8.75%. In 2013 this current account has almost been credited.

17. PROVISIONS

The breakdown of this caption is as follows:

(Thousands of euros)	2013	2012
Obligations in relation to employees	13,219	12,242
Tax assessments appealed by the Group	2,926	1,082
Other	7,092	6,614
Balance at December 31	**23,237**	**19,938**

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

At December 31, 2013 and 2012 the caption *Others* mainly consisted of provisions for several risks, fines and labor trials that are individually irrelevant.

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

(Thousands of euros)	2013	2012
Balance at January 1	19,938	14,233
Allowances	4,889	6,893
Provisions applied	(4,141)	(1,188)
Additions due to sale of companies	2,551	-
Balance at December 31	**23,237**	**19,938**

18. TAXES

18.1 Tax Group

The Parent Company, together with 70 Spanish subsidiaries, which comply with tax legislation requirements, files tax returns on a consolidated basis. Additionally, there are 2 other Spanish consolidated tax groups in Spain, comprising 8 subsidiaries, which are controlled by the joint venture Orlando Play, S.A., and 6 companies, which are controlled by the joint venture Sportium Apuestas Deportivas, S.A.

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

18.2 Accrued and payable income tax

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

(Thousands of euros)	2013	2012
Current	36,496	46,685
Deferred for (increase) decrease of tax loss carryforwards capitalized and tax credits	(8,173)	26,875
Deferred for temporary differences	179	(17,493)
	28,502	**56,067**

The breakdown of current income tax payable is as follows:

(Thousands of euros)	2013	2012
Current income tax	36,496	46,685
Withholdings and payments on account	(14,557)	(14,979)
	21,939	**31,706**

18.3 Analysis of income tax expense

(Thousands of euros)	2013	2012
Profit before tax	29,485	65,679
Tax rate prevailing in Spain	30%	30%
Theoretical income tax expense	8,846	19,704
Adjustments – Effect of:		
Different tax rates prevailing in other countries	3,431	3,204
Countries with no income taxation and/or compensation of tax losses	(1,773)	(1,518)
Impairment losses solely for consolidation purposes	6,274	4,250
Tax credits for non-capitalized tax loss carryforwards from the tax group whose parent is Cirsa Gaming Corporation, S.A.	-	3,333
Cancelled tax credits for prior years' tax loss carryforwards from the tax group whose parent is Cirsa Gaming Corporation, S.A.	3,200	17,315
Tax credits for non-capitalized tax loss carryforwards from the tax group whose parent is Sportium Apuestas Deportivas, S.A.	407	367
Cancelled tax credits for tax loss carryforwards from companies that file taxes separately (generated in prior years)	334	4,663
Recognition of deferred tax assets arisen in prior years	(17,694)	-
Translation differences deductible / taxable for tax purposes	(630)	1,060
Losses in net monetary position (Venezuelan hyperinflation)	-	176
Difference due to the payment of taxes from prior years	-	1,188
Tax inspection expense	769	-
Unrecognized used tax credits	(2,264)	-
Non-deductible fine to Cirsa Italia, Spa (Note 22)	10,800	-
Limitation on the deductibility of financial expenses in Spanish companies that will not be recovered	9,529	-
Other non-deductible expenses and other	7,273	2,325
	28,502	**56,067**

At December 31, 2013 and 2012 the effect of adjustments of different tax rates mainly corresponds to the application of higher taxes in Argentina and Colombia.

Cancelled tax credits for prior years' tax loss carryforwards from companies that file taxes separately correspond to companies in Spain (334 thousand euros). At December 31, 2013 corresponded to companies in Spain (586 thousand euros), Mexico (1,496 thousand euros), Venezuela (1,947 thousand euros) and Italy (634 thousand euros).

The recognition of deferred tax assets arisen in prior years for an amount of 17,694 thousand euros corresponds to a change in the estimate regarding the recoverability of temporary differences and tax loss carryforwards generated by a subsidiary in Mexico (Promociones e Inversiones de Guerrero, S.A.P.I. de C.V.).

At December 31, 2012 non-deductible expenses mainly consist of financial investment impairment allowances carried out by subsidiaries in Latin American companies.

The impact of assets impairment merely for consolidation purposes basically relates to the prevailing tax rate applicable to the impairment of goodwill or assets in Spain amounting to 20.9 million euros (14.2 million euros at December 31, 2012).

18.4 Deferred tax assets and liabilities

(Thousands of euros)	2013	2012
Assets		
Tax loss carryforwards from the tax group whose parent is Cirsa Gaming Corporation	14,968	21,363
Tax loss carryforwards from the tax group whose parent is Orlando Play, S.A.	133	652
Tax loss carryforwards from other group companies	18,808	763
Deductions pending application from the tax groups	-	2,838
Deductible temporary differences:		
--- Impaired receivables	8,238	7,568
--- Impaired securities portfolio	24,050	20,544
--- Goodwill impaired in individual books	483	1,142
--- Intragroup margin write-off	6,267	6,296
--- Non-accounting impairment for tax purposes	12,710	13,218
--- Non-deductible amortization for accounting purposes	4,589	-
--- Other	8,384	6,494
	98,630	**80,878**
Liabilities		
Taxable temporary differences:		
--- Initial statement of non-current assets at fair value	(5,385)	(5,991)
--- Provision for maximum gaming prizes	(6,736)	(7,041)
--- Difference between tax depreciation and accounting depreciation	(4,701)	(6,044)
--- Non-accounting impairment for tax purposes	(16,061)	(17,433)
--- Margin write-offs	(2,740)	(2,740)
--- Business combinations	(16,624)	(2,163)
--- Other	(2,685)	(3,882)
	(54,932)	**(45,294)**

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

The breakdown of unused tax losses carryforwards at December 31, 2013 for the 3 tax groups whose parent companies are, respectively, the Company, the subsidiary Orlando Play, S.A., and Sportium Apuestas Deportivas, S.A. is as follows:

(Thousands of euros)		Taxable basis		
Arising in	Last year for utilization	Tax group whose parent is the Company	Tax group whose parent is Orlando Play, S,A, (*)	Tax group whose parent is Sportium Apuestas Deportivas, S.A.(*)
1997	2015	317	-	-
1998	2016	74	-	-
1999	2017	1,047	-	-
2000	2018	1,125	-	-
2001	2019	17,745	-	-
2002	2020	2,605	-	-
2003	2021	10,237	-	-
2004	2022	14,681	-	-
2005	2023	35,712	-	-
2006	2024	2,064	469	-
2007	2025	17,624	199	352
2008	2026	1,764	202	2,097
2009	2027	8,567	717	2,188
2010	2028	16,008	-	510
2011	2029	40,970	-	858
2012	2030	10,448	-	1,224
2013	2031	-	-	881
		180,988	**1,587**	**8,110**

(*) Tax groups whose parents are companies representing a joint venture consolidated through the proportionate consolidation method. Therefore, tax assets included in this table are affected by the 50% of ownership held.

Tax group whose parent is the Company

At December 31, 2013 and 2012 the Group has recognized deferred tax assets amounting to 14,964 and 21,363 thousand euros, respectively, relating to unused tax loss carryforwards of the tax group. No deferred tax assets were recorded for the rest of unused tax losses carryforwards, which at December 31, 2013 amount to 39,333 thousand euros (2012: 43,315 thousand euros), since their future application is uncertain.

In addition to tax loss carryforwards, the tax group whose parent is the Company holds additional tax credits amounting to 49,794 thousand euros at December 31, 2013 (2012: 59,415 thousand euros), for unused tax deductions that were not capitalized for not having met the terms to be used.

(Thousands of euros) Last year for utilization	Unused deductions at December 31, 2013
2013	66
2014	72
2015	36
2016	886
2017	4,207
2018	5,115
2019	9,584
2020	7,912
2021	14,600
2022	1,464
2023	906
2024	1,319
2025	605
2026	438
2027	1,664
2028	384
2029	252
2030	284
	49,794

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

In 2010 the tax group whose parent is Orlando Play, S.A. was constituted. Since the Group owns 50% of Orland Play, S.A. shares, tax assets contributed by it are affected by this percentage of ownership.

At December 31, 2013 the Group has recognized deferred tax assets amounting to 133 thousand euros (208 thousand euros at December 31, 2012), related to unused tax loss carryforwards of this tax group. For the rest of unused tax loss carryforwards no deferred tax assets have been recognized, which at December 31, 2013 amounted to 343 thousand of euros (353 thousand euros at December 31, 2012) (amounts affected by percentage of ownership).

Tax group whose parent is Sportium Apuestas Deportivas, S.A.

In 2012 the tax group whose parent is Sportium Apuestas Deportivas, S.A. was constituted. Since the Group owns 50% of this company, tax assets contributed by it are affected by this percentage of ownership.

At December 31, 2013 the Group has deferred tax assets for tax loss carryforwards amounting to 2.4 million (2.2 million euros at December 31, 2012), which have not been capitalized since the requirements established by applicable accounting regulations are not met (amounts affected by the percentage of ownership).

18.5 Other tax information

Under prevailing tax regulations, tax returns may not be considered final until they have either been inspected by tax authorities or until the inspection period has expired. At December 31, 2013 Spanish companies (which mostly file taxes under a consolidated tax group) are open to inspection of all taxes to which they are liable for the last four years. In general, the prescription periods for countries where the Group has significant presence are between four and five years after the end of the statutory period for filing tax returns. The Group considers that, in the event of a tax inspection, no significant tax contingencies having effect on consolidated financial statements would arise.

On March 8, 2012, the Company's Management was notified of an inspection for all the years open to inspection and for all taxes of 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 15, 2013 the corresponding inspection agreement assessment has been signed, whereby tax loss carryforwards amounting to 40,576 thousand euros were regularized and sanctions were imposed for an amount of 769 thousand euros.

It is important to note that, in the regularization of tax loss carryforwards, no accounting expense has arisen, since no tax credits had been recognized at December 31, 2012 relating to the said regularized tax loss carryforwards. Consequently, the sanctions imposed in such inspection are the only expense that had an impact on the income statement for the year ended December 31, 2013.

19. LEASES

19.1 Operating leases

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

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

(Thousands of euros)	2013	2012
Within one year	65,543	64,670
Between one and five years	285,929	269,027
More than 5 years	77,845	74,669
	429,317	**408,366**

19.2 Finance leases

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

	2013		2012	
(Thousands of euros)	Minimum payments	Present value of payments	Minimum payments	Present value of payments
Within one year	12,618	10,095	14,054	11,233
Between one and five years	18,063	11,506	27,169	17,306
	30,681	**21,601**	**41,223**	**28,539**

Acquisition of property, plant and equipment through financial lease agreements, not recorded as cash flows in investing activities in the consolidated statements of cash flows, amounted to 5,049 thousand euros in 2013 and 9,177 thousand euros in 2012.

20. INCOME AND EXPENSES

20.1 Personnel

(Thousands of euros)	2013	2012
Wages and salaries	181,064	179,895
Social security	43,638	43,584
Indemnities	5,040	7,315
Other personnel expenses	12,099	11,453
	241,841	**242,247**

Remunerations pending payment at year end of 2013 and 2012 (19,135 and 17,210 thousand euros, respectively) are recognized in the caption *Other creditors* (Note 16).

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

	2013			2012		
	Men	Women	Total	Men	Women	Total
Executives	285	84	369	313	75	388
Technicians, production and sales staff	5,495	4,377	9,872	5,576	4,386	9,962
Administrative personnel	893	647	1,540	887	701	1,588
	6,673	**5,108**	**11,781**	**6,776**	**5,162**	**11,938**

The headcount at December 31, 2013 and 2012 by category and gender does not significantly differ from the breakdown shown in the table above regarding the average headcount for those years.

20.2 External supplies and services

(Thousands of euros)	2013	2012
Rent and royalties	73,652	72,473
Advertising, promotion and public relations	40,285	38,790
Professional services	22,278	23,375
Sundry services	16,802	26,519
Supplies	30,504	30,954
Travel expenses	10,587	11,051
Repair and maintenance	19,619	21,273
Security	9,511	9,381
Postal services, communications and telephone	13,838	11,213
Insurance premiums	5,896	5,735
Cleaning services	6,443	6,581
Bank services and similar	6,069	5,590
Transportation	2,773	3,189
Research and development expenses (Note 6.2)	162	295
	258,419	**266,419**

20.3 Exchange differences

(Thousands of euros)	2013	2012
Income	1,966	2,369
Expenses	(9,231)	(8,702)
	(7,265)	**(6,333)**

Net exchange differences from translation of financial balances in foreign currency between Group companies are recognized in *Translation differences*, as a component that decreases the shareholders' equity at December 31, 2013 by 2,100 thousand euros (2012: it increased the shareholders' equity by 3,533 thousand euros), since they are considered as exchange differences arising from monetary components of a net investment in a foreign business.

21. RELATED PARTIES

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

(Thousands of euros)	2013	2012
Sale of slot machines	745	9,245
Revenues for rendering of services	1,739	1,641
Operating expenses	(12,218)	(10,446)
Interest income	4,689	3,940
Interest expenses	(644)	(1,387)

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

Accounts receivable derived from these transactions at year end are described in Note 8.

Accounts payable from trade transactions amount to 1,896 and 1,258 thousand euros at December 31, 2013 and 2012, respectively, and are included in *Trade Creditors.*

Finally, the current payable balance recognized in the prior year amounting to 12,305 thousand euros corresponding to the current account with Nortia Business Corporation, S.L. is detailed in Note 16 *Other Creditors.*

22. CONTINGENCIES

Italy

In 2007 the Italian Court of Auditors (Corte dei Conti-CDC) started proceedings against Cirsa Italia, SpA and the rest of online recreational machine operators, alleging that they had not fulfilled some obligations they had as authorized operators, and imposed a fine on such company amounting to 3,300 million euros (98,000 million euros on all the online operators as a whole). Cirsa and the rest of online operators lodged an appeal against such fine.

On February 17, 2012 the Italian Court of Auditors issued a ruling that imposed a fine of 120 million euros on Cirsa Italia (and 2,500 million euros for all the operators as a whole).

On April 23, 2012 the Group appealed against the ruling before a higher court, which suspended its execution. At December 31, 2012 no provision was recognized in the statement of financial position, but the contingency was disclosed in the consolidated notes to the financial statements for the prior year, since Group management and legal advisors considered unlikely that this contingency had to be paid, based on several legal and factual arguments.

However, on November 15, 2013 the Group announced that the settlement of the contingency had been agreed with Corte dei Conti (CdC) through the payment of 36 million euros (30% of 120 million euros) plus interest amounting to 1.5 million euros. Such contingency has been settled by Cirsa Italia, Spa in November 2013.

Consequently, these amounts have been recognized in the 2013 consolidated statement of comprehensive income, specifically under the captions "Gaming taxes" (36 million euros) and "Financial costs" (1.5 million euros).

Argentina

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

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

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

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

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

On December 18, 2013 the Authorities took precautionary measures whereby it suspended certain clauses of the addendum, invalidating the agreement for the moment. These measures have been appealed against by the GCABA on December 20, 2013.

At the date of preparation of these financial statements, the addendum is suspended by the Authorities, and therefore, the procedure for the collection has not started.

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

23. INFORMATION ON ENVIRONMENTAL ISSUES

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

24. AUDIT FEES

Fees and expenses referred to the audit of the 2012 financial statements of the Group's companies rendered by the main auditors and other firms belonging to the auditor's international network amounted to 1,495 thousand euros in 2013 and 1,472 thousand euros in 2012.

In addition, fees and expenses paid during the year corresponding to other services rendered by the main auditors or other related entities amounted to 356 thousand euros in 2013 and 311 thousand euros in 2012.

25. DIRECTORS AND SENIOR EXECUTIVES

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

(Thousands of euros)	2013	2012
Directors		
Salaries	1,157	1,152
Senior executives		
Salaries	4,800	4,800
	5,957	**5,952**

At December 31, 2013 there are current accounts receivable with the Company's Directors amounting to 815 thousand euros (778 thousand euros in 2012). These accounts accrue an annual interest of 4.25%.

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

Pursuant to articles 229 and 230 of the Spanish Capital Companies Law, the Directors have informed the Company that there are no situations representing a conflict for the Group and that they hold the following equity investments and/or carry out duties in companies whose activity is identical, similar or complementary to the activity which comprises the Group's corporate purpose:

Director	Company	% of equity interest	Position / Duties
Manuel Lao Hernández	Nortia Business Corporation, S.L.	96.37%	Joint-Administrator
	Casino Nueva Andalucía Marbella, S.A.U.	-	Chairman
Esther Lao Gorina	Nortia Business Corporation, S.L.	1.10%	Joint-Administrator
Manuel Lao Gorina	Global Bingo Corporation, S.A.	-	Chairman / CEO
	Global Casino Technology Corporation, S.A.	-	Chairman
	Cirsa Interactive Corporation, S.L.	-	Chairman
	Cirsa Servicios Corporativos, S.L.U.	-	Chairman
	Cirsa Intenational Gaming Corporation, S.A.	-	Chairman
	Global Manufacturing Corporation, S.L.U.	-	Chairman / CEO
	Cirsa Slot Corporation, S.L.	-	Chairman / CEO
	Nortia Business Corporation, S.L.	1.10%	Joint-Administrator
	Opesa Internacional, S.A.	-	Chairman
	Casino Cirsa Valencia, S.A.U.	-	Chairman
	Casino La Toja, S.A.	-	Deputy chairman
	Casino Nueva Andalucía Marbella, S.A.U.	-	Board member
	Cirsa Digital, S.A.U.	-	Chairman
	Cirsa Funding Luxembourg, S.A.U.	-	Board member
	Integración Inmobiliaria World de México, S.A. de C.V.	-	Board member
	Opesa Internacional, S.A.	-	Chairman
	Gran Casino Las Palmas, S.A.		Chairman / CEO

26. OBJECTIVES AND POLICIES OF FINANCIAL RISK MANAGEMENT

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

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

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

26.1 Credit risk

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

Guarantees on loans and the credit risk exposure are shown in Note 8.

26.2 Interest rate risk

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

The breakdown of liabilities that accrue interests at 2013 and 2012 year end is as follows:

(Thousands of euros)	2013 Fixed interest rate	2013 Floating interest rate	2012 Fixed interest rate	2012 Floating interest rate
Bonds	770,010	-	668,488	-
Bank borrowings	-	167,137	-	200,162
Other creditors	-	29,788	-	54,815
	770,010	**196,925**	**668,488**	**254,977**

At December 31, 2013 financial liabilities at a fixed interest rate represented 80% of total liabilities (72% in 2012). In this regard, the Group's sensitivity to fluctuations in interest rates is low: a variation of 100 basis points in floating rates would lead to a change in the result amounting to 1,969 thousand euros and 2,549 thousand euros in 2012.

The Group estimates that fair value of the financial liabilities' instruments does not differ significantly from the accounted amounts, except for the comment in Note 14.

The breakdown of assets that accrue interests at 2013 and 2012 year end is as follows:

(Thousands of euros)	2013 Fixed interest rate	2013 Floating interest rate	2012 Fixed interest rate	2012 Floating interest rate
Nortia Business Corporation, S.L.	66,372	-	72,206	-
Loans to jointly-controlled business and associates	8,270	5,847	7,196	9,742
Loans to third parties	15,785	27,619	21,462	18,261
Deposits and guarantees	37,417	-	41,848	-
Fixed-income securities and deposits	2,390	-	3,534	-
	130,234	**34,466**	**146,246**	**28,003**

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

26.3 Foreign currency risk

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

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

The following study on sensitivity shows the foreign currency risk:

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

Variation	Thousands of euros 2013	Thousands of euros 2012
+ 10%	(2,712)	(2,803)
+ 5%	(1,420)	(1,468)
- 5%	1,570	1,623
- 10%	3,314	3,426

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

	Thousands of euros	
Variation	2013	2012
+ 10%	(4,955)	(3,306)
+ 5%	(2,470)	(1,612)
- 5%	3,286	2,309
- 10%	6,643	4,597

These variations correspond basically to the impact on operating magnitudes, and not on financial figures, since approximately 90% of Group financial liabilities, in both years, are paid in euros.

26.4 Liquidity risk

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

At December 31, 2013 and 2012, like in prior years, the Group shows negative working capital. This should be read within the context of the Group's activities, which are mostly based on revenues that generate cash every day, resulting in very high cash flows from operations, as observed in the consolidated statement of cash flows. Additionally, the Group obtains very high EBITDA, as shown in the consolidated statement of comprehensive income, which allows it to face debt service without cash difficulties.

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

- Diversification of financing sources through the access to different markets and geographical areas. In this regard, the Group has an additional borrowing capacity (see data in Note 15).
- Credit facilities committed for the sufficient amount and flexibility. Accordingly, the Group has available cash and cash equivalents amounting to 58 million euros at December 31, 2013 (2012: 55 million euros), to meet unexpected payments.
- The length and repayment schedule for financing through debt is established based on the financed needs.

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

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

The relevant information on the maturity dates of financial liabilities based on contractual terms is broken down in Notes 14, 15 and 16.

27. CAPITAL MANAGEMENT POLICY

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

The Group's strategy, both in 2013 and 2012, is to enhance the more profitable business and to act decisively on the deficit operations, to significantly improve the results and net cash flows. Control of investments and costs restraint have also been established as a priority action, with satisfactory results.

As stated in Note 14, the contracts entered into in relation to corporate bonds issued include limitations on the payment of dividends. The Company does not intend to distribute dividends in the short to medium term given that the Group policy is not to distribute dividends.

28. INFORMATION ON LATE PAYMENT TO SUPPLIERS

In compliance with Law 15/2010 of July 5, modifying Law 3/2004 of December 29, which establishes measures to be taken in combating arrears in commercial transactions, below we include a breakdown of the total amount of payments made to suppliers during the year by the Spanish subsidiaries, disclosing those that exceeded the legal payment deadlines; the weighted average period of time exceeded for payments; and the balance pending payment to suppliers exceeding the legal deadline at year end:

	Payments made and payments outstanding at the balance sheet date			
	2013		2012	
	Amount	%	Amount	%
Within maximum legal payment period (*)	212,915	65,15%	282,710	88,59%
Other	113,871	34,85%	36,418	11,41%
Total payments in the year	**326,786**	**100,00%**	**319,128**	**100,00%**
Weighted average payment period exceeded (days)	40		53	
Overdue payments exceeding the legal payment period at the closing date	**8,992**		**4,621**	

(*) The maximum legal payment period would be based, in each case, on the characteristics of the good or service received by the company in accordance with Law 3/2004 of December 29, which establishes measures to be taken in combating arrears in commercial transactions.

29. EVENTS AFTER THE BALANCE SHEET DATE

On January 8, 2014 a Group company domiciled in Luxembourg issued bonds as an extension of the issue made in 2010 (Note 14) for an amount of 120 million euros, and at 105.0% of the nominal amount. These bonds, which are listed on the Luxembourg Stock Exchange, accrue an annual interest rate of 8.75%, paid every 6 months, and mature in 2018.

Additionally, during the first weeks of 2014 a significant drop in the quotation of the Argentinian peso has been confirmed. At March 31, 2014 this currency's quoted price is 11.03 pesos/Euro, compared to 8.99 pesos/Euros at December 31, 2013, and the annual average of 7.39 pesos/Euros in 2013. Should income and expenses contributed to the consolidated statement of comprehensive by the companies the functional currency of which is the Argentinian peso have been translated at the current exchange rate, income and profit/(loss) before tax for the year 2013 would have decreased by 18,681 thousand euros.

Effective from January 1, 2014 agreements with the shareholders of the companies Casino de Rosario, S.A. and Multicasinos, S.A. have been signed, whereby control has gained over such companies (in accordance with IFRS 10), with no change in the Group's percentage of ownership in them (50% for both). As from January 1, 2014 these companies will be accounted for using the full consolidation method. Had this method been applied in 2013, operating revenues and profit (loss) after tax would have increased by 86,251 and 7,662 thousand euros, respectively.

30. ADDITIONAL NOTE FOR ENGLISH TRANSLATION

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

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

March 31, 2014

Cirsa Gaming Corporation Group

Consolidated Management Report

Year ended December 31, 2013

Despite the complex economic situation, and generalized depreciation of the currencies of the Latin American countries in which the Group carries out part of its activity, the Group's operating revenues (net of variable rent) have increased by 12,954 thousand euros (0.96%) during the twelve months of 2013.

Adjusted EBITDA (excluding non-recurring expenses of 36,000 thousand euros as a result of the lawsuit filed by the Italian Corte dei Conti in 2007) amounted to 338,111 thousand euros, compared to 322,011 thousand euros in the prior year, which represents a 5.0% increase (+16,100 thousand euros) mainly due to the improvement in the way the Group has managed its business, focusing on achieving profitable growth and consolidating its already existing business activities. In particular, we highlight the performance of the activities in Latin America.

In order to maintain the Group's position of leadership at a domestic level and offer a larger range of products in traditional sectors and in those related to new technologies, the Group has continued, as in previous years, to invest significant level of resources in research and development. This year the total amount allocated for projects carried out by the Group's Research and Development department amounted to 4,139 thousand euros.

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

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

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

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

March 31, 2014

List of subsidiaries

Company	Activity	Percentage of ownership 2013	Percentage of ownership 2012	Investment holder	Business address	City	Province/Country
Administradores De Personal En Entretenimiento, SA de CV	Bingos	100,00%	100,00%	Bincamex, S.A. de CV.	Bosque de Duraznos, 61 3B	Mexico City	Mexico
Ajar, S.A.	Bingos	75,00%	75,00%	Global Bingo Corporation, S.A.U.	Av. Muñoz Vargas, 18	Huelva	Huelva
Alfematic, S.A.	Slots	50,00%	-	Cirsa Slot Corporation, S.L.U.	Ctra. Rellinars, 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%	-	Egartronic, S.A.	Sequia de Favara, 11	Picanya	Valencia
Automáticos Siglo XXI, S.L.U.	Slots	75,00%	65,00%	Juegomatic, S.A.	Martillo, 26	Sevilla	Sevilla
Bar Juegos, S.L.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U. y Madrileña 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 C.V.	Bingos	100,00%	100,00%	Cirsa International Gaming Corporation, S.A.U.	Cantú, 9 - 601. Colonia Nueva Anzures	Mexico City	Mexico
Bincano, S.A.U.	Bingos	100,00%	60,00%	Global Bingo Corporation, S.A.U.	Elcano, 30-32	Bilbao	Vizcaya
Bingames, S.A.U	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U.	Crta. Castellar	Terrassa	Barcelona
Bingaser, A.I.E.	Bingos	100,00%	100,00%	Varios	Fermina Sevillano, 5-7	Madrid	Madrid
Bingos de Madrid Reunidos, S.A.U.	Bingos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Bingos Electronicos De Panama, S.A.U.	Casinos	100,00%	100,00%	Gaming & Services De Panamá, S.A.U.	Calle 50 y 73 Este San Francisco	Panama City	Panama
Bingos Malagueños, S.A.U.	Bingos	100,00%	100,00%	Sobima, S.A.U.	Pz. Cruz de Humilladero, S/n	Málaga	Málaga
Binred Madrid, S.A.	Bingos	100,00%	100,00%	Novojuegos, S.A. Y Sala Versalles, S.A.	C/ Bravo Murilo, 309	Madrid	Madrid
Bumex Land, S.L.U.	Bingos	100,00%	65,30%	Global Bingo Corporation, S.A.U.	Elcano, 30-32	Bilbao	Vizcaya
B2B Central Reporting, S.A. De C.V.	B2B	100,00%	100,00%	Cirsa Interactive Corporation, S.L.	Bosque de Duraznos, 61 3 b, Bosques Lomas	Mexico City	Mexico
Cafetería Miami, S.A.U.	Casinos	100,00%	100,00%	Gaming & Services, S.A.C.	Av. La Marina, 1725	San Miguel (Lima)	Peru
Capitan Haya 7, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U. y Global Bingo Stars, S.A.U.	Capitán Haya, 7	Madrid	Madrid
Casino Buenos Aires, S.A.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation, S.A.U. y Gestión de Juego Integral, S.A.U.	Avda. Elvira Rawson de Dellepiane, s/n	Buenos Aires D.F.	Argentina
Casino Cirsa Valencia, S.A.U.	Casinos	100,00%	100,00%	Global Casino Technology Corporation,	Centro de Interés Turístico Nacional. Monte	Puçol	Valencia
Casino Nueva Andalucia Marbella, S.A.U.	Casinos	100,00%	100,00%	Global Casino Technology Corporation,	Ctra. Cádiz-Málaga Km. 180	Marbella	Málaga
Casinos de Juego Cirsa Chile Limitada	Casinos	100,00%	100,00%	Sociedad Inversiones Cirsa Chile Ltda	Comuna de las Condes	Santiago de Chile	Chile
Caterers Services, S.A.	Casinos	100,00%	-	Gaming & Services de Panama, S.A.U.	Calle 50 y 73 Este San Francisco	Panama City	Panama
Cirsaecuador, S.A.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation, S.A.U.	Inglaterra E3263 y Ava. Amazonas	Quito	Ecuador
Cirsa Amusement Corporation, S.L.U.	Slots	-	100,00%	Cirsa Gaming Corporation, S.A.	Consell de Cent, 106-108	Barcelona	Barcelona
Cirsa Amusement France, S.A.U.	Slots	100,00%	100,00%	Cirsa Slot Corporation, S.L.U.	10 Impasse Leonce Couture	Tolouse	France
Cirsa Capital Luxembourg, S.A.U.	Structure	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Rue Charles Martel, 58	Luxembourg	Luxembourg
Cirsa Caribe, C.A.	Casinos	70,00%	70,00%	Cirsa Venezuela, C.A.U.	Avda. 4 de Mayo. Centro Comercial. Local 41	Porlamar	Venezuela
Cirsa Casino Corporation, S.L.U.	Casinos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Cirsa Casino de Antofagasta, S.A.	Casinos	54,80%	54,80%	Cirsa Casinos de Juego de Chile, S.A.	Comuna de Antofagasta	Antofagasta	Chile
Cirsa Casino de Calama, S.A.U.	Casinos	54,80%	54,80%	Cirsa Casinos de Juego de Chile, S.A.	Comuna de Calama	Calama	Chile
Cirsa Casino de Copiapo, S.A.	Casinos	54,80%	54,80%	Cirsa Casinos de Juego de Chile, S.A.	Comuna de Copiapo	Copiapo	Chile
Cirsa Casino de Punta Arenas, S.A.	Casinos	54,80%	54,80%	Cirsa Casinos de Juego de Chile, S.A.	Comuna de Punta Arenas	Punta Arenas	Chile
Cirsa Casino de Rancagua, S.A.	Casinos	54,80%	54,80%	Cirsa Casinos de Juego de Chile, S.A.	Comuna de Rancagua	Rancagua	Chile
Cirsa Casino de Temuco, S.A.U.	Casinos	54,80%	54,80%	Cirsa Casinos de Juego de Chile, S.A.	Comuna de Temuco	Temuco	Chile
Cirsa Casino del Bio Bio, S.A.U.	Casinos	54,80%	54,80%	Cirsa Casinos de Juego de Chile, S.A.	Comuna de Hualpén	Hualpén	Chile
Cirsa Casinos de Juego de Chile, S.A.	Casinos	54,80%	54,80%	Casinos de Juego Cirsa Chile Limitada	Nueva Tajamar 481 Torre Norte, Of. 706	Las Condes	Chile
Cirsa Digital, S.A.U.	Slots	50,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Cirsa Funding Luxembourg, S.A.U.	Structure	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Rue Charles Martel, 58	Luxembourg	Luxembourg
Cirsa Insular, C.A.U.	Casinos	100,00%	100,00%	Cirsa Venezuela, C.A.U.	Estado de Nueva Esparta (Porlamar)	Isla Margarita	Venezuela
Cirsa Interactive Corporation, S.L.	B2B	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Cirsa International Gaming Corporation, S.A.U.	Casinos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Cirsa Italia Holding, S.A.U.	Slots	100,00%	-	Cirsa International Gaming Corporation,	Centro Direzionale Milanofiori, Strada 2	Assago (Milan)	Italy
Cirsa Italia, S.A.U.	Slots	100,00%	100,00%	Cirsa International Gaming Corporation,	Centro Direzionale Milanofiori, Strada 2	Assago (Milan)	Italy
Cirsa Panamá, S.A.U.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation,	Via Domingo Diaz	Panama City	Panama
Cirsa Servicios Corporativos, S.L.U.	Structure	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Cirsa Slot Corporation, S.L.U.	Slots	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Cirsa Venezuela, C.A.U.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation, S.A.U.	D. Marino. Nueva Esparta. Porlamar	Isla Margarita	Venezuela

List of subsidiaries

Company	Activity	Percentage of ownership 2013	Percentage of ownership 2012	Investment holder	Business address	City	Province/Country
Cirsacom, S.R.L.U.	Slots	100,00%	100,00%	Cirsa Italia, S.A.U.	Centro Direzionale Milanofiori, Strada 2	Assago	Italy
Cirsagest, S.P.A.U.	Slots	100,00%	-	Cirsa Italia Holding, S.A.U.	Centro Direzionale Milanofiori, Strada 2	Assago	Italy
Club Privado De Fumadores Nuestro Espacio	Bingos	100,00%	100,00%	Bingos de Madrid Reunidos, S.A.U.	Avda. Moratalaz, 42 bajos	Madrid	Madrid
Comercial de Desarrollos Electrónicos, S. A.U.	Slots	100,00%	100,00%	Global Game Machine Corporation, S.A.U.	Pi i Margall, 201	Terrassa	Barcelona
Complejo Hotelero Monte Picayo, S.A.U.	Casinos	100,00%	100,00%	Global Casino Technology Corporation, S.A.U	Complejo Hotelero Monte Picayo	Sagunto	Valencia
Digital Gaming México, S.A.P.I.	Slots	100,00%	-	Bincamex, S.A. de CV.	Bosque de Duraznos, 61 3 b, Bosques Lomas	Mexico City	Mexico
Egartronic, S.A.	Slots	51,00%	-	Cirsa Slot Corporation, S.L.U.	C/ del Aire, 1 Pol. Ind. Els Bellots	Terrassa	Barcelona
Egartronic Servicios Centrales, A.I.E.	Slots	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.L.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Electrónicos Trujillanos, S.L.	Slots	75,00%	50,00%	Global Amusement Partners Corporation,	Fermina Sevillano, 5-7	Madrid	Madrid
Empresa Explotadora del Juego del Bingo,	Bingos	100,00%	100,00%	Bibingo Inversiones, S.L.	Pza. Corregidor A. Aguilar, s/n	Madrid	Madrid
Entidad Gestora del Bingo Siglo XXI, S.L.U.	B2B	100,00%	100,00%	Cirsa Interactive Corporation, S.L.	Sena, nº 2	Sant Cugat del	Barcelona
Ferrojuegos, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U. y Global Bingo Madrid, S.A.U.	Ferrocarril, 38	Madrid	Madrid
Gaming & Services de Panamá, S.A.U.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation,	Calle 50 y 73 Este San Francisco	Panama City	Panama
Gaming & Services, S.A.C.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation,	Av. Grau, 1006	Lima	Peru
Garbimatic, S.L.	Slots	25,50%	-	Alfematic, S.A.	Ctra. Rellinars, 345	Terrassa	Barcelona
Gema, S.r.l.U.	Bingos	100,00%	100,00%	Cirsa International Gaming Corporation,	D4	Assago (Milan)	Italy
Genper, S. A.U.	Slots	100,00%	100,00%	Global Game Machine Corporation, S.A.	Pi i Margall, 201	Terrassa	Barcelona
Gestión de Bingos Gobylán, S. A.U.	Bingos	100,00%	100,00%	International Bingo Technology, S.A.U.	Pza. de la Iglesia, 10	Sta. C. de Tenerife	Tenerife
Gestión del Juego Integral, S.A.U.	Casinos	100,00%	100,00%	Cirsa Interactive Corporation, S.L.U.	C/de la Resina, 22-24, Puerta 8-9	Madrid	Madrid
S.L.U.	Slots	100,00%	100,00%	Electronicos Radisa, S.L.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Gestora de Inversiones Cobiman, S.L.U.	Slots	51,00%	-	Interservi, S.A.	Ctra. 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.	Ctra. Castellar, 298	Terrassa	Barcelona
Global Bingo Corporation, S.A.U.	Bingos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Crta. 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.L.U.	Pi i Margall, 201	Terrassa	Barcelona
Global Gaming Corporation Russia, S.L.U.	Slots	100,00%	100,00%	Cirsa Slot Corporation, S.L.U.	Ctra.Castellar, 298	Terrassa	Barcelona
Global Gaming, S.A.U.	Casinos	100,00%	100,00%	Winner Group, S.A.	Calle 38 Norte, 6 N-35	Cali	Colombia
Global Manufacturing Corporation, S.L.U.	B2B	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Gonmatic, S.L.U.	Slots	100,00%	100,00%	Cirsa Slot Corporation, S.L.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Grasplai, S.A.U.	Bingos	100,00%	100,00%	Telma Enea, S.L.U.	Av. Generalitat, 6	Sta. Coloma	Barcelona
Hispania Investment, S.A.U	Structure	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. de Castellar, 338	Terrassa	Barcelona
Hostebar 98, S.L.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U. y Madrileña de Servicios para el Bingo, S.L.U.	Ferrocarril, 38	Madrid	Madrid
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.	Bosque de ciruelos, 186	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 Casino Corporation, S.L.U.	Ctra. Castellar, 298	Terrassa	Barcelona
Interservi, S.A.	Slots	51,00%	-	Cirsa Slot Corporation, S.L.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.	Av. Obarrio, 57	Panama City	Panama
Inversiones Recreativas de Occidente, C.A.	Casinos	67,50%	67,50%	Cirsa International Gaming Corporation, S.A.U.	Calle 77, Edif. Bingo	Maracaibo	Venezuela
Investment & Securities Panama, S.A.U.	Casinos	100,00%	100,00%	Cirsa Internacional Gaming Corporation,	Ctra. Castellar, 298	Terrassa	Barcelona
Ivisa - Casino Buenos Aires, U.T.E.	B2B	100,00%	100,00%	Casino Buenos Aires, S.A.	C/ Adolfo Alsina, 1729 P.B.	Buenos Aires	Argentina
Jesali, S.A.U.	Casinos	100,00%	100,00%	Complejo Hotelero Monte Picayo, S.A.U.	Complejo Hotelero Monte Picayo	Sagunto	Valencia
Juegomatic, S. A.	Slots	75,00%	65,00%	Global Game Machine Corporation, S.A.U.	Av. Velázquez, 91	Málaga	Málaga
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%	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 International Gaming Corporation, S.A.U.	Calle 50 y 73 Este San Francisco	Panama City	Panama

List of subsidiaries

Company	Activity	Percentage of ownership 2013	Percentage of ownership 2012	Investment holder	Business address	City	Province/Country
Lista Azul, S.A.U.	Bingos	100,00%	100,00%	Bingames, S.A.U.	Gran Passeig de Ronda, 87	Lleida	Lleida
Lightmoon International 21, S.L.	Slots	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
Macrojuegos, S.A.	Bingos	51,00%	51,00%	International Bingo Technology, S.A.U.	Dionisio Guardiola, 34	Albacete	Albacete
Madrileña de Servicios para el Bingo, S.L.U.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Mendoza Central Entretenimientos, S.A.U.	Casinos	51,00%	51,00%	Cirsa International Gaming Corporation, S.A.U.	9 de Julio nº municipal 318, esquina C	Ciudad de Mendoza	Argentina
Nightfall Construccions, S.R.L.	Casinos	100,00%	-	Cirsa International Gaming Corporation, S.A.U.	Avda. Abraham Lincoln	Santo Domingo	Dominican Republic
Novojuegos, S.A.	Bingos	100,00%	100,00%	Garnandez, S.L.	Bravo Murillo, 95	Madrid	Madrid
Nyalam, S.A.	Casinos	-	100,00%	Cirsa International Gaming Corporation,	Adolfo Alsina, 01729 Piso PB	Buenos Aires	Argentina
O'donnell Juegos, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U. y Bingos de Madrid Reunidos, S.A.U.	O'Donell, 21 y 23	Madrid	Madrid
Oporto Juegos, S.A.U.	Bingos	100,00%	100,00%	Global 5 Estrellas, S.A.	Av. Oporto, 4	Madrid	Madrid
Orbis Development, S.A.U.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation,	Swiss Tower, 16th floor, World Trade Center	Panama City	Panama
Playcat, S.A.U.	Bingos	100,00%	100,00%	Bingames, S.A.U.	Cádiz, 1	Terrassa	Barcelona
Pol Management Corporation, B.V. U.	Slots	100,00%	100,00%	Cirsa International Gaming Corporation, S.A.U	Emancipatie Boulevard 29 New Haven e-Zone	Curacao	The Netherlands
Princesa 31, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U. y Bingos de Madrid Reunidos, S.A.U.	Princesa, 31	Madrid	Madrid
Promociones e Inversiones de Guerrero, S.A.P.I. de C.V.	Bingos	100,00%	100,00%	Bincamex, S.A. de 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
S.A. Explotadora de Recreativos	Slots	61,40%	-	Cirsa Slot Corporation, S.L.U.	C/ del Aire, 1 Pol. Ind. Els Bellots	Terrassa	Barcelona
Recreativos Arranz, S.L.U.	Slots	100,00%	100,00%	Cirsa Slot Corporation, S.L.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Recreativos Del Istmo, S.A.	Casinos	-	50,00%	Cirsa International Gaming Corporation,	Calle 50 y 73 Este San Francisco	Panama City	Panama
Recreativos Rodes, S.A.U.	Slots	100,00%	100,00%	Genper, S.A.U.	German Bernacer, 22 P.I. Elche Parque Ind.	Elche	Alicante
Red de Bingos Andaluces, A.I.E.	Bingos	54,00%	54,00%	Varios	Martillo, 26	Sevilla	Sevilla
Red de Interconexión de Andalucia, 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
Romgar, S.L.	Bingos	100,00%	100,00%	Telma Enea, S.L.U.	Cayetano del Toro, 23	Cádiz	Cádiz
Sacres, S.A.	Casinos	99,00%	99,00%	Cirsa International Gaming Corporation,	Tucuman, 8	Buenos Aires	Argentina
Sadeju, S.L.U.	Bingos	100,00%	100,00%	Telma Enea, S.L.U.	Av. Cayetano del Toro, 23 Bj.	Cádiz	Cádiz
Sala Versalles, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U. y Global Bingo Stars, S.A.U.	Bravo Murillo, 309	Madrid	Madrid
SCB Almirante Dominicana, S.R.L.	Casinos	100,00%	100,00%	SCB Caribe, S.A.U.	Av. A. Lincoln , 403, La Julia	S. Domingo	Dominican Republic
SCB Anil Dominicana, S.R.L.	Casinos	100,00%	100,00%	SCB Caribe, S.A.U.	Av. Máximo Gómez / Avda. 27 Febrero	S. Domingo Guzman	Dominican Republic
SCB del Caribe, S.A.U	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation,	C/ 53 Urb Obarrio Swiss Tower, Piso 16	Panama City	Panama
SCB Hispaniola Dominicana, S.R.L.	Casinos	100,00%	100,00%	SCB Caribe, S.A.U.	Av. A. Lincoln /Correa y Cidron	Santo Domingo Guzman	Dominican Republic
SCB Malecon Dominicana, S.A.	Casinos	100,00%	100,00%	SCB Caribe, S.A.U.	Av. George Washington,centro comercial Malecón	Santo Domingo Guzman	Dominican Republic
SCB Margarita, C.A.U.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation,	Estado de Nueva Esparta (Porlamar)	Isla Margarita	Venezuela
C.V.	Bingos	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
Slot Games Online, S.L. Antes Troyjocs, S.L.	Slots	100,00%	100,00%	Cirsa Slot Corporation, S.L.U.	Ctra. De Castellar, 298	Terrassa	Barcelona
Sobima, S.A.U.	Bingos	100,00%	100,00%	International Bingo Technology, S. A.U.	Av. Velázquez 91-93	Málaga	Málaga
Sobreaguas, S.A.	Casinos	100,00%	100,00%	Casino Buenos Aires, S.A.	Av. Alicia Morean 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
Sociedad de Inversiones Cirsa Chile Limitada	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation,	Comuna de los Condes	Santiago de Chile	Chile
Sodemar, S.L.U.	Bingos	100,00%	100,00%	Telma Enea, S.L.U.	Sacramento, 16 duplicado	Cádiz	Cádiz
Sternal Bay Venezuela, C.A.U	B2B	100,00%	100,00%	Cirsa Interactive Corporation, S.L.U.	Avda. Fco. de Miranda	Caracas	Venezuela
Techlotto Co., Ltd.U.	B2B	100,00%	100,00%	Red de Interconexión de Andalucia, S.L.U.	33, Youido-Dong, Yeongdeungpo-Gu	Seoul	Korea
Tecnijoc, S.L.U.	Slots	51,00%	-	Egartronic, S.A.	Gremio de Jaboneros, 3B Pol.I. Son Castello	Palma de Mallorca	Mallorca

List of subsidiaries

Company	Activity	Percentage of ownership 2013	Percentage of ownership 2012	Investment holder	Business address	City	Province/Country
Tecnostar, S.A.U.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation,	Rincón, 512	Montevideo	Uruguay
Tefle, S.A.U.	Bingos	100,00%	100,00%	International Bingo Technology, S.A.U	Tenor Fleta, 57	Zaragoza	Zaragoza
Telma Enea, S.L.U.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U.	Sevilla, 10-14	Frontera	Cádiz
Traylon, S.A.	Casinos	55,00%	50,00%	Casino Buenos Aires, S.A. Y Compañia de	Avda. Elvira Rawson de dellepiane, s/n	Buenos Aires	Argentina
Unidesa Argentina, S.A.	B2B	100,00%	100,00%	Universal de Desarrollos Electrónicos, S. A.	Alsina, 1729	Buenos Aires	Argentina
Unidesa Colombia, L.T.D.	B2B	-	100,00%	Universal de Desarrollos Electrónicos, S. A.	Calle 52, 46 34 p4	Medellin	Colombia
Unidesa Equipment, S.A.U.	B2B	100,00%	100,00%	Universal de Desarrollos Electrónicos, S. A.	241 Persimond Street	Johanessburg	South Africa
Unidesa Perú, S.A.	B2B	100,00%	100,00%	Universal de Desarrollos Electrónicos, S. A.	Avda. Jose Pardo, 513, 8	Lima	Peru
Uniplay, S.L.U.	Slots	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Universal de Desarrollos Electrónicos, S. A.	B2B	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Verneda 90, S.A.U.	Bingos	100,00%	100,00%	International Bingo Technology, S.A.U.	Guipuzcoa, 70	Barcelona	Barcelona
Winner Group, S.A.	Casinos	50,01%	50,01%	Investments & Securities Panama, S.A.U.	Calle 90, nº 19c-32, Oficina 401	Santa Fe de Bogotá DC	Colombia
Yumbo San Fernando, S.A.	Bingos	60,00%	60,00%	Bingames, S.A.U. y Global Bingo Corporation, S.A.U.	San Fernando, 48	Santander	Cantabria

List of joint-controlled companies

Company	Activity	Percentage of ownership 2013	Percentage of ownership 2012	Investment holder	Business address	City	Province/Country
Alavera, S.A.	Casinos	50,00%	50,00%	Casino Buenos Aires S.A. Y Compañia de Inversiones en Entretenimientos, S.A.	Av. Elvira Rawson de Dellepiane, s/n, Dársena Sur	Buenos Aires	Argentina
Andy Games, S.R.L.	Slots	25,50%	25,50%	Royal Games, S.R.L.	Comune di Milano	Milan	Italy
AOG, S.r.l	Bingos	50,00%	50,00%	Cirsa International Gaming Corporation, S.A.U. y Gema Srl. U.	Via Galieo 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
Automáticos Laomar, S.L.U.	Slots	50,00%	50,00%	Orlando Play, S.A.	C/Sierra Telar, 40	Viator	Almería
Automáticos Manchegos, S.L.	Slots	50,00%	50,00%	Global Amusement Partners Corporation,	Pio III, 13	Alcazar de San Juan	Ciudad Real
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
Bingo Electrónico de Euskadi, S.L.	Bingos	25,00%	25,00%	Esjalu, S.A. Y 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 Ladoga, 216 colonia Modelo	Mexico City	Mexico
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
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 Edif. Bellavista	Las Palmas G.C.	Gran Canaria
Casino de Rosario, S.A.	Casinos	50,00%	50,00%	Casino Buenos Aires, S.A.	C/Córdoba, 1365,Piso 5 of. 508	Santa Fe-Rosario	Argentina
Casino la Toja, S.A.	Casinos	50,00%	50,00%	Global Casino Technology Corporation,	Isla de La Toja	El Grove	Pontevedra
CBA-CIESA, UTE	Casinos	45,00%	45,00%	Compañia De Inversiones En Entretenimientos, S.A. Y Casino Buenos	C/Rawson de Dellepiane, s/n	Buenos Aires	Argentina
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
Comdibal 2000, S. L.	B2B	50,00%	50,00%	Global Manufacturing Corporation, S.L.U	Pl. Els Bellots, c/ del Aire, 1	Terrassa	Barcelona
Competiciones Deportivas, S.A.	Casinos	50,00%	50,00%	Gaming & Services de Panamá, S.A.U.	Calle 50 y 73 Este San Francisco	Panama City	Panama
Emjucasa, 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
Extremeña de explotaciones recreativas y de juego, S.L.	Bingos	50,00%	50,00%	Play To Win, S.L.	C/Antonio de Cabezón, 89	Madrid	Madrid
Flamingo Euromatic-100, S.L.U.	Slots	50,00%	50,00%	Orlando Play, S.A.	P.I. La Juaida, C/Sierra Telar, 40	Viator	Almería
Giochigenova, S.R.L.	Slots	50,00%	50,00%	Cirsa Italia, S.A.U.	Via Col Dino, 6	Genova	Italy
Goldenplay, S.L.U.	Slots	50,00%	50,00%	Orlando Play, S.A.	German Bernacer, 22 P.I. Elche Parque Ind.	Elche	Alicante
Happy Games, S.R.L.	Slots	-	25,00%	Royal Games, S.R.L.	Via Zappellini, 6	Busto Arsizio	Italy
Intesa Giochi, S.R.L.U.	Slots	50,00%	50,00%	Royal Games, S.R.L.	Via Casati 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
La Cafetería del Bingo, S.L.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U.	Asunción, 3	Sevilla	Sevilla
Madrileña de Explotaciones Recreativas y de Juego, S.A.	Bingos	50,00%	50,00%	Play To Win, S.L.	C/Antonio de Cabezón, 89	Madrid	Madrid
Magic Star, S.A. - Casino Buenos Aires, S.A. UTE	Casinos	33,30%	-	Magic Star, S.A.	C/Rawson de Dellepiane, s/n	Buenos Aires	Argentina
Majestic Food Services, S.A.U.	Casinos	50,00%	50,00%	Gaming & Services de Panamá, S.A.U.	Calle 50, Calle 73 Este	Panama City	Panama
Marchamatic Indalo, S.L.U.	Slots	50,00%	50,00%	Orlando Play, S.A.	C/Sierra Telar, 40	Viator	Almeria
Mediterranea de explotaciones recreativas y de juego, S.L.	Bingos	50,00%	50,00%	Play To Win, S.L.	C/Antonio de Cabezón, 89	Madrid	Madrid
Metronia CR, S.A.	Bingos	50,00%	50,00%	Play To Win, S.L.	San José-Tibas San Juan 100m norte 450 m oeste	Tibas	Costa Rica
Metronia Panama, S.A.	Bingos	50,00%	50,00%	Play To Win, S.L.	Av. Balboa Edif.Bay Hall Plaza	Panama City	Panama
Metroservi Andaluza de Salones, S.L.	Bingos	25,00%	25,00%	Metronia, S.A. Y Servitronic Andalucia, S.L.	C/ Rastrillo, 4	Sevilla	Sevilla
Molljoc S. XXI, S.A.U.	Bingos	50,00%	50,00%	Residencial Tibidabo, S.A.	Gran Via de les Corts Catalanes, 750 bajos	Barcelona	Barcelona

List of joint-controlled companies

Company	Activity	Percentage of ownership 2013	Percentage of ownership 2012	Investment holder	Business address	City	Province/Country
Montecarlo Andalucia, S.L.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U.	Av. Cruz del Campo, 49	Sevilla	Sevilla
Multicasino, S.A.	Casinos	50,00%	50,00%	Gaming & Services de Panamá, S.A.U.	Calle 50, Calle 73 Este	Panama City	Panama
New Laomar, S.L.U.	Slots	50,00%	50,00%	Orlando Play, S.A.	c/Sierra Telar, 40	Viator	Almeria
Opa Services, S.r.l.	Bingos	30,00%	30,00%	A.O.G., S.r.l.	Torricella, 11	Rome	Italy
Operadora de Explotaciones Recreativas y de Juego, S.L.	Bingos	50,00%	50,00%	Play To Win, S.L.	Antonio Cabezón, 89	Madrid	Madrid
Orlando Italia, S.r.l.	Slots	50,00%	50,00%	Orlando Play, S.A.	Milano Fiori, Strada 2, Palazzo D4	Assago	Italy
Orlando Play, S.A.	Slots	50,00%	50,00%	Global Game Machine Corporation, S.A.U.	Sierra Telar, 40 P.I. La Juaida	Viator	Almeria
Play to Win, S.L.	Bingos	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
Posbintra, S.A.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U.	Gran Via de les Corts Catalanes, 756 bajos	Barcelona	Barcelona
Recreativos Bigar, S.L.	Slots	50,00%	50,00%	Cirsa Slot Corporation, S.L.U.	Paseo Ubarburu, 37	San Sebastián	Guipúzcoa
Recreativos Jeroni Orfila, S.L.	Slots	-	50,00%	Cirsa Slot Corporation, S.L.U.	C/Emili Darder Batle, 4	Palma de Mallorca	Baleares
Recreativos Manchegos, S.L.	Slots	50,00%	50,00%	Global Amusement Partners Corporation,	C/Pio III, 13	Alcazar de San Juan	Ciudad Real
Recreativos Ociomar Levante, S.L.U.	Slots	50,00%	50,00%	Orlando Play, S.A.	Ctra. De Castellar, 298	Terrassa	Barcelona
Recreativos Panaemi, S.L.U.	Slots	50,00%	50,00%	Orlando Play, S.A.	c/ German Bernacer, 22 P.I. Elche	Murcia	Murcia
Recreativos Pozuelo, S.L.	Slots	50,00%	50,00%	Global Amusement Partners Corporation,	C/Costanilla del Olivar, 2	Pozuelo de Alarcón	Madrid
Red de Juegos y Apuestas de Madrid, S.A.	Bingos	40,00%	40,00%	Several	C/Evaristo San Miguel, 2	Madrid	Madrid
Residencial Tibidabo, S.A.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U.	Gran Via de les Corts Catalanes, 756 bajos	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%	Cirsa Italia, S.A.U.	Via F. Rismondo, nº 4	Pavia	Italy
Sala Valencia, S.A.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U.	Cuenca, 20	Valencia	Valencia
Serdisga 2000, S. L.	B2B	50,00%	50,00%	Global Manufacturing Corporation, S.L.U.	Av. Finisterre, 283	La Coruña	La Coruña
Servitronic Andalucía, S. L.	B2B	50,00%	50,00%	Global Manufacturing Corporation, S.L.U.	Pol. Aeropuerto Sector A-2, P1, N4	Sevilla	Sevilla
SGR, S.R.L.	Slots	25,00%	25,00%	Royal Games, S.R.L.	Via Bravanti, 7	Piacenza	Italy
Silver Cup Gaming, Inc.	Casinos	50,00%	50,00%	Cirsa Panamá, S.A.U.	Este	Panama City	Panama
Sportium Apostes Catalunya, S.A.U.	Slots	50,00%	-	Sportium Apuestas Deportivas, S.A.	C/ Sena, 2	Sant Cugat Del Valles	Barcelona
Sportium Apuestas Aragon, S.L.U.	Slots	50,00%	50,00%	Sportium Apuestas Deportivas, S.A.	C/ Jaime Ferrán, 5	Zaragoza	Zaragoza
Sportium Apuestas Castilla La Mancha, S.L.U.	Slots	50,00%	-	Sportium Apuestas Deportivas, S.A.	C/ Sena, 2	Sant Cugat Del Valles	Barcelona
Sportium Apuestas Deportivas, S.A.	Slots	50,00%	50,00%	Cirsa Slot Corporation, S.L.U.	C/Santa Mª Magdalena, 10-12	Madrid	Madrid
Sportium Apuestas Galicia, S.L.U.	Slots	50,00%	50,00%	Sportium Apuestas Deportivas, S.A.	C/ Don Pedro, s/n	El Grove - Isla de la Toja	Pontevedra
Sportium Apuestas Levante, S.A.U.	Slots	50,00%	50,00%	Sportium Apuestas Deportivas, S.A.	Complejo Hotelero Monte Picayo	Puçol	Valencia
Sportium Apuestas Navarra, S.A.U.	Slots	50,00%	50,00%	Sportium Apuestas Deportivas, S.A.	Avda. Barañain, 27 1º A	Pamplona	Navarra
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
Tirreno Games, SRL	Slots	50,00%	50,00%	Cirsa Italia, S.A.U.	Via Orosei, s/n	Navacchio (Cascina)	Italy
Vasca de Explotaciones y de Juego, S.L.	Bingos	50,00%	50,00%	Play To Win, S.L.	C/Antonio de Cabezón, 89	Madrid	Madrid

List of associates

Company	Activity	Percentage of ownership 2013	Percentage of ownership 2012	Investment holder	Business address	City	Province/Country
Casino de Asturias, S.A.	Casinos	40,00%	40,00%	Global Casino Technology Corporation, S.A.U.	Nava, 8	Gijón	Asturias
Compañia Europea de Salones Recreativos, S.L.	B2B	20,00%	20,00%	Universal de Desarrollos Electronicos, S.A.	Blasco de Garay, 70 - 1º B	Madrid	Madrid
Gironina de Bingos, S.L.	Bingos	20,60%	20,60%	International Bingo Technology, S.A.U.	Via Laietana, 51	Barcelona	Barcelona
Recreativos Trece, S.L.	Slots	32,00%	32,00%	Urban Leisure, S.L.	Ctra. Rellinars, 345	Terrassa	Barcelona
Urban Leisure, S.L.	Slots	32,00%	32,00%	Global Amusement Partners Corporation,	Ctra. Rellinars, 345	Terrassa	Barcelona
Fianzas y Servicios Financieros, SGR	Structure	35,23%	35,23%	Several	Rafael Salgado, 19 3º	Madrid	Madrid

ERNST & YOUNG

C&P

Audit Report

CIRSA GAMING CORPORATION GROUP
Consolidated financial statements and consolidated management report for the year ended December 31, 2012

ERNST & YOUNG   C&P

Translation of an audit report, consolidated financial statements and consolidated management report originally issued in Spanish.
In the event of discrepancy, the Spanish-language version prevails (See note 30)

AUDIT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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

We have audited the consolidated financial statements of Cirsa Gaming Corporation, S.A. (hereinafter, *the Company*) and its controlled entities (hereinafter, *the Group*), which comprise the consolidated statement of financial position at December 31, 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flow, and the consolidated notes thereto for the year then ended. As indicated in note 2 to the accompanying consolidated financial statements, the Company's directors are responsible for the preparation of the Group's consolidated financial statements in accordance with the International Financial Reporting Standards adopted by the European Union and other provisions in the regulatory framework for financial information applicable to the Group. Our responsibility is to express an opinion on the aforementioned consolidated financial statements taken as a whole, based upon work performed in accordance with prevailing audit regulations in Spain, which require the examination, through the performance of selective tests, of the evidence supporting the consolidated financial statements, and the evaluation of whether their presentation, the accounting principles and criteria applied and the estimates made are in agreement with the applicable regulatory framework for financial information.

In our opinion, the accompanying 2012 consolidated financial statements give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of Cirsa Gaming Corporation, S.A. and its controlled entities at December 31, 2012, and the consolidated results of operations and consolidated cash flow for the year then ended, in conformity with the International Financial Reporting Standards adopted by the European Union and other applicable provisions in the regulatory framework for financial information.

Ernst & Young, S.L.

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The accompanying 2012 consolidated management report contains such explanations as the directors of Cirsa Gaming Corporation, S.A. consider appropriate concerning the situation of the Group, the evolution of its business and other matters; however, it is not an integral part of the consolidated financial statements. We have checked that the accounting information included in the aforementioned consolidated management report agrees with the 2012 consolidated financial statements. Our work as auditors is limited to verifying the consolidated management report in accordance with the scope mentioned in this paragraph, and does not include the review of information other than that obtained from the accounting records of the Group entities.

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

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

Joan J. Torrebadella

Jaume Cetrà Oliva

April 2, 2013

Cirsa Gaming Corporation Group

Consolidated Financial Statements for the year ended December 31, 2012 in conformity with the international financial reporting standards adopted by the European Union (IFRS-EU) and Consolidated Management Report

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

ASSETS

(Thousands of euros)	Notes	2012	2011
Non-current assets		**1,015,736**	**1,072,832**
Goodwill	5	216,336	227,381
Other intangible assets	6	122,943	136,174
Property, plant and equipment	7	454,663	477,968
Financial assets	8	140,916	140,373
Deferred tax assets	18.4	80,878	90,936
Current assets		**324,919**	**316,817**
Inventories	11	12,327	13,854
Trade and other receivables	8	202,237	188,574
Other financial assets	8	46,981	39,430
Other current assets		8,140	8,304
Cash and cash equivalents	12	55,234	66,655
Total assets		**1,340,655**	**1,389,649**

EQUITY AND LIABILITIES

(Thousands of euros)	Notes	2012	2011
Equity		**14,113**	**35,621**
Share capital	13.1	24,577	24,577
Share premium		9,500	9,500
Treasury shares	13.2	(184)	(184)
Retained earnings	13.3	54,274	78,931
Translation differences		(139,708)	(123,011)
Profit (loss) for the year attributable to equity holders of the parent		169	(25,421)
Non-controlling interests	13.4	65,485	71,229
Non-current liabilities		**908,322**	**881,786**
Bonds	14	663,844	654,518
Bank borrowings	15	140,908	108,434
Other creditors	16	38,338	58,631
Provisions	17	19,938	14,233
Deferred tax liabilities	18.4	45,294	45,970
Current liabilities		**418,220**	**472,242**
Bonds	14	4,644	6,118
Bank borrowings	15	59,254	80,392
Suppliers		129,593	125,600
Other creditors	16	193,023	222,091
Current income tax payable	18.2	31,706	38,041
Total equity and liabilities		**1,340,655**	**1,389,649**

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

(Thousands of euros)	Notes	2012	2011
Gaming income		1,679,668	1,583,602
Other operating income		137,965	163,192
Total operating revenues		**1,817,633**	**1,746,794**
Bingo prizes		(241,284)	(247,715)
Variable rent		(226,313)	(241,897)
Net operating revenues	3.1	**1,350,036**	**1,257,182**
Consumptions		(81,616)	(86,737)
Personnel	20.1	(242,247)	(224,806)
External supplies and services	20.2	(266,419)	(245,192)
Gaming taxes		(437,743)	(410,446)
Depreciation, amortization and impairment	5, 6 and 7	(153,374)	(149,551)
Change in trade provisions		(6,171)	(5,511)
Financial income		12,505	11,085
Financial costs		(102,606)	(107,521)
Change in financial provisions		(585)	(395)
Share of the associates' profit	8.1	153	66
Foreign exchange results	20.3	(6,333)	(6,231)
Results on sale/disposals of non-current assets		79	(5,159)
Profit before income tax		**65,679**	**26,784**
Income tax expense	18.2	(56,067)	(43,704)
Net loss		**9,612**	**(16,920)**
Other comprehensive income (loss)			
Translation differences		(17,760)	(27,665)
Other comprehensive loss for the year		(17,760)	(27,665)
Total comprehensive loss for the year		**(8,148)**	**(44,585)**
Net profit (loss) attributable to:			
Equity holders of the parent		169	(25,421)
Non-controlling interests	13.4	9,443	8,501
		9,612	**(16,920)**
Total comprehensive income (loss) attributable to:			
Equity holders of the parent		(16,528)	(50,128)
Non-controlling interests	13.4	8,380	5,543
		(8,148)	**(44,585)**

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

(Thousands of euros)	Share capital (Note 13.1)	Share premium	Treasury shares (Note13.2)	Retained earnings (Note 13.3)	Translation differences	Non-controlling interests (Note 13.4)	Total
At December 31, 2010	**24,577**	**9,500**	**(184)**	**78,931**	**(98,304)**	**70,459**	**84,979**
Net profit for the year 2011	-	-	-	(25,421)		8,501	(16,920)
Other comprehensive income (loss)	-	-	-	-	(24,707)	(2,958)	(27,665)
Total comprehensive income (loss) for the year 2011	-	-	-	**(25,421)**	**(24,707)**	**5,543**	**(44,585)**
Other changes:							
▪ Additions in the year – Creation of companies	-	-	-	-	-	687	687
▪ Dividends paid	-	-	-	-	-	(5,460)	(5,460)
At December 31, 2011	**24,577**	**9,500**	**(184)**	**53,510**	**(123,011)**	**71,229**	**35,621**
Net profit for the year 2012	-	-	-	169	-	9,443	9,612
Other comprehensive income (loss)	-	-	-	-	(16,697)	(1,063)	(17,760)
Total comprehensive income (loss) for the year 2012	-	-	-	**169**	**(16,697)**	**8,380**	**(8,148)**
Other changes:							
▪ Changes in the percentage of ownership	-	-	-	764	-	407	1,171
▪ Dividends paid	-	-	-	-	-	(14,531)	(14,531)
At December 31, 2012	**24,577**	**9,500**	**(184)**	**54,443**	**(139,708)**	**65,485**	**14,113**

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

(Thousands of euros)	Notes	2012	2011
Cash-flows from operating activities			
Profit before tax		65,679	26,784
Adjustments to profit:			
Changes in operating provisions		6,171	5,511
Depreciation, amortization and impairment	5, 6 and 7	153,374	149,551
Losses from sales and disposals of non-current assets		(79)	5,159
Finance income and costs		90,533	96,765
Exchange losses	20.3	6,333	6,231
Other income and expenses		1,040	1,895
Change in:			
Inventories		1,696	812
Trade and other receivables		(8,990)	2,223
Suppliers and other payables		368	399
Gaming taxes payable		(10,794)	2,494
Other operating assets and liabilities		(16,404)	(11,448)
Income tax paid		(48,878)	(42,829)
Net cash-flows from operating activities		**240,049**	**243,547**
Cash-flows from (used in) investing activities			
Purchase of property, plant and equipment		(127,259)	(127,534)
Purchase of intangibles		(17,539)	(32,632)
Proceeds from disposal of property, plant and equipment		16,181	4,865
Acquisition of business, net of cash acquired		(11,279)	(14,905)
Current account with Nortia Business Corporation, S. L. – Outflows		(61,109)	(56,800)
Current account with Nortia Business Corporation, S. L. – Inflows		61,109	56,800
Other financial assets		(2,929)	(10,399)
Interest received and cash revenues from financial assets		7,223	6,419
Net cash-flows used in investing activities		**(135,602)**	**(174,186)**
Cash-flows from (used in) financing activities			
Proceeds from bank borrowings		886,303	1,093,707
Repayment of bank borrowings		(874,415)	(1,111,001)
Repayment of bonds		-	(239,485)
Issue of bonds	14	-	285,700
Acquisition / Sale of own bonds	14	5,118	(4,200)
Finance leases		(10,846)	(12,332)
Interest paid		(93,681)	(96,301)
Funds from loans from Nortia Business Corporation, S.L.		(9,900)	22,200
Other		(14,547)	(5,606)
Net cash-flows used in financing activities		**(111,968)**	**(67,318)**
Net variation in cash and cash equivalents		**(7,521)**	**2,043**
Net foreign exchange difference on cash balances		**(3,900)**	**(548)**
Cash and cash equivalents at January 1		**66,655**	**65,160**
Cash and cash equivalents at December 31	**12**	**55,234**	**66,655**

1. DESCRIPTION OF THE GROUP

1.1 Group activity

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

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

1.2 Composition and structure of the Group

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

The companies invested by the Company at December 31, 2012 and 2011 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, which requires the unanimous consent of the venturers regarding the operating decisions.
- The affiliated companies are enterprises not included in the previous two categories and in which there is an ownership interest on a long-term basis that favors their activity, but with limited influence over their management and control.

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

1.3 Changes in the consolidation perimeter

During 2012 and 2011, the Group's legal structure has experienced certain changes, as described below:

2012

- Acquisition of companies

(Thousands of euros)	% voting rights	Consolidation method	Total assets included in the consolidated statement of financial position at December 31, 2012	Operating revenues included in the 2012 consolidated statement of comprehensive income
Majestic Food Services, Inc.	50%	Proportional	118	472
Canarias de Explotaciones Recreativas y de Juego, S.L.	50%	Proportional	1,063	62
Recreativos Arranz, S.L.	100%	Full	1,018	25
Cludeen, S.L.	50%	Proportional	56	23
Mabel 96, S.L.	100%	Full	587	-
Entidad Gestora del Bingo Siglo XXI, S.L.U.	100%	Full	20	-
			2,862	**582**

Note 4 includes information on business combinations of the year.

The acquisition of 50% ownership interest in the companies Majestic Food Services, Inc., Canarias de Explotaciones Recreativas y de Juego, S.L. and Cludeen, S.L. has not resulted in a business combination, since the Group does not hold unilateral and exclusive control. The acquisition price amounted to 5, 3 and 20 thousand euros, respectively. These acquisitions have not given rise to any goodwill.

- Creation of companies

(Thousands of euros)	Total assets included in the consolidated statement of financial position at December 31, 2012	Operating revenues included in the 2012 consolidated statement of comprehensive income
Sportium Apuestas Galicia, S.L.	1,000	-
	1,000	**-**

- Sale of companies

(Thousands of euros)	Total assets included in the consolidated statement of financial position at December 31, 2011	Operating revenues included in the 2011 consolidated statement of comprehensive income
Happy Games, S.R.L.	831	1,701
Recreativos Jeroni Orfila, S.L.	1,108	361
	1,939	**2,062**

- Changes in the percentage of ownership

	Consolidation method		Percentage	
	2012	2011	At December 31, 2012	At December 31, 2011
Macrojuegos, S.A.	Full	Full	51.0%	100.00%
Juegomátic, S.A.(*)	Full	Full	65.0%	75.00%
UTE CBA-Ciesa	Proportional	Proportional	45.0%	50.00%

(*) At December 31, 2012 and 2011 the company Juegomátic, S.A. holds 100% of Automáticos Siglo XXI. Consequently, the change in the percentage of ownership has also affected the percentage of control that the Group holds in it.

As observed in the table above, the changes in the percentage of ownership occurred in 2012 have not resulted in any change in the method of consolidation.

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

(Thousands of euros)	Changes in non-controlling interests	Changes in accumulated results
Macrojuegos, S.A.	210	-
Juegomátic, S.A. (*)	197	764
	407	**764**

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

- Other changes in the perimeter

    (a) Dissolution and liquidation of dormant companies:

    Baru Speles
    Cirsa Amusement Corporation, S.L.
    Unidesa Colombia, Ltd
    Nyalam, S.A.

    (b) Dissolution of companies due to merger within the Group:

    Necos Limited
    Recreativos del Istmo, S.A.
    Recreativos Acapulco MRA, S.L.
    Recreativos Ove, S.L.
    Baquei Inversiones, S.L.
    Monazar Star, S.L.

2011

- Acquisition of companies

(Thousands of euros)	% voting rights	Consolidation method	Total assets included in the consolidated statement of financial position at December 31, 2011	Operating revenues included in the 2011 consolidated statement of comprehensive income
Gonmatic, S.L.	100%	Full	6,898	2,539
Recreativos OVE, S.L.	100%	Full	3,540	1,009
Gestión Integral de Máquinas Recreativas, S.L.	100%	Full	340	57
Binbaires, S.A.	33%	Proportional	4,277	2,668
La Barra de Panamá, S.A.	100%	Full	658	3,242
Agrup. de Explotaciones Recreativas y de Juego, S.L.	25%	Proportional	701	108
Bingo Electrónico de Euskadi, S.L.	25%	Proportional	75	-
Enjoy with us, S.L.	50%	Proportional	289	45
			16,778	9,668

Note 4 includes information on business combinations of the year.

- Creation of companies

(Thousands of euros)	Total assets included in the consolidated statement of financial position at December 31, 2011	Operating revenues included in the 2011 consolidated statement of comprehensive income
Sportium Apuestas Navarra, S.A.	11,019	-
Sportium Apuestas Aragón, S.L.U.	1,739	-
Sportium Apuestas Levante, S.A.U.	1,002	-
IVISA – Casino Buenos Aires, UTE	6,553	9,761
CirsaCom, S.R.L.	558	-
Recreativos del Istmo, S.A.	3,613	2,111
Ancon Entertainment, S.A.	11,133	1,165
Binred Madrid, S.A.	49	-
Servicios Especialidades del Juego, S.A. de C.V.	275	796
Administradores de Personal y Entretenimientos, S.A. de C.V.	399	988
Cirsa Digital, S.A.U.	890	2
B2B Central de Reporting, S.A. de C.V.	3	-
Pol Management Corporation, B.V.	5	-
La Barra de Ancón, S.A.U.	327	185
Bingos Electrónicos de Panamá, S.A.	227	-
	37,792	15,008

- Sale of companies

(Thousands of euros)	Total assets included in the consolidated statement of financial position at December 31, 2010	Operating revenues included in the 2010 consolidated statement of comprehensive income
Restaval, S.A.	176	429
Festilandia, S.L.	330	485
Ghist, S.R.L.	7	6
	513	920

- Changes in the percentage of ownership

	Consolidation method		Percentage	
	2011	2010	At December 31, 2011	At December 31, 2010
Bumex Land, S.L.	Full	Proportional	65.3%	50.00%

- Other changes in the perimeter

(a) Dissolution and liquidation of dormant companies:

Win Sistemas – SCB Argentina, UTE
Cirsa Suriname, A.V.V.
Accord Investment, S.A.
Blu Game Europa, S.R.L.
Unidesa Venezuela, C.A.
Infinity Games, Ltda
Udesa

(b) Dissolution of companies due to merger within the Group:

Sema Automátic, S.A.
Allgames
Compraventa Máquinas Recreativas Moran, S.L.
Recreativos Rute, S.L.
GoldPlay, S.A.
Universal Casinos, S.A.
Edmo, S.R.L.
Vendimatic Cinco Hela, S.L.
Gea Link, S.A.
Loto Caribe, S.L.
Zarajuego, S.L.
Operglobal, S.L.
Electrojuegos Zaragoza, S.L.
Electrónicos Pisuerga, S.A.
Allgames

2. BASIS OF PRESENTATION AND ACCOUNTING STANDARDS

2.1 Basis of presentation

The 2011 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, 2011 were approved on March 30, 2012 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, 2012 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, 2012 have not yet been submitted for approval by the shareholders in general meeting. Nevertheless, the Board of Directors of the 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 2012 in addition to those of 2011 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 2012 the Group has recognized goodwill impairment losses amounting to 14.0 million euros (2011: 15.3 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 2012 and 2011 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, 2012 the Group has recognized deferred tax assets amounting to 80,878 thousand euros (2011: 90,936 thousand euros), as described in Note 18.4.

- Provisions for taxes and other risks

Provisions are recognized for taxes and risks that will probably arise based on related studies. At December 31, 2012 the Group has recognized provisions for taxes and other risks amounting to 19,938 thousand euros (2011: 14,233 thousand euros), as described in Note 17.

- Business combinations and goodwill

The Group assesses for each business combination, the fair value of assets, liabilities and acquired contingent liabilities, allocating the cost of the business combination to the identified elements. Likewise, goodwill arising from the acquisition is assigned to its corresponding cash-generating unit, based on expected synergies, for subsequent impairment tests (Note 5).

2.3 Changes in accounting policies and disclosure of information effective in 2012

The accounting policies used in the preparation of the consolidated financial statements for the year ended December 31, 2012 are the same as those applied in the consolidated financial statements for the year ended December 31, 2011, except for the adoption of the amendment to IFRS 7, Disclosures – Transfers of financial assets, effective for annual periods beginning on or after July 1, 2011. The Group has no assets of this kind, so the amendment has had no impact on these consolidated financial statements.

2.4 Standards and interpretations issued by the IASB and approved by the European Union, but not yet mandatory in 2012

At the date of preparation of these consolidated financial statements, the following standards and interpretation had been issued by the IASB and approved by the European Union, but were not yet mandatory:

- IFRS 10, Consolidated Financial Statements. IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated, compared with the requirements that were in IAS 27. IFRS 10 will become effective for annual periods beginning on or after January 1, 2014.
- IFRS 11, Joint Arrangements. IFRS removes the option to account for jointly controlled entities (JCEs) using proportional consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. The application of this new standard will impact the financial position of the Group, since proportional consolidation is eliminated (Note 10). In application of this new standard, joint ventures will be recognized using the equity method. The standard will become effective for annual periods beginning on or after January 1, 2014, and will be retrospectively applied for joint ventures prevailing at the date of first application.
- IFRS 12, Disclosures of Involvement with Other Entities. IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required, but the standard will have no impact on the financial position or performance of the Group. It will become effective for annual periods beginning on or after January 1, 2014.
- IAS 28 revised, Investments in Associates and Joint Ventures. This standard now also describes the application of the equity method to investments in joint ventures in addition to associates. The amendment will become effective for annual periods beginning on or after January 1, 2014.
- Amendment to IAS 1, Presentation of Items of Other Comprehensive Income, effective for annual periods beginning on or after July 1, 2012.
- IAS 19 revised, Employee Benefits, effective for annual periods beginning on or after July 1, 2013.

- IFRS 13, Fair value measurement, effective for annual periods beginning on or after January 1, 2013.
- IFRIC 20, Stripping Costs in the Production Phase of a Surface Mine, effective for annual periods beginning on or after January 1, 2013.
- Amendment to IAS 32, Offsetting Financial Assets and Financial Liabilities, effective for annual periods beginning on or after January 1, 2014.
- Amendment to IFRS 7, Transfer of Financial Assets, effective for annual periods beginning on or after January 1, 2013.
- Amendment to IAS 12, Deferred taxes – Recovery of Underlying Assets, effective for annual periods beginning on or after January 1, 2013.

The Group will adopt these standards, amendments and interpretation, if applicable, when they become effective. The Group is currently analyzing their impact. However, based on analyses performed to date, the Group considers that their application will not have a significant impact on the consolidated financial statements, except for the application of IFRSs 10, 11 and 12, which are expected to have a significant impact on future consolidated financial statements, though this is currently being analyzed.

2.5 Standards and interpretations issued by the IASB and not yet approved by the European Union

At the date of preparation of these consolidated financial statements, the following standards and amendments had been issued by the IASB, but were not yet mandatory and had not been approved by the European Union:

- IFRS 9, Financial instruments, effective for annual periods beginning on or after January 1, 2015, for the IASB.
- Improvements in IFRSs: effective for annual periods beginning on or after January 1, 2013, for the IASB.
- Amendment to IFRS 9 and IFRS 7, Mandatory Effective Date and Transition Disclosures, effective for annual periods beginning on or after January 1, 2015, for the IASB.
- Amendment to IFRS 10, IFRS 11 and IFRS 12, Transition guidance, effective for annual periods beginning on or after January 1, 2013, for the IASB.
- Amendment to IFRS 10, IFRS 11 and IAS 27, Investment entities, effective for annual periods beginning on or after January 1, 2014, for the IASB.

The Group is currently analyzing the impact of applying these standards and amendments. Based on analyses performed to date, the Group considers that their application will not have a significant impact on the consolidated financial statements.

2.6 Consolidation methodology

The consolidation methodology is described in the following sections:

<u>Consolidation methods</u>

The methods applied in the consolidation process are as follows:

- Full consolidation method for subsidiaries
- Proportional consolidation method for jointly controlled companies
- Equity method for affiliated companies

Harmonization

The financial year of the companies within the consolidation perimeter ends on December 31. For consolidation purposes the corresponding 2012 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, 2012 and 2011 the Venezuelan economy continued to be considered hyperinflationary in terms of IFRS application. The main impacts for 2012 and 2011 are as follows:

(Thousands of euros)	2012	2011
Revenue	17	1,413
EBITDA	(23)	411
Profit (loss) in the net monetary position*	(587)	(1,327)
Net income	(3,531)	(1,587)

*Loss in the net monetary position is included in the financial expense of the consolidated statement of comprehensive income.

The Venezuelan consumer price index issued by the Central Bank of Venezuela was used to identify inflation rates. Its value at December 31, 2012 and 2011 was 318.9 and 265.6, with an increase during 2012 and 2011 of 20% and 27%, respectively.

All components of the financial statements of the Venezuelan companies have been translated at the closing exchange rate, which at December 31, 2012 was 20.51 Bolivares fuertes per euro (11.29 Bolivares fuertes per euro at December 31, 2011).

2.7 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.

2.8 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.

2.9 Property, plant and equipment

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

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

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

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

	Method	Rate
Commercial buildings (new/used) and plant	Straight line	2-4%
Riverboats	Straight line	6,6%
Production installations (new/used)	Straight line	8-16%
Other installations	Straight line	8-12%
Production machinery	Straight line	10%
Other production equipment	Straight line	20%
New slot machines ("A" and "B" / "V" and "C")	Declining/Straight line	20%
Used slot machines	Straight line	40%
Furniture (new/used)	Straight line	10-20%
Vehicles (new/used)	Declining/Straight line	10-32%
Tools and furniture (new/used)	Straight line	30-60%
EDP equipment (new/used)	Declining/Straight line	25-50%
Molds and dices	Straight line	25%
Other PP&E items	Straight line	16%

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

2.10 Investments in associates

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

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

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

2.11 Financial assets

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

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative instruments having neither maturity date (or not expected to be held until maturity), nor nature of trading portfolio, nor derived from trading activities or loans. Upon initial recognition, where possible, they are measured at fair value, recognizing changes in fair value directly within a separate caption in equity until the investment is derecognized or impaired, at which time the accumulated profit or loss previously recorded in equity is taken to the consolidated statement of comprehensive income.

At December 31, 2012 and 2011 the Group available-for-sale investments have been measured at acquisition cost, since they cannot be measured reliably at fair value.

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.

2.12 Cancelation 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.

2.13 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.

2.14 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.

2.15 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.

2.16 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.

2.17 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.

2.18 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.

2.19 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.

2.20 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.

2.21 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 operating expense. 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.

2.22 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.

2.23 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.

2.24 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.

2.25 Classification of current and non-current assets and liabilities

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

3. SEGMENT INFORMATION

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

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

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

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

3.1 Operating segments

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

Slots:

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

B2B:

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

Casinos:

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

Bingos:

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

On-line:

The Group has started to operate in this segment in June 2012, when licenses to operate in Spain were obtained. In August 2012 it also started to operate in Italy. The activity consists in the operation of gaming through the Internet.

Other segments:

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

The following chart shows information on revenue and results, information about assets and liabilities, and other information related to the different operating segments as for December 31, 2012 and 2011.

2012

(Thousands of euros)	Slots	B2B	Casinos	Bingo	On-line	Eliminations and other	Total
Assets by segment							
Non-current assets assigned	206,315	67,814	486,611	116,243	3,191	54,684	934,858
Non-current assets not assigned	-	-	-	-	-	80,878	80,878
Current assets assigned	114,024	38,645	251,732	34,752	1,550	(115,784)	324,919
Total assets	**320,339**	**106,459**	**738,343**	**150,995**	**4,741**	**19,778**	**1,340,655**
Liabilities by segment							
Liabilities assigned	(271,780)	(60,308)	(491,561)	(188,511)	(7,469)	(261,619)	(1,281,248)
Liabilities not assigned	-	-	-	-	-	(45,294)	(45,294)
Total liabilities	**(271,780)**	**(60,308)**	**(491,561)**	**(188,511)**	**(7,469)**	**(306,913)**	**1,326,542**
Revenue							
Sales to external customers	497,125	58,112	559,624	229,006	1,881	4,288	1,350,036
Sales inter-segment	1,437	45,377	1,765	1,941	-	(50,520)	-
Total net operating revenue	**498,562**	**103,489**	**561,389**	**230,947**	**1,881**	**(46,232)**	**1,350,036**
Profit for the year							
EBITDA (*)	93,318	22,279	203,738	25,918	(5,429)	(17,813)	322,011
Financial income	3,139	7,749	27,588	462	2	(26,435)	12,505
Financial costs	(18,429)	(7,293)	(35,761)	(65,310)	(64)	(25,749)	(102,606)
Profit before income tax	15,467	19,478	103,749	(19,153)	(5,665)	(48,197)	65,679
Income tax expense	(16,163)	(12,777)	(32,368)	3,175	1,404	662	(56,067)
Net profit from continuing operations	(696)	6,701	71,381	(15,978)	(4,261)	(47,535)	9,612
Non-monetary expenses							
Depreciation, amortization and impairment	(56,217)	(4,181)	(69,787)	(28,971)	(176)	5,958	(153,374)
Changes in trade provisions	(3,564)	(773)	(1,531)	(303)	-	-	(6,171)
Other significant expenses							
Personnel	(46,841)	(18,934)	(113,850)	(44,137)	(1,075)	(17,410)	(242,247)
External supplies and services	(69,296)	(21,352)	(123,698)	(72,292)	(5,684)	25,903	(266,419)
Gaming taxes	(250,130)	(1,128)	(107,343)	(78,503)	(550)	(89)	(437,743)
Other information by segments							
Investment in non-current assets	34,261	2,346	82,940	22,316	2,909	47	144,819
Investments in associates	665	668	772	-	-	944	3,049

(*) For financial information purposes, EBITDA is defined as profit (loss) before income tax, financial result, gains (losses) from investments in associates, gains (losses) from disposal/write-off of non-current assets, change in operating provisions, and impairment charges, depreciation and amortization.

2011

(Thousands of euros)	Slots	B2B	Casinos	Bingo	Eliminations and other	Total
Assets by segment						
Non-current assets assigned	246,967	100,714	565,257	115,381	(46,423)	981,896
Non-current assets not assigned	-	-	-	-	90,936	90,936
Current assets assigned	121,850	24,728	255,328	31,277	(116,366)	316,817
Total assets	**368,817**	**125,442**	**820,585**	**146,658**	**(71,853)**	**1,389,649**
Liabilities by segment						
Liabilities assigned	(292,485)	(50,055)	(519,036)	(194,903)	(251,579)	(1,308,058)
Liabilities not assigned	-	-	-	-	(45,970)	(45,970)
Total liabilities	**(292,485)**	**(50,055)**	**(519,036)**	**(194,903)**	**(297,549)**	**(1,354,028)**
Revenue						
Sales to external customers	474,488	56,651	488,809	239,609	(2,374)	1,257,182
Sales inter-segment	1,711	49,539	1,270	1,581	(54,101)	-
Total net operating revenue	**476,199**	**106,190**	**490,079**	**241,190**	**(56,475)**	**1,257,182**
Profit for the year						
EBITDA (*)	99,324	20,587	172,534	18,020	(20,464)	290,001
Financial income	4,818	8,022	13,137	814	(15,706)	11,085
Financial costs	(11,445)	(6,289)	(37,573)	(12,586)	(39,628)	(107,521)
Profit before income tax	23,302	16,932	77,161	(22,574)	(68,037)	26,784
Income tax expense	(16,263)	(4,173)	(42,758)	2,438	17,052	(43,704)
Net profit from continuing operations	7,038	12,759	34,403	(20,135)	(50,985)	(16,920)
Non-monetary expenses						
Depreciation, amortization and impairment	(61,441)	(3,487)	(65,733)	(24,462)	5,572	(149,551)
Changes in trade provisions	(3,383)	(854)	(1,273)	(1)	-	(5,511)
Other significant expenses						
Personnel	(46,191)	(19,426)	(98,252)	(48,876)	(12,061)	(224,806)
External supplies and services	(66,534)	(20,149)	(113,299)	(68,886)	23,676	(245,192)
Gaming taxes	(222,269)	(1,028)	(94,013)	(92,848)	(288)	(410,446)
Other information by segments						
Investment in non-current assets	57,117	3,326	62,757	36,593	353	160,146
Investments in associates	608	608	736	-	944	2,896

(*) For financial information purposes, EBITDA is defined as profit (loss) before income tax, financial result, gains (losses) from investments in associates, gains (losses) from disposal/write-off of non-current assets, change in operating provisions, and impairment charges, depreciation and amortization.

3.2 Geographic segments

In the presentation of information by geographic segments, sales are based on the destination country and the assets on their location. The following chart shows this information as for December 31, 2012 and 2011.

2012

(Thousands of euros)	Sales to external customers	Sales inter-segment	Total revenue by segment	Assets by segment	Investment in non-current assets
Spain	443,336	33,851	477,187	844,240	40,609
Latin America	609,319	623	609,942	794,853	95,578
Italy	297,381	849	298,230	151,496	8,632
Eliminations and others	-	(35,323)	(35,323)	(449,934)	-
	1,350,036	-	1,350,036	1,340,655	144,819

2011

(Thousands of euros)	Sales to external customers	Sales inter-segment	Total revenue by segment	Assets by segment	Investment in non-current assets
Spain	457,862	31,664	489,526	794,632	56,556
Latin America	524,920	690	525,610	816,834	90,885
Italy	274,400	1,123	275,523	175,122	12,705
Eliminations and others	-	(33,477)	(33,477)	(396,939)	-
	1,257,182	-	1,257,182	1,389,649	160,146

4. BUSINESS COMBINATIONS

4.1 2012

The breakdown of the companies in which the Company has gained unilateral and exclusive control in 2012 is summarized as follows:

			(Thousands of euros)		
Name and description of companies and business	Acquisition date	% of voting rights	Acquisition price	Fair value of acquired net assets	Goodwill arising on acquisition
Recreativos Arranz, S.L.	November 2012	100%	752	752	-
Mabel 96, S.L.	December 2012	100%	410	410	-
Entidad Gestora del bingo Siglo XXI, S.L.U.	December 2012	100%	3	3	-
			1,165	1,165	

The figure in the column Acquisition price is lower than the amount for that concept shown in the consolidated statement of cash flows, since there are payments corresponding to acquisitions made in prior years.

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

(Thousands of euros)	Fair value recognized on acquisition	Carrying value
Property, plant and equipment	63	63
Goodwill	-	-
Intangible assets	1,311	-
Other non-current assets	103	103
Current assets	122	122
Liabilities (including generated deferred taxes)	(434)	(41)
	1,165	**247**

If acquisitions had occurred at the beginning of the year, consolidated operating revenue and consolidated profit for the year 2012 would have increased by 756 thousand and 66 thousand euros, respectively. Additionally, the Group's gains contributed by these companies since the acquisition date amount to 31 thousand euros.

4.2 2011

The breakdown of the companies in which the Company gained unilateral and exclusive control in 2011 is summarized as follows:

			(Thousands of euros)		
Name and description of companies and business	Acquisition date	% of voting rights	Acquisition price	Fair value of acquired net assets	Goodwill arising on acquisition
Gonmatic, S.L. (*)	October 2011	100%	16,829	16,829	-
Recreativos Ove, S.L.	February 2011	100%	2,519	2,519	-
La Barra de Panamá, S.A.	April 2011	100%	7	7	-
Bumex Land S.L.	October 2011	15,3%	432	432	-
			19,787	**19,787**	**-**

The fair value of the net assets acquired from Gonmatic, S.L. includes, apart from the ones contributed by that company itself at the date of acquisition, the fair value of the assets and liabilities contributed by Gestión de Máquinas Recreativas, S.L. (company 100% owned by the latter), and the fair value of the assets of several activity businesses, which amounted to 11,366 thousand euros, acquired in an operation related to the first one and which consisted of several recreational machine stocks in the Spanish market. Consequently, the operation described above was recognized as a single business combination.

The fair value of the assets acquired from Recreativos Ove, S.L. includes, apart from the ones contributed by the company itself at the date of acquisition, the fair value of the assets and liabilities contributed by Gestión de Máquinas Recreativas, S.L. (company 100% owned by the latter).

The figure in column Acquisition price is higher than the amount for that concept shown in the consolidated statement of cash flows, since there are deferred payments regarding business combinations in the year.

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

(Thousands of euros)	Fair value recognized on acquisition	Carrying value
Property, plant and equipment	4,247	1,849
Goodwill	-	3,874
Intangible assets	11,974	1,882
Other non-current assets	21	21
Current assets	4,840	4,840
Liabilities (including generated deferred taxes)	(1,295)	(958)
	19,787	**11,508**

If acquisitions had occurred at the beginning of the year, consolidated operating revenue and consolidated profit for the year 2011 would have increased by 7,117 thousand and 95 thousand euros, respectively. Additionally, the Group's gains contributed by these companies since the acquisition date amount to 85 thousand euros.

5. GOODWILL

The breakdown of goodwill by operating segments is as follows:

(Thousands of euros)	2012	2011
Bingos	78,136	85,977
Slots	59,413	63,733
Casinos	76,769	74,193
Other	2,018	3,478
	216,336	**227,381**

The balance of goodwill at December 31, 2012 and 2011 is shown net of impairment loss allowances, which according to the applicable accounting standards are not revertible, amounting to 65,593 and 51,580 thousand, respectively. In 2012 an impairment loss on goodwill amounting to 14,013 thousand euros has been recognized (Note 9.1).

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

(Thousands of euros)	2012	2011
Balance at January 1	227,381	241,070
Impairment losses	(14,013)	(15,279)
Net exchange differences arising during the period	3,540	1,590
Sale of companies	(572)	-
Balance at December 31	**216,336**	**227,381**

6. OTHER INTANGIBLE ASSETS

6.1 Movements

2012

(Thousands of euros)	January 1, 2012	Additions	Disposals	Transfers	Translation differences and other	December 31, 2012
COST						
Development costs and patents	46,848	1,502	(70)	-	-	48,280
Administrative concessions	72,494	270	(18)	12,865	(1,891)	83,720
Installation rights	137,140	10,908	(6,288)	-	1	141,761
Transfer rights	3,717	411	-	-	43	4,171
Software	18,125	3,348	(82)	696	1,558	23,645
Prepayments and other	21,574	946	(1)	(13,561)	5	8,963
	299,898	**17,385**	**(6,459)**	**-**	**(284)**	**310,540**
AMORTIZATION						
Development costs and patents	(41,179)	(2,505)	-	-	1	(43,683)
Administrative concessions	(22,099)	(5,718)	-	-	337	(27,480)
Installation rights	(77,144)	(17,531)	3,935	-	9	(90,731)
Transfer rights	(512)	(109)	-	-	(2)	(623)
Software	(16,103)	(2,573)	81	-	354	(18,241)
	(157,037)	**(28,436)**	**4,016**	**-**	**699**	**(180,758)**
Impairment loss	**(6,687)**	**(152)**	-	-	-	**(6,839)**
Net carrying amount	**136,174**	**(11,203)**	**(2,443)**	**-**	**416**	**122,943**

2011

(Thousands of euros)	January 1, 2011	Additions	Disposals	Transfers	Translation differences and other	December 31, 2011
COST						
Development costs and patents	44,454	2,283	-	114	(3)	46,848
Administrative concessions	50,838	6,783	(74)	14,372	575	72,494
Installation rights	121,951	26,740	(11,551)	-	-	137,140
Transfer rights	3,412	534	(224)	37	(42)	3,717
Software	17,423	841	(51)	77	(165)	18,125
Prepayments and other	33,759	2,406	(5)	(14,600)	14	21,574
	271,837	**39,587**	**(11,905)**	**-**	**379**	**299,898**
AMORTIZATION						
Development costs and patents	(39,208)	(1,960)	-	-	(11)	(41,179)
Administrative concessions	(16,939)	(4,588)	-	-	(572)	(22,099)
Installation rights	(66,948)	(19,270)	9,070	-	4	(77,144)
Transfer rights	(671)	(84)	224	-	19	(512)
Software	(15,181)	(1,282)	50	-	310	(16,103)
	(138,947)	**(27,184)**	**9,344**	**-**	**(250)**	**(157,037)**
Impairment loss	**(5,228)**	**(1,459)**	-	-	-	**(6,687)**
Net carrying amount	**127,662**	**10,944**	**(2,561)**	**-**	**129**	**136,174**

Additions in 2012 included in *Installation rights* mainly relate to the non-refundable payment in exchange of the exclusive rights to operate the premises where the recreational machines are located. The disposals in this caption mainly relate to installation rights pending amortization in premises which are closed, or it was decided not to operate the machine for profitability reasons.

Additions in 2011 included the effects of business combinations (Note 4), which amounted to a gross value of 13,243 thousand euros and accumulated amortization of 1,701 thousand euros. These amounts were almost entirely related to installation rights and administrative concessions.

In 2012 transfers under the caption *Prepayments and other* (see Note 6.3) mainly correspond to licenses of video terminals of Cirsa Italia, S.p.A. in operation at December 31, 2012, and therefore, they have been transferred to *Administrative concessions*, for an amount of 12.3 million euros (14.3 million euros at December 31, 2011).

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, 2012 and 2011 is 2,392 and 2,263 thousand euros, respectively.
- Lottery and interactive products companies: Development of software applications for on-line games. Net value as of December 31, 2012 and 2011 is 2,205 and 3,929 thousand euros, respectively.

The internal cost of developing new models of slot machines and software for on-line games by the B2B division of the Group are capitalized as an increase in the value of developments costs and patents. The total amount of works performed by the Group for the intangible assets in 2012 and 2011 amounted to 1,423 and 1,770 thousand euros, respectively.

Research and development expenses recognized as expenses in 2012 amounted to 295 thousand euros (2011: 253 thousand euros) (Note 20.2).

6.3 Administrative concessions

The gross balance of official licenses to operate as of December 31, 2012 mainly corresponds to:

- An official contract to operate slot machines in Panama amounting to 29,336 thousand euros (29,914 thousand euros at December 31, 2011). The net value of this concession at December 31, 2012 amounts to 12,999 thousand euros (15,832 thousand euros at December 31, 2011).
- Ownership interest in an Argentinean company that operates a lottery employing disabled people amounting to 1,591 thousand euros at December 31, 2012 (1,906 thousand euros at December 31, 2011). The net value of these concessions at December 31, 2012 and 2011 is zero.
- Licenses of video terminals acquired by Cirsa Italia S.p.A. for an amount of 37,978 thousand euros (25,630 thousand euros at December 31, 2011). The net value of this concession at December 31, 2012 is 32,612 thousand euros (23,190 thousand euros at December 31, 2011). The increase in 2012 is due to the amount transferred from prepayments to administrative concessions mentioned in Note 6.1.

6.4 Installation rights

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

6.5 Impairment losses

The balance of impairment loss basically covers the net value of certain administrative concessions in Argentina (1,591 and 1,906 thousand euros at December 31, 2012 and 2011, respectively), and investments in research and development projects based on implementing new technologies in the gaming industry (1,745 thousand euros at December 31, 2012 and 2011).

Note 9 includes several elements in relation to a test of the potential impairment of the Group's assets.

6.6 Other information

At December 31, 2012, the net value of intangible assets in foreign companies of the Group amounted to 62,043 thousand euros (2011: 66,606 thousand euros).

7. PROPERTY, PLANT AND EQUIPMENT

7.1 Movements

2012

(Thousands of euros)	January 1, 2012	Additions	Disposals	Transfers	Translation differences and others	December 31, 2012
Cost						
Land and buildings	222,918	5,054	(252)	1,817	(13,087)	216,450
Installations	62,346	7,913	(2,629)	1,989	(553)	69,066
Machinery	430,551	39,852	(48,275)	19,413	(7,151)	434,390
EDP equipment	55,479	3,851	(3,883)	2,931	(916)	57,462
Vehicles	6,691	406	(392)	2,672	(2,544)	6,833
Other installations, tools, and furniture	209,807	10,183	(5,849)	17,598	(3,315)	228,424
Assets in progress	11,309	44,833	(204)	(46,420)	(366)	9,152
	999,101	**112,092**	**(61,484)**	-	**(27,932)**	**1,021,777**
Depreciation						
Buildings	(31,075)	(7,175)	4	-	2,072	(36,174)
Installations	(38,573)	(7,912)	2,030	(74)	(28)	(44,557)
Machinery	(280,730)	(64,879)	45,388	257	3,560	(296,404)
EDP equipment	(38,633)	(4,687)	2,704	10	1,736	(38,870)
Vehicles	(2,933)	(1,638)	169	-	1,131	(3,271)
Other installations, tools, and furniture	(114,899)	(23,549)	2,949	(193)	2,563	(133,129)
	(506,843)	**(109,840)**	**53,244**	-	**11,034**	**(552,405)**
Impairment loss	**(14,290)**	**(1,152)**	**733**	-	-	**(14,709)**
Net carrying amount	**477,968**	**1,100**	**(7,507)**	**-**	**(16,898)**	**454,663**

2011

(Thousands of euros)	January 1, 2011	Additions	Disposals	Transfers	Translation differences and others	December 31, 2011
Cost						
Land and buildings	230,053	10,158	(1,301)	(3,175)	(12,817)	222,918
Installations	57,889	4,739	(1,728)	1,286	160	62,346
Machinery	382,573	68,545	(36,255)	17,788	(2,100)	430,551
EDP equipment	52,572	6,725	(2,260)	826	(2,384)	55,479
Vehicles	4,266	322	(274)	2,960	(583)	6,691
Other installations, tools, and furniture	200,992	15,241	(10,099)	8,349	(4,676)	209,807
Assets in progress	2,480	44,712	(3,282)	(28,034)	(4,567)	11,309
	930,825	**150,442**	**(55,199)**	-	**(26,967)**	**999,101**
Depreciation						
Buildings	(30,305)	(6,456)	454	(72)	5,304	(31,075)
Installations	(32,418)	(6,936)	1,449	170	(838)	(38,573)
Machinery	(249,383)	(65,775)	32,345	(32)	2,115	(280,730)
EDP equipment	(37,782)	(3,458)	2,036	30	541	(38,633)
Vehicles	(1,968)	(1,384)	92	8	319	(2,933)
Other installations, tools, and furniture	(104,591)	(18,413)	6,289	(104)	1,920	(114,899)
	(456,447)	**(102,422)**	**42,665**	-	**9,361**	**(506,843)**
Impairment loss	**(7,570)**	**(8,667)**	**1,947**	-	-	**(14,290)**
Net carrying amount	**466,808**	**39,353**	**(10,587)**	-	**(17,606)**	**477,968**

Additions in 2012 basically correspond to purchases of machines in Spain (20,404 thousand euros), Colombia (8,068 thousand euros), Argentina (7,566 thousand euros) and Peru (3,814 thousand euros), mainly to update already-installed machines, and additions of property, plant and equipment under construction amounting to 27,114 thousand euros as a result of the opening of new halls or renovation of already-existing halls in Panama.

Additions in 2012 also include both the effect of the business combinations (Note 4) and the addition of assets as a result of the acquisition of the joint ventures detailed in Note 1.3, amounting in total to a gross value of 1,038 thousand euros (13,883 thousand euros in 2011) and 219 thousand euros of accumulated depreciation (2011: 3,760 thousand euros).

Disposals in 2012 and 2011 show sales of assets and other disposals, mainly due to the substitution of slot machines, which represented a loss of 5,687 thousand euros in 2012 (a loss of 3,469 thousand euros in 2011).

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 2012 and 2011 amounted to 30,928 and 40,200 thousand euros, respectively.

7.3 Assets subject to guarantees

Several property, plant and equipment items, whose net value as of December 31, 2012 and 2011 was 75,635 thousand and 82,115 thousand euros, respectively, were used as guarantee for mortgage loan debts.

7.4 Availability of assets

All assets are unrestricted, except for those acquired through financial lease contracts, whose net book value amounted to 33,537 thousand euros at December 31, 2012 (33,610 thousand euros at December 31, 2011) (Note 19.2).

7.5 Property, plant and equipment located abroad

The net value of property, plant and equipment located abroad was 329,486 thousand euros at December 31, 2012 (2011: 349,182 thousand euros).

7.6 Investment commitments

At December 31, 2012 and 2011 there were no firm investment commitments.

8. FINANCIAL ASSETS

This caption is composed by the following balances:

(Thousands of euros)	2012			2011		
	Non-current	Current	Total	Non-current	Current	Total
Investments in associates						
Investments accounted for under equity method	3,049	-	3,049	2,896	-	2,896
Available-for-sale financial assets						
Equity instruments measured at cost	3,018	-	3,018	3,018	-	3,018
Loans and receivables						
Nortia Business Corporation, S.L.	72,206	-	72,206	69,696	-	69,696
Loans to jointly-controlled business and associates	9,742	7,196	16,938	13,865	12,631	26,496
Loans to third parties	39,723	-	39,723	37,170	-	37,170
Public administrations	1,154	-	1,154	1,154	-	1,154
Deposits and guarantees	9,689	32,159	41,848	10,797	30,739	41,536
Fixed-income securities and deposits	-	3,534	3,534	-	2,842	2,842
Trade and other receivables	-	218,011	218,011	-	199,918	199,918
Other	5,240	13,094	18,334	5,182	6,528	11,710
	143,821	273,994	417,815	143,778	252,658	396,436
Impairment loss	(2,905)	(24,776)	(27,681)	(3,405)	(24,654)	(28,059)
	140,916	249,218	390,134	140,373	228,004	368,377

Current portion of Nortia Business Corporation, S.L., and of loans to third parties and receivables from Public administrations is included in the caption *Trade and other receivables*.

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 (24,776 and 24,654 thousand euros at December 31, 2012 and 2011, respectively).

8.1 Investments in associates

This caption includes the following investments:

2012

(Thousands of euros)	Book value	Assets	Liabilities	Operating revenues	Profit (loss) for the year
Casino de Asturias, S.A.	772	1,089	(6)	109	91
Urban Leisure, S.L.	429	1,333	(236)	2,746	154
Gironina de Bingos, S.L.	-	2,781	(1,697)	-	-
Recreativos Trece, S.L.	236	531	(80)	921	59
Compañía Europea de Salones Recreativos, S.L.	668	5,789	(3,007)	5,482	299
Fianzas y Servicios Financieros, SGR	944	5,081	(3,076)	455	-
	3,049	**16,604**	**(8,102)**	**9,713**	**603**

2011

(Thousands of euros)	Book value	Assets	Liabilities	Operating revenues	Profit (loss) for the year
Casino de Asturias, S.A.	736	1,001	(8)	135	84
Urban Leisure, S.L.	391	1,208	(266)	2,850	(23)
Gironina de Bingos, S.L.	-	2,781	(1,697)	-	(393)
Recreativos Trece, S.L.	217	555	(94)	1,012	105
Compañía Europea de Salones Recreativos, S.L.	608	5,038	(2,519)	4,907	416
Fianzas y Servicios Financieros, SGR	944	4,795	(2,790)	481	-
	2,896	**15,378**	**(7,374)**	**9,385**	**189**

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

(Thousands of euros)	2012	2011
Balance at January 1	2,896	2,830
Investment in associate's profit	153	151
Investment in associate's losses	-	(85)
Balance at December 31	**3,049**	**2,896**

Transactions in 2012 and 2011 between companies mentioned above and other companies consolidated through the full and/or proportional consolidation method are irrelevant.

8.2 Loans and receivables

Nortia Business Corporation, S.L.

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

(Thousands of euros)	2012	2011
Loan maturing in 2015, at 8.75% interest rate	43,381	42,754
Long-term promissory notes from the sale of real state, discounted at 5% interest rate	3,619	3,619
Accrued interests	25,206	23,323
	72,206	69,696

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, 2012 and 2011 the carrying amount of this loan was similar to its fair value.

Credits to jointly-controlled business and associates

This caption is broken down as follows (*):

(Thousands of euros)	2012	2011
Loans granted to a joint venture domiciled in Argentina. These loans are expressed in US dollars and accrue interest at an annual rate of Libor (six months) and mature in 2015	7,399	10,451
Current accounts with jointly-controlled business and associates	7,196	12,631
Other	2,343	3,414
	16,938	26,496

(*) The above amounts are the remaining balances after the eliminations derived from the proportional consolidation process.

The maturity date of these assets is as follows:

(Thousands of euros)	2012	2011
Within one year	7,196	12,631
Between one and two years	586	853
Between two and three years	7,985	853
Between three and four years	586	11,305
Between four and five years	585	854
	16,938	26,496

The average interest rate of these assets in 2012 and 2011 was 5.1% and 5.6%, respectively.

Loans to third parties

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

(Thousands of euros)	2012	2011
Mortgage loan in Venezuelan currency granted to Inversiones Pueblamar, C.A. for the deferred collection of the sale of a building in 2002 to the owner company of a hotel in Isla Margarita, Venezuela, where a casino operated by the Group was located. No explicit interests are accrued; therefore a discount rate of 9.27% has been applied.	-	1,311
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%.	1,155	1,332
Loan to the minority shareholder of a Spanish operating company of the Group. This loan accrues a variable interest rate that will be reviewed annually (2012: 0%, 2011: 1.89%)	11,180	15,106
Non-trade loan with annual variable maturity dates until 2014. It does not yield any explicit interest and therefore a 5% discount rate has been applied.	2,219	3,866
Loans to the minority shareholder of a Colombian company at an interest rate of 4.5%.	4,050	-
Loans granted in USD to a former shareholder of a Mexican company at an 8.75% interest rate, and with a tangible security.	1,664	-
Deferred collection of the sale of a minority interest in a Spanish company engaged in the operation of a bingo hall.	1,194	
Other	18,261	15,555
	39,723	**37,170**

In October 2009 the Bolivarian Republic of Venezuela acquired by compulsory purchase the hotel Margarita Hilton & Suites owned by Inversiones Pueblamar, C.A., where Cirsa Caribe, C.A. operated. These assets were transferred to the Venezuelan tourism company VENETUR, S.A.

Both at December 31, 2012 and 2011 the casino managed by Cirsa Caribe in Isla Margarita was closed. The Group estimated that as a result of the negotiations with Venezuelan authorities the casino would reopen in 2012. Additionally, the Group considered that there was no uncertainty with regard to the solvency of Inversiones Pueblamar, C.A.; thus, the recovery of the granted loan of 1.3 million euros was considered reasonably beyond doubt.

However, estimates regarding both the reopening of the casino and the recovery of the said loan have been modified during 2012 due to the events occurred, and consequently, the Group has recognized a provision for both the assets related to the casino (Note 9.2) and the loan to be collected from Inversiones Pueblamar, C.A.

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

(Thousands of euros)	2012	2011
Between one and two years	17,030	23,972
Between two and three years	4,173	5,024
Between three and four years	4,885	3,578
Between four and five years	8,573	2,022
More than five years	5,062	2,574
	39,723	**37,170**

Trade and other receivables

This caption is broken down as follows:

(Thousands of euros)	2012	2011
Trade receivables	39,857	37,805
Impairment losses	(24,776)	(24,654)
Other related parties	5,773	3,581
Receivables from Public administrations	34,691	37,572
Other receivables	137,158	120,357
Nortia Business Corporation, S.L. – Promissory notes from sale of assets	532	603
	193,235	**175,264**

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)	2012	2011
Balance at January 1	24,654	28,154
Net allowance	5,459	6,794
Charge for the year	(5,337)	(10,294)
Balance at December 31	**24,776**	**24,654**

The Group has established credit periods between 90 and 150 days, while the average collection period is approximately of 120 days at December 31, 2012 (120 days at December 31, 2011).

8.3 Available-for-sale financial assets

The caption of available-for-sale financial assets includes the ownership interest of 8.4% in a real estate company of the Nortia Business Corporation Group, with a cost of 3,018 thousand euros. These assets are measured at cost, as they cannot be determined with reasonable accuracy at fair value. In any case, the Group estimates that under no circumstances these investments could be impaired.

On January 15, 2013 the Group has sold the said ownership interest to Nortia Business Corporation, S.L. for an amount of 3,100 thousand euros.

9. IMPAIRMENT TEST

9.1 Goodwill

Cash-generating units

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

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

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:

Country	Activity	Discount rate (before tax)
Spain	Gaming	9.50%
Spain	Industrial	9.50%
Spain	Interactive	9.50%
Italy	Gaming	10.00%
Latin America	Gaming	13.00%

In 2011 discount rates applied ranged between 9.63% and 12.56%

Test results

As a consequence of the tests performed, impairment adjustments have been recognized in 2012 amounting to 14,013 thousand euros, mainly due to the reduction in the estimate of future cash flows of certain operators in Spain (5,172 thousand euros) and certain bingo halls (7,573 thousand euros). In 2011 impairment adjustments were recognized amounting to 15,279 thousand euros, basically due to the reduction in the estimate of future cash flows of certain operators in Spain (10,409 thousand euros) and certain bingo halls (2,567 thousands euros).

9.2 Other assets

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

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

As a result of the tests performed, apart from the impairment losses described in the paragraphs below, an impairment loss amounting to 152 thousand euros was recognized related to the casino segment (731 thousand euros related to the bingo segment and 1,612 thousand euros related to the slots segment in 2011).

In Venezuela, in 2011 the temporary close-down of the gaming activities ordered by the Government gave rise to an impairment of assets of one of the two casinos operated by the Group amounting to 6.7 million euros. Regarding the other casino operated by the Group in Venezuela (Isla Margarita), an impairment loss on its assets amounting to 1.0 million euros has been recognized in 2012; since at 2011 year end the activity was expected to resume in the short term, as mentioned in Note 8.2, no impairment loss was recognized in the prior year.

As for Ecuador, the prohibition of gaming activities in the country recently enacted resulted in an impairment adjustment of the assets of the Ecuadorean subsidiary in 2011 amounting to 1,076 thousand euros.

10. INTERESTS IN JOINTLY CONTROLLED COMPANIES

Jointly controlled companies have been incorporated in the consolidated financial statements through the proportional method.

The information on the related companies is detailed in Appendix. Other relevant information related to these companies is detailed in the following chart:

	Data affected by % of equity interest	
(Thousands of euros)	2012	2011
Non-current assets	146,116	170,410
Current assets	179,439	177,447
Non-current liabilities	(48,401)	(80,587)
Current liabilities	(81,781)	(67,196)
Revenues	406,094	376,224
Expenses	(354,647)	(318,632)
Net profit for the year	51,447	57,592

11. INVENTORIES

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

(Thousands of euros)	2012	2011
Raw and auxiliary materials	2,794	3,441
Spare parts and other	6,155	7,790
Finished products	749	724
Work in progress	1,425	759
Prepayments to suppliers	1,204	1,140
	12,327	**13,854**

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)	2012	2011
Balance at January 1	2,280	2,796
Additions	59	1,092
Write-off	(228)	(1,608)
Balance at December 31	**2,111**	**2,280**

The write-off in 2012 and 2011 corresponds to the destruction of several inventories from the industrial division.

12. CASH AND CASH EQUIVALENTS

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

(Thousands of euros)	2012	2011
Cash	13,900	13,836
Current accounts	40,981	51,992
Deposits	353	827
	55,234	**66,655**

These assets are unrestricted and earn market interest rates.

13. EQUITY

13.1 Share capital

At December 31, 2012 and 2011 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:

	2012	2011
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 (31.04% at December 31, 2012 and 2011) and shares of several subsidiaries are pledged in favor of Institut Català de Finances as a guarantee for a loan granted to Nortia Business Corporation S.L., main shareholder of the Company.

13.2 Treasury shares

At December 31, 2012 and 2011, the Company has 1,131,421 treasury shares at an average cost of 0.1626 each, which are shown reducing the Group's net equity.

13.3 Retained earnings

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

Legal reserve

In accordance with the Spanish Capital Companies Law, 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, 2012 and 2011 the Company's legal reserve amounted to 4,915 thousand euros.

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

Treasury shares reserve

As indicated in Note 13.2 above, the Group acquired treasury shares. In accordance with prevailing mercantile legislation, the Group has provided the corresponding non-distributable reserve by the amount of treasury shares, maintained until sold or amortized.

13.4 Non-controlling interests

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

(Thousands of euros)	Amount in statement of financial position		Participation in results	
	2012	2011	2012	2011
Division				
Casinos	65,009	66,072	12,689	8,078
Slots	476	5,157	(3,246)	423
	65,485	**71,229**	**9,443**	**8,501**

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

(Thousands of euros)	2012	2011
Balance at January 1	71,229	70,459
Net profit for the year attributable to non-controlling interest	9,443	8,501
Translation differences	(1,063)	(2,958)
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	407	687
Dividend payments	(14,531)	(5,460)
Balance at December 31	**65,485**	**71,229**

14. BONDS

This caption basically refers to the following:

The issue of bonds by a subsidiary located in Luxembourg amounting to 680 million euros, including an initial amount of 400 million euros, issued in 2010 below par, at a 97.89% price, and an additional issue in January 2011 with an issue premium of 280 million euros as an extension of the former one. These bonds are listed on the Luxembourg Stock Exchange, accruing an annual interest of 8.75% paid every six months, and maturing in 2018. At December, 2011 certain bonds related to this issue, the par value of which amounted to 5 million euros, were not recognized in the Group's liabilities, since they had been acquired in 2011. These bonds have been sold during 2012, generating gains amounting to 680 thousand euros.

Additionally, in January 2011 an issue of bonds made also by a subsidiary located in Luxembourg amounting to 230 million euros and which were listed on the Luxembourg Stock Exchange was settled in advance, which represented expenses amounting to 21,416 thousand euros recognized in 2011.

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 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, 2012 the quoted price of the bonds recognized in the liabilities side of the balance sheet was 98.8% of their par value (80% at 2011 year end).

15. BANK BORROWINGS

(Thousands of euros)	2012 Non-current	2012 Current	2012 Total	2011 Non-current	2011 Current	2011 Total
Mortgage and pledge loans	73,151	2,493	75,644	26,338	27,096	53,434
Other loans	50,451	28,422	78,873	62,370	28,613	90,983
Financial lease agreements (Note 19.2)	17,306	11,233	28,539	19,726	9,364	29,090
Credit and discount lines	-	17,106	17,106	-	15,319	15,319
	140,908	59,254	200,162	108,434	80,392	188,826

Average interest rates accrued by these borrowings are as follows:

	% 2012	% 2011
Loans	5.08%	5.87%
Financial lease agreements	5.24%	4.85%
Credit and discount lines	4.82%	5.83%

The annual maturity date of these liabilities is as follows:

(Thousands of euros)	2012	2011
Within one year	59,254	80,392
Between one and two years	28,873	32,720
Between two and three years	72,415	21,856
Between three and four years	16,408	17,407
Between four and five years	5,462	13,620
More than five years	17,750	22,831
	200,162	188,826

Part of these liabilities, equal to 40,440 and 39,401 thousand euros at December 31, 2012 and 2011, respectively, is denominated in U.S. dollars.

At December 31, 2012 and 2011, shares of several subsidiaries were pledged in favor of Deutsche Bank London AG as a security for the credit line of 50 million euros received from that entity. At December 31, 2012 the Group has fully drawn down the amount of this credit line (at 2011 year end 25 million euros had been drawn down). At December 31, 2012 the drawn amount was recognized as a non-current liability since during 2012 the Group has renegotiated the maturity of the credit line, extending the initial maturity set for 2012 to 2018. At December 31, 2011 the drawn amount of this credit line was recognized as a current liability.

At December 31, 2012 the undrawn amount of credit and discount lines is 3,660 and 1,825 thousand euros, respectively. These figures amounted to 9,822 and 6,723 thousand euros, respectively, at 2011 year end.

Finally, at December 31, 2012 and 2011 the guarantees given by credit institutions and insurance companies to the Group, in connection with official gaming concessions and licenses were 111,399 and 103,592 thousand euros, respectively.

16. OTHER CREDITORS

The breakdown of this caption is as follows:

(Thousands of euros)	2012 Non-current	2012 Current	2012 Total	2011 Non-current	2011 Current	2011 Total
Public administrations	1,622	84,547	86,169	2,981	88,076	91,057
Bills payable	164	3,194	3,358	834	2,586	3,420
Sundry creditors	36,552	105,282	141,834	54,816	131,429	186,245
	38,338	193,023	231,361	58,631	222,091	280,722

In 2012 non-current part of liabilities with Public administrations refers mainly to deferral on gaming taxes granted by the corresponding authorities, which accrues an annual interest rate of 5% (2011: 5%). The current portion corresponds to gaming taxes with a short-term maturity (2012: 54,565 thousand euros, 2011: 62,050 thousand euros), and payroll withholding tax, VAT, social security contributions and similar concepts pending to be filed.

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

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

- The non-current amount (5,149 thousand euros) of a loan received from International Game Technology (IGT), which at December 31, 2012 has been drawn down by the Group by 13,142 thousand euros (17,340 thousand US dollars), and by 23,576 thousand euros (30,506 US dollars) at December 31, 2011, including principal and interest. The loan was obtained to finance the investment made by Casino de Rosario, S.A. (joint venture). It has a right of mortgage on that company's building, accrues an annual interest rate of Libor plus 5.75% and will be cancelled in 48 equal monthly consecutive installments from September 2010.
- Non-current payable amounting to 5,307 thousand euros (7,002 thousand dollars) corresponding to a loan granted by the other shareholder of Casino de Rosario, S.A. (joint venture) to this company that matures in 2015. This loan accrues interest at 6-month Libor plus 2%.
- Several payables for common transactions amounting to 9,734 thousand euros, with undetermined maturity.

Additionally, the caption *Sundry creditors* mainly includes:

- Asset suppliers amounting to 29,391 thousand euros.
- Payables for services rendered amounting to 19,701 thousand euros.
- Current payables amounting to 18,994 thousand euros, including the portion payable during 2013 of the loan granted by IGT (5,632 thousand euros) mentioned above.
- Payable amounts regarding current accounts with related entities amounting to 15,333 thousand euros, including the current account with Nortia Business Corporation, S.L. (12,305 thousand euros), which accrues an annual interest of 8.75%.
- Employee benefits payable amounting to 17,210 thousand euros (Note 20.1).

17. PROVISIONS

The breakdown of this caption is as follows:

(Thousands of euros)	2012	2011
Obligations in relation to employees	12,242	6,264
Tax assessments appealed by the Group	1,082	957
Other	6,614	7,012
Balance at December 31	**19,938**	**14,233**

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, 2012 and 2011 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)	2012	2011
Balance at January 1	14,233	17,007
Allowances	6,893	3,331
Provisions applied	(1,188)	(1,965)
Reclassifications to payables – Employee benefits payable	-	(4,140)
Balance at December 31	**19,938**	**14,233**

18. TAXES

18.1 Tax Group

The Parent Company, together with 68 Spanish subsidiaries, which comply with tax legislation requirements, files tax returns on a consolidated basis. Additionally, there are two other Spanish consolidated tax groups, comprising 8 subsidiaries, which are controlled by the joint venture Orlando Play, S.A., and another 4 Spanish companies, which are controlled by the joint venture Sportium Apuestas Deportivas, S.A.

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

18.2 Accrued and payable income tax

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

(Thousands of euros)	2012	2011
Current	46,685	40,499
Deferred for (increase) decrease of tax loss carryforwards capitalized	26,875	(5,672)
Deferred for temporary differences	(17,493)	8,877
	56,067	**43,704**

The breakdown of current income tax payable is as follows:

(Thousands of euros)	2012	2011
Current income tax	46,685	40,499
Withholdings and payments on account	(14,979)	(2,458)
	31,706	38,041

18.3 Analysis of income tax expense

(Thousands of euros)	2012	2011
Profit before tax	65,679	26,784
Tax rate prevailing in Spain	30%	30%
Theoretical income tax expense	19,704	8,035
Adjustments – Effect of:		
Different tax rates prevailing in other countries	3,204	3,716
Countries with no income taxation and/or compensation of tax losses	(1,518)	(491)
Impairment losses solely for consolidation purposes	4,250	7,621
Tax credits for uncapitalized tax loss carryforwards from the tax group whose parent is Cirsa Gaming Corporation, S.A.	3,333	10,259
Cancelled tax credits for prior years' tax loss carryforwards from the tax group whose parent is Cirsa Gaming Corporation, S.A.	17,315	-
Tax credits for uncapitalized tax loss carryforwards from the tax group whose parent is Sportium Apuestas Deportivas, S.A.	367	-
Cancelled tax credits for tax loss carryforwards from companies that file taxes separately (generated in 2012 or prior years)	4,663	-
Translation differences deductible / taxable for tax purposes	1,060	(497)
Losses in net monetary position (Venezuelan hyperinflation)	176	398
Difference due to the payment of taxes from prior years	1,188	3,533
Tax inspection expense	-	1,684
Non-deductible expenses and other	2,325	9,446
	56,067	43,704

At December 31, 2012 and 2011 the effect of adjustments of different tax rates mainly corresponds to the application of higher taxes in Argentina and Colombia.

Cancelled tax credits for prior years' tax loss carryforwards from companies that file taxes separately correspond to companies in Spain (586 thousand euros), Mexico (1,496 thousand euros), Venezuela (1,947 thousand euros) and Italy (634 thousand euros).

At December 31, 2011 non-deductible expenses mainly consisted of financial investment impairment allowances carried out by subsidiaries in Argentina and Panama, as well as taxes on gaming activities and exchange differences in Venezuela.

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 14.2 million euros (25.9 million euros at December 31, 2011).

18.4 Deferred tax assets and liabilities

(Thousands of euros)	2012	2011
Assets		
Tax loss carryforwards from the tax group whose parent is Cirsa Gaming Corporation	21,363	42,168
Tax loss carryforwards from the tax group whose parent is Orlando Play, S.A.	652	354
Tax loss carryforwards from other group companies	763	7,131
Deductions pending application from the tax groups	2,838	2,838
Deductible temporary differences:		
--- Impaired receivables	7,568	7,581
--- Impaired securities portfolio	20,544	6,461
--- Goodwill impaired in individual books	1,142	3,192
--- Intragroup margin write-off	6,296	6,142
--- Non-accounting impairment for tax purposes	13,218	8,224
--- Other	6,494	6,845
	80,878	90,936
Liabilities		
Taxable temporary differences:		
--- Reinvestment of profit from sale of non-current assets	-	(663)
--- Initial statement of non-current assets at fair value	(5,991)	(6,596)
--- Provision for maximum gaming prizes	(7,041)	(8,615)
--- Difference between tax depreciation and accounting depreciation	(6,044)	(6,825)
--- Non-accounting impairment for tax purposes	(17,433)	(11,452)
--- Margin write-offs	(2,740)	(2,859)
--- Business combinations	(2,163)	(6,874)
--- Other	(3,882)	(2,086)
	(45,294)	(45,970)

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, 2012 for the 3 tax groups whose parent companies are, respectively, the Company, the subsidiary Orlando Play, S.A., and Sportium Apuestas Deportivas, S.A. is as follows:

(Thousands of euros)		Taxable basis		
Arising in	Last year for utilization	Tax group whose parent is the Company	Tax group whose parent is Orlando Play, S,A, (*)	Tax group whose parent is Sportium Apuestas Deportivas, S.A.(*)
1997	2015	317	-	-
1998	2016	74	-	-
1999	2017	1,047	-	-
2000	2018	8,484	-	-
2001	2019	18,723	-	-
2002	2020	2,605	-	-
2003	2021	10,237	-	-
2004	2022	14,681	3	-
2005	2023	35,712	-	-
2006	2024	2,064	510	-
2007	2025	27,884	199	352
2008	2026	1,764	203	2,097
2009	2027	16,308	748	2,188
2010	2028	24,034	-	510
2011	2029	41,071	706	858
2012	2030	11,108	993	1,225
		216,113	3,362	7,230

(*) Tax group whose parent is a company representing a joint venture consolidated through the proportionate consolidation method. Therefore, tax assets included in this table are affected by the 50% of ownership held.

Tax group whose parent is the Company

At December 31, 2012 and 2011 the Group has recognized deferred tax assets amounting to 21,363 and 42,168 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, 2012 amount to 43,315 thousand euros (2011: 19,334 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 59,415 thousand euros at December 31, 2012 (2011: 57,845 thousand euros), for unused tax deductions. The abovementioned total amounts include 56,577 thousand euros at December 31, 2012 (2011: 55,007 thousand euros) from unused 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, 2012
2012	2,957
2013	3,333
2014	1,492
2015	2,554
2016	3,035
2017	4,201
2018	5,121
2019	8,763
2020	7,908
2021	14,506
2022	871
2023	926
2024	1,375
2025	644
2026	536
2027	556
2028	384
2029	252
	59,415

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

In 2010 the tax group whose parent is Orlando Play, S.A. was constituted. Since the Group owns 50% of Orland Play, S.A. shares, tax assets contributed by it are affected by this percentage of ownership.

At December 31, 2012 the Group has recognized deferred tax assets amounting to 652 thousand euros, related to unused tax loss carryforwards of this tax group. For the rest of unused tax loss carryforwards no deferred tax assets have been recognized, which at December 31, 2012 amounted to 356 thousand of euros (the same amount at December 31, 2011) (amounts affected by percentage of ownership).

Tax group whose parent is Sportium Apuestas Deportivas, S.A.

In 2012 the tax group whose parent is Sportium Apuestas Deportivas, S.A. was constituted. Since the Group owns 50% of this company, tax assets contributed by it are affected by this percentage of ownership.

At December 31, 2012 the Group has deferred tax assets for tax loss carryforwards amounting to 2.2 million, which have not been capitalized since the requirements established by applicable accounting regulations are not met (amounts affected by the percentage of ownership).

18.5 Other tax information

Under prevailing tax regulations, tax returns may not be considered final until they have either been inspected by tax authorities or until the inspection period has expired. At December 31, 2012 Spanish companies (which mostly file taxes under a consolidated tax group) are open to inspection of all taxes to which they are liable for the last four years. In general, the prescription periods for countries where the Group has significant presence are between four and five years after the end of the statutory period for filing tax returns. The Group considers that, in the event of a tax inspection, no significant tax contingencies having effect on consolidated financial statements would arise.

On March 8, 2012, the Company's Management was notified of an inspection for all the years open to inspection and for all taxes of 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. At the date of approval of these financial statements the said inspection has not been completed yet. However, the Group expects that no liabilities will arise from this inspection that may have a significant impact on the consolidated financial statements.

19. LEASES

19.1 Operating leases

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

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

(Thousands of euros)	2012	2011
Within one year	64,670	62,249
Between one and five years	269,027	258,957
More than 5 years	74,669	69,357
	408,366	**390,563**

19.2 Finance leases

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

	2012		2011	
(Thousands of euros)	Minimum payments	Present value of payments	Minimum payments	Present value of payments
Within one year	14,054	11,233	11,689	9,364
Between one and five years	27,169	17,306	29,969	19,726
	41,223	**28,539**	**41,658**	**29,090**

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 9,177 thousand euros in 2012 and 9,400 thousand euros in 2011.

20. INCOME AND EXPENSES

20.1 Personnel

(Thousands of euros)	2012	2011
Wages and salaries	179,895	167,598
Social security	43,584	40,459
Indemnities	7,315	6,106
Other personnel expenses	11,453	10,643
	242,247	224,806

Remunerations pending payment at year end of 2012 and 2011 (17,210 and 23,577 thousand euros, respectively) are recognized in the caption *Other creditors*.

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

	2012			2011		
	Men	Women	Total	Men	Women	Total
Executives	313	75	388	324	74	398
Technicians, production and sales staff	5,576	4,386	9,962	5,677	4,491	10,168
Administrative personnel	887	701	1,588	895	835	1,730
	6,776	5,162	11,938	6,896	5,400	12,296

The headcount at December 31, 2012 and 2011 by category and gender does not significantly differ from the breakdown shown in the table above regarding the average headcount for those years.

20.2 External supplies and services

(Thousands of euros)	2012	2011
Rent and royalties	72,473	68,951
Advertising, promotion and public relations	38,790	35,683
Professional services	23,375	20,908
Sundry services	26,519	24,620
Supplies	30,954	26,273
Travel expenses	11,051	11,860
Repair and maintenance	21,273	17,926
Security	9,381	8,858
Postal services, communications and telephone	11,213	10,197
Insurance premiums	5,735	5,220
Cleaning services	6,581	6,502
Bank services and similar	5,590	4,974
Transportation	3,189	2,967
Research and development expenses (Note 6.2)	295	253
	266,419	245,192

20.3 Exchange differences

(Thousands of euros)	2012	2011
Income	2,369	5,570
Expenses	(8,702)	(11,801)
	(6,333)	**(6,231)**

Net exchange differences from translation of financial balances in foreign currency between Group companies are recognized in *Translation differences*, as a component that increases the shareholders' equity at December 31, 2012 by 3,533 thousand euros (2011: it decreased the shareholders' equity by 1,658 thousand euros), since they are considered as exchange differences arising from monetary components of a net investment in a foreign business.

21. RELATED PARTIES

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

(Thousands of euros)	2012	2011
Sale of slot machines	9,245	10,456
Revenues for rendering of services	1,641	1,747
Operating expenses	(10,446)	(10,768)
Interest income	3,940	4,058
Interest expenses	(1,387)	(158)

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

Accounts receivable derived from these transactions at year end are described in Note 8.

The current payable balance amounting to 12,301 thousand euros (2011: 22,292 thousand euros) corresponding to the current account with Nortia Business Corporation, S.L. is detailed in Note 16 *Other Creditors*.

Finally, Accounts payable, arising from commercial transactions, amount to 1,258 and 845 thousand euros at December 31, 2012 and 2011, respectively, and are recognized under *Trade payables*.

22. 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 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. The agreement is currently being analyzed by the parties.

Despite the abovementioned agreement, the Government of the Autonomous City of Buenos Aires has 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 has lodged an appeal against the abovementioned precautionary measures.

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 signing of the agreement between LNSE and the Bet and Gambling Institute of the Autonomous City of Buenos Aires and b) 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. Therefore, the Group's legal advisors consider that an unfavorable result of this matter is not probable.

Italy

In 2007 the Italian Court of Auditors (Corte dei Conti) started proceedings against Cirsa Italia, SpA and the rest of online recreational machine operators, alleging that they had not fulfilled some obligations they had as authorized operators, and imposed a fine on such company amounting to 3,300 million euros (98,000 million euros on all the online operators as a whole). The Group 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 modifies the fine imposed on Cirsa Italia S.p.A., which now amounts to 120 million euros (2,500 million euros for all the operators as a whole).

The Management of the Group and legal advisors consider that the ruling has no legal arguments based on:

- The ruling does not consider the technical report issued by an expert appointed by the Court of Auditors itself.
- The methodology used to calculate the damage caused to the State of Italy has no foundation.

On April 23, 2012 the Group appealed against the ruling before a higher court, which suspended its execution. Consequently, no provision has been recognized in the statement of financial position at December 31, 2012.

In any case, the fine imposed only relates to Cirsa Italia, SpA and does not affect any other Group company, according to the Group's legal advisors.

23. INFORMATION ON ENVIRONMENTAL ISSUES

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

24. AUDIT FEES

Fees and expenses referred to the audit of the 2012 financial statements of the Group's companies rendered by the main auditors and other firms belonging to the auditor's international network amounted to 1,472 thousand euros in 2012 and 1,423 thousand euros in 2011.

In addition, fees and expenses paid during the year corresponding to other services rendered by the main auditors or other related entities amounted to 311 thousand euros in 2012 and 335 thousand euros in 2011.

25. DIRECTORS AND SENIOR EXECUTIVES

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

(Thousands of euros)	2012	2011
Directors		
Salaries	1,152	1,505
Senior executives		
Salaries	4,800	4,800
	5,952	**6,305**

At December 31, 2012 there are current accounts receivable with the Company's Directors amounting to 778 thousand euros (766 thousand euros in 2011). These accounts accrue an annual interest of 4.25%.

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

Pursuant to articles 229 and 230 of the Spanish Capital Companies Law, the Directors have informed the Company that there are no situations representing a conflict for the Group and that they hold the following equity investments and/or carry out duties in companies whose activity is identical, similar or complementary to the activity which comprises the Group's corporate purpose:

Director	Company	% of equity interest	Position / Duties
Manuel Lao Hernández	Nortia Business Corporation, S.L.	96.37%	Joint-Administrator
	Casino Nueva Andalucía Marbella, S.A.U.	-	Chairman
Esther Lao Gorina	Nortia Business Corporation, S.L.	1.10%	Joint-Administrator
Manuel Lao Gorina	Global Bingo Corporation, S.A.	-	Chairman / CEO
	Global Casino Technology Corporation, S.A.	-	Chairman
	Cirsa Interactive Corporation, S.L.	-	Chairman
	Cirsa Servicios Corporativos, S.L.U.	-	Chairman
	Cirsa Intenational Gaming Corporation, S.A.	-	Chairman
	Global Manufacturing Corporation, S.L.U.	-	Chairman / CEO
	Cirsa Slot Corporation, S.L.	-	Chairman
	Nortia Business Corporation, S.L.	1.10%	Joint-Administrator
	Opesa Internacional, S.A.	-	Chairman
	Casino Cirsa Valencia, S.A.U.	-	Chairman
	Casino La Toja, S.A.	-	Deputy chairman
	Casino Nueva Andalucía Marbella, S.A.U.	-	Board member
	Cirsa Capital Luxembourg, S.A.	-	Board member
	Cirsa Digital, S.A.U.	-	Chairman
	Cirsa Funding Luxembourg, S.A.U.	-	Board member
	Integración Inmobiliaria World de México, S.A. de C.V.	-	Board member
	Universal de Desarrollos Electrónicos, S.A.	-	Chairman

26. OBJECTIVES AND POLICIES OF FINANCIAL RISK MANAGEMENT

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

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

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

26.1 Credit risk

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

Guarantees on loans and the credit risk exposure are shown in Note 8.

26.2 Interest rate risk

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

The breakdown of liabilities that accrue interests at 2012 and 2011 year end is as follows:

	2012		2011	
(Thousands of euros)	Fixed interest rate	Floating interest rate	Fixed interest rate	Floating interest rate
Bonds	668,488	-	660,636	-
Bank borrowings	-	200,162	-	188,826
Other creditors	-	54,815	-	64,998
	668,488	254,977	660,636	253,824

At December 31, 2012 and 2011 financial liabilities at a fixed interest rate represented 72% of total liabilities for both years. 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 2,549 thousand euros and 2,538 thousand euros in 2011.

The Group estimates that fair value of the financial liabilities' instruments does not differ significantly from the accounted amounts, except for the comment in Note 14.

The breakdown of assets that accrue interests at 2012 and 2011 year end is as follows:

(Thousands of euros)	2012 Fixed interest rate	2012 Floating interest rate	2011 Fixed interest rate	2011 Floating interest rate
Nortia Business Corporation, S.L.	72,206	-	69,696	-
Loans to jointly-controlled business and associates	7,196	9,742	12,631	13,865
Loans to third parties	21,462	18,261	6,509	30,661
Deposits and guarantees	41,848	-	41,536	-
Fixed-income securities and deposits	3,534	-	2,842	-
Trade and other receivables	-	-	1,342	-
	146,246	**28,003**	**134,556**	**44,526**

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

26.3 Foreign currency risk

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

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

The following study on sensitivity shows the foreign currency risk:

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

Variation	Thousands of euros 2012	Thousands of euros 2011
+ 10%	(2,803)	(1,979)
+ 5%	(1,468)	(1,036)
- 5%	1,623	1,145
- 10%	3,426	2,418

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

Variation	Thousands of euros 2012	Thousands of euros 2011
+ 10%	(3,306)	(4,058)
+ 5%	(1,612)	(2,033)
- 5%	2,309	2,657
- 10%	4,597	5,393

These variations correspond basically to the impact on operating magnitudes, and not on financial figures, since approximately 90% of Group financial liabilities, in both years, are paid in euros.

26.4 Liquidity risk

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

At December 31, 2012 and 2011, 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 statements of cash flows. Additionally, the Group obtains very high EBITDA, as observed in the consolidated statement of comprehensive income, which allows it to face debt service without cash difficulties.

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

- Diversification of financing sources through the access to different markets and geographical areas. In this regard, the Group has an additional borrowing capacity (see data in Note 15).

- Credit facilities committed for the sufficient amount and flexibility. Accordingly, the Group has available cash and cash equivalents amounting to 55 million euros at December 31, 2012 (2011: 67 million euros), to meet unexpected payments.

- The length and repayment schedule for financing through debt is established based on the financed needs.

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

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

The relevant information on the maturity dates of financial liabilities based on contractual terms is broken down in Notes 14, 15 and 16.

27. CAPITAL MANAGEMENT POLICY

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

The Group's strategy, both in 2012 and 2011, 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 been also established as a priority action, with satisfactory results.

As stated in Note 14, the contracts entered into in relation to corporate bonds issued include limitations on the payment of dividends. The Company does not intend to distribute dividends in the short to medium term given that the Group policy is not to distribute dividends.

28. INFORMATION ON LATE PAYMENT TO SUPPLIERS

In compliance with Law 15/2010 of July 5, modifying Law 3/2004 of December 29, which establishes measures to be taken in combating arrears in commercial transactions, below we include a breakdown of the total amount of payments made to suppliers during the year by the Spanish subsidiaries, disclosing those that exceeded the legal payment deadlines; the weighted average period of time exceeded for payments; and the balance pending payment to suppliers exceeding the legal deadline at year end:

	Payments made and payments outstanding at the balance sheet date			
	2012		2011	
	Amount	%	Amount	%
Within maximum legal payment period (*)	282,710	88,59%	200,334	93,69%
Other	36,418	11,41%	13,496	6,31%
Total payments in the year	**319,128**	**100,00%**	**213,830**	**100,00%**
Weighted average payment period exceeded (days)	53		62	
Overdue payments exceeding the legal payment period at the closing date	**4,621**		**1,153**	

(*) The maximum legal payment period would be based, in each case, on the characteristics of the good or service received by the company in accordance with Law 3/2004 of December 29, which establishes measures to be taken in combating arrears in commercial transactions.

29. EVENTS AFTER THE BALANCE SHEET DATE

On January 29, 2013 a Group company domiciled in Luxembourg issued bonds as an extension of the issue made in 2010 (Note 14) for an amount of 100 million euros, and at 99.75% of the nominal amount. These bonds, which are listed on the Luxembourg Stock Exchange, accrue an annual interest rate of 8.75%, paid every 6 months, and mature in 2018.

30. ADDITIONAL NOTE FOR ENGLISH TRANSLATION

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

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

March 27, 2013

Cirsa Gaming Corporation Group

Consolidated Management Report

Year ended December 31, 2012

In 2012, despite the complex economic situation, the Group's revenues (net of prizes) have increased by 92,854 thousand euros (7.39%) mainly due to the good performance shown by the International Casino Division and the International Slots Division.

This year's EBITDA was 322,011 thousand euros, compared to 290,001 thousand euros last year, which represents a 11.0% increase (+32,010 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 1,502 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 27, 2013

List of subsidiaries

Company	Activity	Percentage of ownership 2012	Percentage of ownership 2011	Investment holder	Business address	City	Province/Country
Administradores De Personal En Entretenimiento, SA de CV	Bingos	100,00%	100,00%	Bincamex, S.A. de CV.	Bosque de Duraznos, 61 3B	México D.F.	México
Ajar, S.A.	Bingos	75,00%	75,00%	Global Bingo Corporation, S.A.U.	Av. Muñoz Vargas, 18	Huelva	Huelva
Automáticos Siglo XXI, S.L.U.	Operacional	65,00%	75,00%	Juegomatic, S.A.	Martillo, 26	Sevilla	Sevilla
Baquei Inversiones, S.L.U.	Operacional	-	100,00%	Cirsa Slot Corporation, S.L.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Bar Juegos, S.L.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U. y	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 C.V.	Bingos	100,00%	100,00%	Cirsa International Gaming Corporation, S.A.U.	Cantú, 9 - 601. Colonia Nueva Anzures	México D.F.	México
Bincano, S.A.	Bingos	60,00%	60,00%	Global Bingo Corporation, S.A.U.	Elcano, 30-32	Bilbao	Vizcaya
Bingames, S.A.U	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U.	Consell de Cent, 106-108	Barcelona	Barcelona
Bingaser, A.I.E.	Bingos	100,00%	100,00%	Varios	Fermina Sevillano, 5-7	Madrid	Madrid
Bingos de Madrid Reunidos, S.A.U.	Bingos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Bingos Electronicos De Panamá, S.A.U.	Casinos	100,00%	100,00%	Gaming & Services De Panamá, S.A.U.	Calle 50 y 73 Este San Francisco	Panamá	Panamá
Bingos Malagueños, S.A.U.	Bingos	100,00%	100,00%	Sobima, S.A.U.	Pz. Cruz de Humilladero, S/n	Málaga	Málaga
Binred Madrid, S.A.	Bingos	100,00%	100,00%	Novojuegos, S.A. Y Sala Versalles, S.A.	C/ Bravo Murilo, 309	Madrid	Madrid
Burnex Land, S.L.	Bingos	65,30%	65,30%	Global Bingo Corporation, S.A.U.	Elcano, 30-32	Bilbao	Vizcaya
B2B Central Reporting, S.A. De C.V.	B2B	100,00%	100,00%	Cirsa Interactive Corporation, S.L.	Bosque de Duraznos, 61 3 b, Bosques Lomas	México D.F.	México
Cafetería Miami, S.A.U.	Casinos	100,00%	100,00%	Gaming & Services, S.A.C.	Av. La Marina, 1725	San Miguel (Lima)	Perú
Capitan Haya 7, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U. y Global	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, S.A.U.	Centro de Interés Turístico Nacional, Monte Picayo	Puçol	Valencia
Casino Nueva Andalucía Marbella, S.A.U.	Casinos	100,00%	100,00%	Global Casino Technology Corporation,	Ctra. Cádiz-Málaga Km. 180	Marbella	Málaga
Casinos de Juego Cirsa Chile Limitada	Casinos	100,00%	100,00%	Sociedad Inversiones Cirsa Chile Ltda.	Comuna de las Condes	Santiago de Chile	Chile
Cirsaecuador, S.A.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation, S.A.U.	Inglaterra E3263 y Ava. Amazonas	Quito	Ecuador
Cirsa Amusement Corporation, S.L.U.	Operacional	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Consell de Cent, 106-108	Barcelona	Barcelona
Cirsa Amusement France, S.A.U.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.L.U.	10 Impasse Leonce Couture	Tolouse	Francia
Cirsa Capital Luxembourg, S.A.	Estructura	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Rue Charles Martel, 58	Luxemburgo	Luxembourg
Cirsa Caribe, C.A.	Casinos	70,00%	70,00%	Cirsa Venezuela, C.A.U.	Avda. 4 de Mayo. Centro Comercial. Local 41	Porlamar	Venezuela
Cirsa Casino Corporation, S.L.U.	Casinos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Cirsa Casino de Antofagasta, S.A.	Casinos	54,80%	54,80%	Cirsa Casinos de Juego de Chile, S.A.	Comuna de Antofagasta	Antofagasta	Chile
Cirsa Casino de Calama, S.A.U.	Casinos	54,80%	54,80%	Cirsa Casinos de Juego de Chile, S.A.	Comuna de Calama	Calama	Chile
Cirsa Casino de Copiapo, S.A.	Casinos	54,80%	54,80%	Cirsa Casinos da Juego de Chile, S.A.	Comuna de Copiapo	Copiapo	Chile
Cirsa Casino de Punta Arenas, S.A.	Casinos	54,80%	54,80%	Cirsa Casinos de Juego de Chile, S.A.	Comuna de Punta Arenas	Punta Arenas	Chile
Cirsa Casino de Rancagua, S.A.	Casinos	54,80%	54,80%	Cirsa Casinos de Juego de Chila, S.A.	Comuna de Rancagua	Rancagua	Chile
Cirsa Casino de Temuco, S.A.U.	Casinos	54,80%	54,80%	Cirsa Casinos de Juego de Chile, S.A.	Comuna de Temuco	Temuco	Chile
Cirsa Casino del Bio Bio, S.A.U.	Casinos	54,80%	54,80%	Cirsa Casinos de Juego de Chile, S.A.	Comuna de Hualpén	Hualpén	Chile
Cirsa Casinos de Juego de Chile, S.A.	Casinos	54,80%	54,80%	Casinos de Juego Cirsa Chile Limitada	Nueva Tajamar 481 Torre Norte, Of. 706	Las Condes	Chile
Cirsa Digital, S.A.U.	On Line	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Cirsa Funding Luxembourg, S.A.U.	Estructura	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Rue Charles Martel, 58	Luxemburgo	Luxemburgo
Cirsa Insular, C.A.U.	Casinos	100,00%	100,00%	Cirsa Venezuela, C.A.U.	Estado de Nueva Esparta (Porlamar)	Isla Margarita	Venezuela
Cirsa Interactive Corporation, S.L.	B2B	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Consell de Cent, 106-108	Barcelona	Barcelona
Cirsa International Gaming Corporation, S.A.U.	Cesinos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Cirsa Italia, S.A.U.	Operacional	100,00%	100,00%	Cirsa International Gaming Corporation,	Centro Direzionale Milanofiori, Strada 2	Assago (Milan)	Italia
Cirsa Panamá, S.A.U.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation,	Via Domingo Díaz	Ciudad de Panamá	Panamá
Cirsa Servicios Corporativos, S.L.U.	Estructura	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Consell de Cent, 106-108	Barcelona	Barcelona
Cirsa Slot Corporation, S.L.U.	Operacional	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Consell de Cent, 106-108	Barcelona	Barcelona
Cirsa Venezuela, C.A.U.	Cesinos	100,00%	100,00%	Cirsa International Gaming Corporation,	D. Marino. Nueva Esparta, Porlamar	Isla Margarita	Venezuela
Cirsacom, S.R.L.U.	On Line	100,00%	100,00%	Cirsa Italia, S.A.U.	Centro Direzionale Milanofiori, Strada 2	Assago	Italia
Club Privado De Fumadores Nuestro Espacio	Bingos	100,00%	100,00%	Bingos de Madrid Reunidos, S.A.U.	Avda. Moratalaz, 42 bajos	Madrid	Madrid
Comercial de Desarrollos Electrónicos, S. A.U.	Operacional	100,00%	100,00%	Global Game Machine Corporation, S.A.U.	Pi i Margall, 201	Terrassa	Barcelona

List of subsidiaries

Company	Activity	Percentage of ownership 2012	Percentage of ownership 2011	Investment holdar	Business address	City	Province/Country
Complejo Hotelero Monte Picayo, S.A.U.	Casinos	100,00%	100,00%	Global Casino Technology Corporation, S.A.U.	Complejo Hotelero Monte Picayo	Sagunto	Valencia
Electrónicos Radisa, S.L.U.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.L.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Empresa Explotadora del Juego del Bingo, S.A.	Bingos	100,00%	100,00%	International Bingo Technology, S.A.U. y	Pza. Corregidor A. Aguilar, s/n	Madrid	Madrid
Entidad Gestora del Bingo Siglo XXI, S.L.U.	B2B	100,00%	-	Cirsa Interactive Corporation, S.L.	Sena, nº 2	Sant Cugat del Valles	Barcelona
Ferrojuegos, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U. y Global Bingo Madrid, S.A.U.	Ferrocarril, 38	Madrid	Madrid
Gaming & Services de Panamá, S.A.U.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation, S.A.U.	Calle 50 y 73 Este San Francisco	Ciudad de Panamá	Panamá
Gaming & Services, S.A.C.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation,	Av. Grau, 1006	Lima	Perú
Gema, S.r.l.U.	Bingos	100,00%	100,00%	Cirsa International Gaming Corporation,	D4	Assago (Milán)	Italia
Genper, S. A.U.	Operacional	100,00%	100,00%	Global Game Machine Corporation, S.A.	Pi i Margall, 201	Terrassa	Barcelona
Gestión de Bingos Gobylán, S. A.U.	Bingos	100,00%	100,00%	International Bingo Technology, S.A.U.	Pza. de la Iglesia, 10	Sta. C. de Tenerife	Tenerife
Gestión del Juego Integral, S.A.U.	Casinos	100,00%	100,00%	Cirsa Interactive Corporation, S.L	C/da la Resina, 22-24, Puerta 8-9	Madrid	Madrid
Gestión Integral De Maquinas Recreativas, S.L.	Operacional	100,00%	100,00%	Electronicos Radisa, S.L.	Fermina Sevillano, 5-7	Madrid	Madrid
Global Amusement Partners Corporation, S.A.U.	Operacional	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Global Bingo Corporation, S.A.U.	Bingos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Consell de Cent, 106-108	Barcelona	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.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.L.U.	Pi i Margall, 201	Terrassa	Barcelona
Global Gaming Corporation Russia, S.L.U.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.L.U.	Ctra.Castellar, 298	Terrassa	Barcelona
Global Gaming, S.A.U.	Casinos	100,00%	100,00%	Winner Group, S.A.	Calle 38 Norte, 6 N-35	Cali	Colombia
Global Manufacturing Corporation, S.L.U.	B2B	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Consell de Cent, 106-108	Barcelona	Barcelona
Gonmatic, S.L.U.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.L.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Grasplai, S.A.U.	Bingos	100,00%	100,00%	Romgar, S.A.U.	Av. Generalitat, 6	Sta. Coloma	Barcelona
Hispania Investment, S.A.U.	Estructura	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Hostebar 98, S.L.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U. y	Ferrocarril, 38	Madrid	Madrid
Integración Inmobiliaria World de Mexico, S.A. De C.V.	Bingos	100,00%	100,00%	Promociones e Inversiones de Guerrero, S.A.	Bosque de Ciruelos, 186	México D.F.	México
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 Casino Corporation, S.L.U.	Consell de Cent, 106-108	Barcelona	Barcelona
Inversiones Interactivas, S.A.	Casinos	70,00%	70,00%	Orbis Development, S.A.U.	Av. Obarrio, 57	Ciudad de Panamá	Panamá
Inversiones Recreativas de Occidente, C.A.	Casinos	67,50%	67,50%	S.A.U.	Calle 77, Edif. Bingo	Maracaibo	Venezuela
Investment & Securities, S.A.	Casinos	100,00%	100,00%	Cirsa Internacional Gaming Corporation, S.A.U.	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.	Complejo Hotelero Monte Picayo	Sagunto	Valencia
Juegomatic, S. A.	Operacional	65,00%	75,00%	Global Game Machine Corporation, S.A.U.	Av. Velázquez, 91	Málaga	Málaga
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%	70,00%	Cirsa Venezuela, C.A.U.	Avda. Fco. de Miranda	Caracas	Venezuela
La Barra Panama, S.A.U.	Casinos	100,00%	100,00%	S.A.U.	Calle 50 y 73 Este San Francisco	Ciudad de Panamá	Panamá
Lista Azul, S.A.U.	Bingos	100,00%	100,00%	Bingames, S.A.U.	Gran Passeig de Ronda, 87	Lleida	LLeida
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.	Operacional	100,00%	-	Global Game Machine Corporation, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Macrojuegos, S.A.	Bingos	51,00%	100,00%	International Bingo Technology, S.A.U.	Dionisio Guardiola, 34	Albacete	Albacete
Madrileña de Servicios para el Bingo, S.L.U.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Mendoza Central Entretenimientos, S.A.	Casinos	51,00%	51,00%	S.A.U.	9 de Julio nº municipal 318, esquina C	Mendoza	Argentina
Monazar Star, S.L.U.	Operacional	-	100,00%	Cirsa Slot Corporation, S.L.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Necos, Ltda. U.	Casinos	-	100,00%	Investment & Securities, S.A.U.	22 Richmond Hill (Ratmines)	Dublin	Irlanda
Novojuegos, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U. y Global	Bravo Murillo, 95	Madrid	Madrid
Nyalam, S.A.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation,	Adolfo Alsina, 01729 Piso PB	Buenos Aires	Argentina
O'Donnell Juegos, S.A.	Bingos	100,00%	100,00%	de Madrid Reunidos, S.A.U.	O'Donnell, 21 y 23	Madrid	Madrid

List of subsidiaries

Company	Activity	Percentage of ownership 2012	Percentage of ownership 2011	Investment holder	Business address	City	Province/Country
Red de salones de Aragón, S.L.U.	B2B	100,00%	100,00%	Cirsa Interactive Corporation, S.L.	Ctra. De Castellar, 298	Terrassa	Barcelona
				Global 5 Estrellas, S.A.			
Oporto Juegos, S.A.U.	Bingos	100,00%	100,00%		Av. Oporto, 4	Madrid	Madrid
Orbis Development, S.A.U.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation,	Swiss Tower, 16th floor, World Trade Center	Ciudad de Panamá	Panamá
Playçat, S.A.U.	Bingos	100,00%	100,00%	Bingames, S.A.U.	Cádiz, 1	Terrassa	Barcelona
Pol Management Corporation, B.V. U.	Operacional	100,00%	100,00%	Cirsa International Gaming Corporation,	Emancipatie Boulevard 29 New Haven e-Zone	Curaçao	Holandesas
Princesa 31, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U. y Bingos	Princesa, 31	Madrid	Madrid
Promociones e Inversiones de Guerrero, S.A. de C.V.	Bingos	100,00%	100,00%	Bincamex, S.A. de CV.	Bosque de Duraznos, 61 3 b, Bosques Lomas	México D.F.	México
				Global Game Machine Corporation, S.A.			
Promociones Tauro, S.L.U.	Operacional	100,00%	100,00%		Martillo, 26	Sevilla	Sevilla
				Global Bingo Corporation, S.A.U.			
Push Games, S.L.U.	Bingos	100,00%	100,00%		Consell de Cent, 106-108	Barcelona	Barcelona
Recreativos Acapulco MRA, S.L.U.	Operacional	-	100,00%	Cirsa Slot Corporation, S.L.U.	Pinto, 9	Parla	Madrid
Recreativos Arranz, S.L.U.	Operacional	100,00%	-	Cirsa Slot Corporation, S.L.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Recreativos Ove, S.L.U.	Operacional	-	100,00%	Cirsa Slot Corporation, S.L.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Recreativos Rodes, S.A.U.	Operacional	100,00%	100,00%	Genper, S.A.U.	German Bernacer, 22 P.I. Elche Parque Ind.	Elche	Alicante
Red de Bingos Andaluces, A.I.E.	Bingos	54,00%	54,00%	Varios	Martillo, 26	Sevilla	Sevilla
Red de Interconexión de Andalucía, S.L.U.	B2B	100,00%	100,00%	Cirsa Interactive Corporation, S.L.	Martillo, 26	Sevilla	Sevilla
Romgar, S.A.U.	Bingos	100,00%	100,00%	Telma Enea, S.L.U.	Cayetano del Toro, 23	Cádiz	Cádiz
Sacres, S.A.	Casinos	99,00%	99,00%	Cirsa International Gaming Corporation,	Tucuman, 8	Buenos Aires	Argentina
Sadeju, S.L.U.	Bingos	100,00%	100,00%	Romgar, S.A.U.	Av. Cayetano del Toro, 23 Bj.	Cádiz	Cádiz
Sala Versalles, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U. y Global	Bravo Murillo, 309	Madrid	Madrid
SCB Almirante Dominicena, S.R.L	Casinos	100,00%	100,00%	SCB Caribe, S.A.U.	Av. A. Lincoln , 403, La Julia	S. Domingo	R. Dominicana
SCB Anil Dominicana, S.R.L.	Casinos	100,00%	100,00%	SCB Caribe, S.A.U.	Av. Máximo Gómez / Avda. 27 Febrero	Guzman	R. Dominicana
SCB del Caribe, S.A.U.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation, S.A.U.	C/ 53 Urb. Obarrio Swiss Tower, Piso 16	Ciudad de Panamá	Panamá
SCB Hispaniola Dominicena, S.R.L.	Casinos	100,00%	100,00%	SCB Caribe, S.A.U.	Av. A. Lincoln /Correa y Cidron	Guzman	R. Dominicana
SCB Malecon Dominicana, S.A.	Casinos	100,00%	100,00%	SCB Caribe, S.A.U.	Malecón	Guzman	R. Dominicana
SCB Margarita, C.A.U.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation,	Estado de Nueva Esparta (Porlamar)	Isla Margarita	Venezuela
C.V.	Bingos	100,00%	100,00%	Bincamex, S.A. de CV.	Bosque de Duraznos, 61 3B	México D.F.	México
Servicios Integrales del Juego, A.I.E.	Estructura	100,00%	100,00%	Varios	Ctra. 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
Sobreaguas, S.A.	Casinos	100,00%	100,00%	Sacres, S.A.	Av. Alicia Morean de Justo, 1960, 1°, ofic 102	Buenos Aires	Argentina
Sociedad de Inversiones Cirsa Chile Limitada	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation,	Comuna de los Condes	Santiago de Chile	Chile
Sodemar, S.L.U.	Bingos	100,00%	100,00%	Romgar, S.A.U.	Sacramento, 16 duplicado	Cádiz	Cádiz
Sternal Bay Venezuela, C.A.	B2B	100,00%	100,00%	Cirsa Interactive Corporation, S.L.	Avda. Fco. de Miranda	Caracas	Venezuela
Techlotto Co., Ltd.U.	B2B	100,00%	100,00%	Red de Interconexión de Andalucía, S.L.U.	33, Youido-Dong, Yeongdeungpo-Gu	Seoul	Corea
Tecnostar, S.A.U.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation,	Rincón, 512	Montevideo	Uruguay
Tefle, S.A.U.	Bingos	100,00%	100,00%	International Bingo Technology, S.A.U	Tenor Fleta, 57	Zaragoza	Zaragoza
				Global Bingo Corporation, S.A.U.			
Telma Enea, S.L.U.	Bingos	100,00%	100,00%		Sevilla, 10-14	Jerez de la Frontera	Cádiz
Slot Games Online, S.L. antes Troyjocs, S.L.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.L.U.	Ctra. De Castellar, 298	Terrassa	Barcelona
Unidesa Argentina, S.A.	B2B	100,00%	100,00%	Universal de Desarrollos Electrónicos, S. A.	Alsina, 1729	Buenos Aires	Argentina
Unidesa Colombia, L.T.D.	B2B	100,00%	100,00%	Universal de Desarrollos Electrónicos, S. A.	Calle 52, 46 34 p4	Medellin	Colombia
Unidesa Equipment, S.A.U.	B2B	100,00%	100,00%	Universal de Desarrollos Electrónicos, S. A.	241 Persimond Street	Johanessburg	Sudáfrica
Unidesa Perú, S.A.	B2B	100,00%	100,00%	Universal de Desarrollos Electrónicos, S. A.	Avda. Jose Pardo, 513, 8	Lima	Perú
Uniplay, S.L.U.	Operacional	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Universal de Desarrollos Electrónicos, S. A.	B2B	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Verneda 90, S.A.U.	Bingos	100,00%	100,00%	International Bingo Technology, S.A.U.	Guipuzcoa, 70	Barcelona	Barcelona
Winner Group, S.A.	Casinos	50,01%	50,01%	Investments & Securities, S.A.U.	Avda.19 de Noviembre, 122-64	Bogotá DC	Colombia
Yumbo San Fernando, S.A.	Bingos	60,00%	60,00%	Bingames, S.A.U. y Global Bingo	San Fernando, 48	Santander	Cantabria

List of joint-controlled companies

Company	Activity	Percentage of ownership 2012	Percentage of ownership 2011	Investment holder	Business address	City	Province/Country
Alavera, S.A.	Casinos	50,00%	50,00%	Sacres, S.A.	Av. Elvira Rawson de Dellepiane, s/n, Dársena Sur	Buenos Aires	Argentina
Ancon Entertainment, S.A.	Casinos	50,00%	50,00%	Cirsa International Gaming Corporation, S.A.U.	Calle 50 y 73 Este San Francisco	Ciudad de Panamá	Panamá
Andy Games, S.R.L.	Operacional	25,50%	25,50%	Royal Games, S.R.L.	Comune di Milano	Milán	Italia
AOG, S.r.l.	Bingos	50,00%	50,00%	Cirsa International Gaming Corporation, S.A.U. y Gema Srl. U.	Vía Galieo Galilei, 20	Silea (TV)	Italia
Ariv, S.A.	B2B	50,00%	50,00%	Cirsa International Gaming Corporation, S.A.U.	Rio Bamba, 927, 14-E	Buenos Aires	Argentina
Automáticos Laomar, S.L.U.	Operacional	50,00%	50,00%	Orlando Play, S.A.	C/Sierra Telar, 40	Viator	Almería
Automáticos Manchegos, S.L.	Operacional	50,00%	50,00%	Global Amusement Partners Corporation,	Pio III, 13	Alcazar de San Juan	Ciudad Real
Binbaires, S.A.	Casinos	33,33%	33,33%	Cirsa International Gaming Corporation,	Constitución 299	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	Italia
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 Ladoga, 216 Colonia Modelo	Ciudad de México	México
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
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%	-	Play To Win, S.L.	C/ León y Castillo, 244 Pl 7 Dpto. 703 Edif. Ballavista	Las Palmas G.C.	Gran Canaria
Casino de Rosario, S.A.	Casinos	50,00%	50,00%	Casino Buenos Aires, S.A.	C/Córdoba, 1365,Piso 5 of. 508	Santa Fé-Rosario	Argentina
Casino la Toja, S.A.	Casinos	50,00%	50,00%	Global Casino Technology Corporation,	Isla de La Toja	El Grove	Pontevedra
CBA-CIESA, UTE	Casinos	45,00%	50,00%	Compañia De Inversiones En Entreteninientos, S.A. Y Casino Buenos	Avde. Elvira Rawson de Dellepiane, s/n	Buenos Aires	Argentina
Cludeen, S.L.	B2B	50,00%	-	Universal de Desarrollos Electrónicos, S.A.	C/ Rua das Hedras, 4 2º K	O Milladorio, Ames	A Coruña
Comdibal 2000, S. L.	B2B	50,00%	50,00%	Global Manufacturing Corporation, S.L.U.	Pl. Els Bellots, c/ del Aire, 1	Terrassa	Barcelona
Competiciones Deportivas, S.A.	Casinos	50,00%	50,00%	Gaming & Services de Panamá, S.A.U.	Calle 50 y 73 Este San Francisco	Panamá	Panamá
Electrónicos Trujillanos, S.L.	Operacional	50,00%	50,00%	Global Amusement Partners Corporation,	Avda. Guadalupe, 14	Trujillo	Cáceres
Emjucasa, 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
Extremeña de explotaciones recreativas y de juego, S.L.	Bingos	50,00%	50,00%	Play To Win, S.L.	C/Antonio de Cabezón, 89	Madrid	Madrid
Flamingo Euromatic-100, S.L.U.	Operacional	50,00%	50,00%	Orlando Play, S.A.	P.I. La Juaida, C/Sierra Telar, 40	Viator	Almería
Giochigenova, S.R.L.	Operacional	50,00%	50,00%	Cirsa Italia, S.A.U.	Via Col Dino, 6	Genova	Italia
Goldenplay, S.L.U.	Operacional	50,00%	50,00%	Orlando Play, S.A.	German Bernacer, 22 P.I. Elche Parque Ind.	Elche	Alicante
Happy Games, S.R.L.	Operacional	25,00%	25,00%	Royal Games, S.R.L.	Via Zappellini, 6	Busto Arsizio	Italia
Intesa Giochi, S.R.L.U.	Operacional	50,00%	50,00%	Royal Games, S.R.L.	Via Casati Felice, 32	Milán	Italia
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, S.A.	Calle 50 y 73 Este San Francisco	Ciudad de Panamá	Panamá
La Cafetería del Bingo, S.L.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U.	Asunción, 3	Sevilla	Sevilla
Madrileña de Explotaciones Recreativas y de Juego, S.A.	Bingos	50,00%	50,00%	Play To Win, S.L.	C/Antonio de Cabezón, 89	Madrid	Madrid
Majestic Food Services, S.A.U.	Casinos	50,00%	-	Gaming & Services de Panemá, S.A.U.	Calle 50, Calle 73 Este	Ciudad de Panamá	Panamá
Marchamatic Indalo, S.L.U.	Operacional	50,00%	50,00%	Orlando Play, S.A.	C/Sierra Telar, 40	Viator	Almeria
Mediterranea de Explotaciones Recreativas y de Juego, S.L.	Bingos	50,00%	50,00%	Play To Win, S.L.	C/Antonio de Cabezón, 89	Madrid	Madrid
Metronia CR, S.A.	Bingos	50,00%	50,00%	Play To Win, S.L.	450 m oeste	Tibas	Costa Rica
Metronia Panama, S.A.	Bingos	50,00%	50,00%	Play To Win, S.L.	Av. Balboa Edif.Bay Hall Plaza	Ciudad de Panamá	Panamá

List of joint-controlled companies

Company	Activity	Percentage of ownership 2012	Percentage of ownership 2011	Investment holder	Business address	City	Province/Country
antes Agrupación De Explotaciones	Bingos	25,00%	25,00%	Servitronic Andalucia, S.L.	C/ Rastrillo, 4	Sevilla	Sevilla
Molljoc S. XXI, S.A.U.	Bingos	50,00%	50,00%	Residencial Tibidabo, S.A.	bajos	Barcelona	Barcelona
Montecarlo Andalucía, S.L.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U.	Av. Cruz del Campo, 49	Sevilla	Sevilla
Multicasino, S.A.	Casinos	50,00%	50,00%	Gaming & Services de Panamá, S.A.U.	Calle 50, Calle 73 Este	Ciudad de Panamá	Panamá
New Laomar, S.L.U.	Operacional	50,00%	50,00%	Orlando Play, S.A.	c/Sierra Telar, 40	Viator	Almeria
Opa Services, S.r.l.	Bingos	30,00%	30,00%	A.O.G., S.r.l.	Torricella, 11	Roma	Italia
de Juego, S.L.	Bingos	50,00%	50,00%	Play To Win, S.L.	Antonio Cabezón, 89	Madrid	Madrid
Orlando Italia, S.r.l.	Operacionel	50,00%	50,00%	Orlando Play, S.A.	Milano Fiori, Strada 2, Palazzo D4	Assago	Italia
Orlando Play, S.A.	Operacional	50,00%	50,00%	Global Game Machine Corporation, S.A.U.	Sierra Telar, 40 P.I. La Juaida	Viator	Almería
Play to Win, S.L.	Bingos	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
Posbintra, S.A.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U.	Mallorca, 270	Barcelona	Barcelona
Recreativos Bigar, S.L.	Operacional	50,00%	50,00%	Cirsa Slot Corporation, S.L.U.	Paseo Ubarburu, 37	San Sebastián	Guipúzcoa
Recreativos Del Istmo, S.A.	Casinos	50,00%	50,00%	Cirsa International Gaming Corporation,	Calle 50 y 73 Este San Francisco	Ciudad de Panamá	Panamá
Recreativos Jeroni Orfila, S.L.	Operacional	50,00%	50,00%	Cirsa Slot Corporation, S.L.U.	C/Emili Darder Batle, 4	Palma de Mallorca	Baleares
Recreativos Manchegos, S.L.	Operacional	50,00%	50,00%	Global Amusement Partners Corporation,	C/Pio III, 13	Alcazar de San Juan	Ciudad Real
Recreativos Ociomar Levante, S.L.U.	Operacional	50,00%	50,00%	Orlando Play, S.A. Orlando Play, S.A.	Ctra. De Castellar, 298	Terrassa	Barcelona
Recreativos Paneemi, S.L.U.	Operacional	50,00%	50,00%		C/German Bernacer, 22 P.I. Elche	Murcia	Murcia
Recreativos Pozuelo, S.L.	Operacional	50,00%	50,00%	Global Amusement Partners Corporation,	C/Costanilla del Olivar, 2	Pozuelo de Alarcón	Madrid
Red de Juegos y Apuestas de Madrid, S.A.	Bingos	40,00%	40,00%	Varios	C/Evaristo San Miguel, 2	Madrid	Madrid
Residencial Tibidabo, S.A.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U.	bajos	Barcelona	Barcelona
Royalbet, S.R.L.	Operacional	47,50%	47,50%	Royal Games, S.R.L.	Via Rismondo, 4	Pavia	Italia
Royal Games, S.R.L.	Operacional	50,00%	50,00%	Cirsa Italia, S.A.U.	Via F. Rismondo, nº 4	Pavia	Italia
Sala Valencia, S.A.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U.	Cuenca, 20	Valencia	Valencia
Serdisga 2000, S. L.	B2B	50,00%	50,00%	Global Manufacturing Corporation, S.L.U.	Av. Finisterre, 283	La Coruña	La Coruña
Servitronic Andalucía, S. L.	B2B	50,00%	50,00%	Global Manufacturing Corporation, S.L.U. Royal Games, S.R.L.	Pol. Aeropuerto Sector A-2, P1, N4	Sevilla	Sevilla
SGR, S.R.L.	Operacional	25,00%	25,00%		Via Bravanti, 7	Piacenza	Italia
Silver Cup Gaming, Inc.	Casinos	50,00%	50,00%	Cirsa Panamá, S.A.U.	Edif.Cirsa Calle 50 y 73,San Francisco Este	Ciudad de Panamá	Panamá
Sportium Apuestas Aragon, S.L.U.	Operacional	50,00%	50,00%	Sportium Apuestas Deportivas, S.A.	C/ Jaime Ferrán, 5	Zaragoza	Zaragoza
Sportium Apuestas Deportivas, S.A.	Operacional	50,00%	50,00%	Cirsa Slot Corporation, S.L.U.	C/Santa Mª Magdalena, 10-12	Madrid	Madrid
Sportium Apuestas Galicia, S.L.U.	Operacional	50,00%	-	Sportium Apuestas Deportivas, S.A.	C/ Don Pedro, s/n	Toja	Pontevedra
Sportium Apuestas Levante, S.A.U.	Operacional	50,00%	50,00%	Sportium Apuestas Deportivas, S.A.	Complejo Hotelero Monte Picayo	Puçol	Valencia
Sportium Apuestas Navarra, S.A.U.	Operacional	50,00%	50,00%	Sportium Apuestas Deportivas, S.A.	Avda. Barañain, 27 1º A	Pamplona	Navarra
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
Tirreno Games, SRL	Operacional	50,00%	50,00%	Cirsa Italia, S.A.U.	Via Orosei, s/n	Navacchio (Cascina)	Italia
Traylon, S.A.	Casinos	50,00%	50,00%	Casino Buenos Aires, S.A.	Avda. Elvira Rawson de Dellepiane	Buenos Aires	Argentina
Vasca de Explotaciones y de Juego, S.L.	Bingos	50,00%	50,00%	Play To Win, S.L.	C/Antonio de Cabezón, 89	Madrid	Madrid

List of associates

Company	Activity	Percentage of ownership 2012	Percentage of ownership 2011	Investment holder	Business address	City	Province/Country
Casino de Asturias, S.A.	Casinos	40,00%	40,00%	Global Casino Technology Corporation, S.A.U.	Nava, 8	Gijón	Asturias
Compañía Europea de Salones Recreativos, S.L.	B2B	20,00%	20,00%	Universal de Desarrollos Electronicos, S.A.	Blasco de Garay, 70 - 1º B	Madrid	Madrid
Fianzas y Servicios Financieros, SGR	Estructura	35,23%	35,23%	Varios	Rafael Salgado, 19 3º	Madrid	Madrid
Gironina de Bingos, S.L.	Bingos	20,60%	20,60%	International Bingo Technology, S.A.U.	Vía Laietana, 51	Barcelona	Barcelona
Recreativos Trece, S.L.	Operacional	32,00%	32,00%	Urban Leisure, S.L.	Ctra. Rellinars, 345	Terrassa	Barcelona
Urban Leisure, S.L.	Operacional	32,00%	32,00%	Global Amusement Partners Corporation,	Ctra. Rellinars, 345	Terrassa	Barcelona

ERNST & YOUNG C&P

Independent Audit Report

CIRSA GAMING CORPORATION GROUP
Consolidated Financial Statements and Consolidated Management Report for the year ended December 31, 2011

ERNST & YOUNG C&P

Translation of a report and consolidated financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails (See Note 30)

AUDIT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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

We have audited the consolidated financial statements of Cirsa Gaming Corporation, S.A. (hereinafter, the Company) and its controlled entities (hereinafter, the Group), which comprise the consolidated statement of financial position at December 31, 2011, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flow, and the notes thereto for the year then ended. As indicated in note 2 to the accompanying consolidated financial statements, the Company's directors are responsible for the preparation of the Group's consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, and other provisions in the regulatory framework applicable to the Group. Our responsibility is to express an opinion on the aforementioned consolidated financial statements taken as a whole, based upon work performed in accordance with prevailing audit regulations in Spain, which require the examination, through the performance of selective tests, of the evidence supporting the consolidated financial statements, and the evaluation of whether their presentation, the accounting principles and criteria applied and the estimates made are in agreement with the applicable regulatory framework for financial information.

In our opinion, the accompanying 2011 consolidated financial statements give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of Cirsa Gaming Corporation, S.A. and its controlled entities at December 31, 2011, and the consolidated results of operations and consolidated cash flow for the year then ended, in conformity with International Financial Reporting Standards, as adopted by the European Union, and other applicable provisions in the regulatory framework for financial information.

The accompanying 2011 consolidated management report contains such explanations as the directors of Cirsa Gaming Corporation, SA. 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 2011 consolidated financial statements. Our work as auditors is limited to verifying the consolidated management report in accordance with the scope mentioned in this paragraph, and does not include the review of information other than that obtained from the accounting records of the Group entitites.

ERNST & YOUNG, S.L. (Signature on the original in Spanish)	CORTÉS, PÉREZ & CIA. AUDITORES, S.L.P. (Signature on the original in Spanish)
Joan J. Torrebadella	Jaume Cetrà Oliva

April 2, 2012

Cirsa Gaming Corporation Group

Consolidated Financial Statements for the year ended December 31, 2011 in conformity with the international financial reporting standards adopted by the European Union (IFRS-EU) and Consolidated Management Report

CONTENTS

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

ASSETS

(Thousands of euros)	Notes	2011	2010
Non-current assets		**1,072,832**	**1,050,018**
Goodwill	5	227,381	241,070
Other intangible assets	6	136,174	127,662
Property, plant and equipment	7	477,968	466,808
Financial assets	8	140,373	133,031
Deferred tax assets	18.4	90,936	81,447
Current assets		**316,817**	**299,102**
Inventories	11	13,854	13,568
Trade and other receivables	8	188,574	162,621
Other financial assets	8	39,430	49,606
Other current assets		8,304	8,147
Cash and cash equivalents	12	66,655	65,160
Total assets		**1,389,649**	**1,349,120**

EQUITY AND LIABILITIES

(Thousands of euros)	Notes	2011	2010
Equity		**35,621**	**84,979**
Share capital	13.1	24,577	24,577
Share premium		9,500	9,500
Treasury shares	13.2	(184)	(184)
Retained earnings	13.3	78,931	97,976
Translation differences		(123,011)	(98,304)
Loss for the year attributable to equity holders of the parent		(25,421)	(19,045)
Non-controlling interests	13.4	71,229	70,459
Non-current liabilities		**881,786**	**843,646**
Bonds	14	654,518	602,431
Bank borrowings	15	108,434	126,457
Other creditors	16	58,631	64,474
Provisions	17	14,233	17,007
Deferred tax liabilities	18.4	45,970	33,277
Current liabilities		**472,242**	**420,495**
Bonds	14	6,118	9,785
Bank borrowings	15	80,392	79,630
Suppliers		125,600	104,952
Other creditors	16	222,091	197,007
Current income tax payable	18.2	38,041	29,121
Total equity and liabilities		**1,389,649**	**1,349,120**

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

(Thousands of euros)	Notes	2011	2010
Gaming income		1,583,602	1,607,111
Other operating income		163,192	167,092
Total operating revenues		**1,746,794**	**1,774,203**
Bingo prizes		(247,715)	(310,066)
Variable rent		(241,897)	(219,673)
Net operating revenues	3.1	**1,257,182**	**1,244,464**
Consumptions		(86,737)	(87,579)
Personnel	20.1	(224,806)	(228,572)
External supplies and services	20.2	(245,192)	(253,429)
Gaming taxes		(410,446)	(414,863)
Depreciation, amortization and impairment	5, 6 and 7	(149,551)	(140,418)
Change in trade provisions		(5,511)	(4,556)
Finance income		11,085	11,088
Finance costs		(107,521)	(92,316)
Change in financial provisions		(395)	(1,685)
Share of the associates' profit	8.1	66	238
Foreign exchange results	20.3	(6,231)	(477)
Results on sale/disposals of non-current assets		(5,159)	(9,390)
Profit before income tax		**26,784**	**22,505**
Income tax expense	18.2	(43,704)	(33,097)
Net loss		**(16,920)**	**(10,592)**
Other comprehensive income (loss)			
Translation differences		(27,665)	(12,775)
Other comprehensive loss for the year		(27,665)	(12,775)
Total comprehensive loss for the year		**(44,585)**	**(23,367)**
Net profit (loss) attributable to:			
Equity holders of the parent		(25,421)	(19,045)
Non-controlling interests	13.4	8,501	8,453
		(16,920)	**(10,592)**
Total comprehensive income (loss) attributable to:			
Equity holders of the parent		(50,128)	(30,400)
Non-controlling interests	13.4	5,543	7,033
		(44,585)	**(23,367)**

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

(Thousands of euros)	Share capital (Note 13.1)	Share premium	Treasury shares (Note13.2)	Retained earnings (Note 13.3)	Translation differences	Non-controlling interests (Note 13.4)	Total
At December 31, 2009	**24,577**	**9,500**	**(184)**	**125,522**	**(86,949)**	**18,381**	**90,847**
Net profit for the year 2010	-	-	-	(19,045)	-	8,453	(10,592)
Other comprehensive income (loss)	-	-	-	-	(11,355)	(1,420)	(12,775)
Total comprehensive income (loss) for the year 2010				**(19,045)**	**(11,355)**	**7,033**	**(23,367)**
Other changes:							
▪ Changes in percentage of ownership	-	-	-	(27,546)	-	32,871	5,325
▪ Non-controlling interest arisen from business combinations in the year	-	-	-	-	-	20,870	20,870
▪ Dividends paid	-	-	-	-	-	(8,696)	(8,696)
At December 31, 2010	**24,577**	**9,500**	**(184)**	**78,931**	**(98,304)**	**70,459**	**84,979**
Net profit for the year 2011	-	-	-	(25,421)		8,501	(16,920)
Other comprehensive income (loss)	-	-	-	-	(24,707)	(2,958)	(27,665)
Total comprehensive income (loss) for the year 2011	-	-	-	**(25,421)**	**(24,707)**	**5,543**	**(44,585)**
Other changes:							
▪ Additions in the year – Creation of companies (Note 13.4)	-	-	-	-	-	687	687
▪ Dividends paid (Note 13.4)	-	-	-	-	-	(5,460)	(5,460)
At December 31, 2011	**24,577**	**9,500**	**(184)**	**53,510**	**(123,011)**	**71,229**	**35,621**

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

(Thousands of euros)	Notes	2011	2010
Cash-flows from operating activities			
Profit before tax		26,784	22,505
Adjustments to profit:			
Changes in operating provisions		5,511	4,556
Depreciation and amortization of non-current assets	5, 6 and 7	149,551	140,418
Losses from sales and disposals of non-current assets		5,159	9,390
Finance income and costs		96,765	82,675
Exchange losses	20.3	6,231	477
Other income and expenses		1,895	1,000
Change in:			
Inventories		812	3,700
Trade and other receivables		2,223	2,668
Suppliers and other payables		399	4,387
Gaming taxes payable		2,494	(3,419)
Other operating assets and liabilities		(11,448)	(15,240)
Income tax paid		(42,829)	(26,697)
Net cash-flows from operating activities		**243,547**	**226,420**
Cash-flows from (used in) investing activities			
Purchase of property, plant and equipment		(127,534)	(105,368)
Purchase of intangibles		(32,632)	(35,380)
Proceeds from disposal of property, plant and equipment		4,865	1,101
Acquisition of business, net of cash acquired		(14,905)	(30,800)
Current account with Nortia Business Corporation, S. L. – Outflows		(56,800)	(74,722)
Current account with Nortia Business Corporation, S. L. – Inflows		56,800	74,722
Other financial assets		(10,399)	(14,638)
Interest received and cash revenues from financial assets		6,419	6,760
Net cash-flows used in investing activities		**(174,186)**	**(178,325)**
Cash-flows from (used in) financing activities			
Proceeds from bank borrowings		1,093,707	2,071,907
Repayment of bank borrowings		(1,111,001)	(2,097,969)
Repayment of bonds		(239,485)	(278,000)
Issue of bonds	14	285,700	391,600
Acquisition of own bonds	14	(4,200)	(10,000)
Finance leases		(12,332)	(12,135)
Interest paid		(96,301)	(88,787)
Funds from loans from Nortia Business Corporation, S.L.		22.200	-
Other		(5.606)	(9.604)
Net cash-flows used in financing activities		**(67.318)**	**(32,988)**
Net variation in cash and cash equivalents		**2,043**	**15,107**
Net foreign exchange difference on cash balances		**(548)**	**(258)**
Cash and cash equivalents at January 1		**65,160**	**50,311**
Cash and cash equivalents at December 31	12	**66,655**	**65,160**

1. DESCRIPTION OF THE GROUP

1.1 Group activity

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

- Designing and manufacturing slot machines, which are sold to Group companies and third parties, and development of interactive gaming systems

- Operating, both in Spain and abroad, slot machines, bingo halls, casinos and lotteries

1.2 Composition and structure of the Group

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

The companies invested by the Company at December 31, 2011 and 2010 are detailed in the Appendix I, 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, which requires the unanimous consent of the venturers regarding the operating decisions.

- The affiliated companies are enterprises not included in the previous two categories and in which there is an ownership interest on a long-term basis that favors their activity, but with limited influence over their management and control.

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

1.3 Variations in the consolidation perimeter

During 2011 and 2010, the Group's legal structure has experienced certain changes, as described below:

2011

- Acquisition of companies

(Thousands of euros)	% voting rights	Consolidation method	Total assets included in the consolidated statement of financial position at December 31, 2011	Operating revenues included in the 2011 consolidated statement of comprehensive income
Gonmatic, S.L.	100%	Full	6,898	2,539
Recreativos OVE, S.L.	100%	Full	3,540	1,009
Gestión Integral de Máquinas Recreativas, S.L.	100%	Full	340	57
Binbaires, S.A.	33%	Proportional	4,277	2,668
La Barra de Panamá, S.A.	100%	Full	658	3,242
Agrup. de Explotaciones Recreativas y de Juego, S.L.	25%	Proportional	701	108
Bingo Electrónico de Euskadi, S.L.	25%	Proportional	75	-
Enjoy with us, S.L.	50%	Proportional	289	45
			16,778	9,668

Data regarding 2011 business combinations are included in Note 4.

- Creation of companies

(Thousands of euros)	Total assets included in the consolidated statement of financial position at December 31, 2011	Operating revenues included in the 2011 consolidated statement of comprehensive income
Sportium Apuestas Navarra, S.A.	11,019	-
Sportium Apuestas Aragón, S.L.U.	1,739	-
Sportium Apuestas Levante, S.A.U.	1,002	-
IVISA – Casino Buenos Aires, UTE	6,553	9,761
CirsaCom, S.R.L.	558	-
Recreativos del Istmo, S.A.	3,613	2,111
Ancon Entertainment, S.A.	11,133	1,165
Binred Madrid, S.A.	49	-
Servicios Especialidades del Juego, S.A. de C.V.	275	796
Administradores de Personal y Entretenimientos, S.A. de C.V.	399	988
Cirsa Digital, S.A.U.	890	2
B2B Central de Reporting, S.A. de C.V.	3	-
Pol Management Corporation, B.V.	5	-
La Barra de Ancón, S.A.U.	327	185
Bingos Electrónicos de Panamá, S.A.	227	-
	37,792	15,008

- Sale of companies

(Thousands of euros)	Total assets included in the consolidated statement of financial position at December 31, 2011	Operating revenues included in the 2011 consolidated statement of comprehensive income
Restaval, S.A.	176	429
Festilandia, S.L.	330	485
Ghist, S.R.L.	7	6
	513	920

- Changes in percentage of ownership

	Consolidation method		Percentage	
	2011	2010	At December 31, 2011	At December 31, 2010
Bumex Land, S.L.	Full	Proportional	65.3%	50.00%

- Other changes in the perimeter

(a) Dissolution and liquidation of dormant companies:

Win Sistemas – SCB Argentina, UTE
Cirsa Suriname, A.V.V.
Accord Investment, S.A.
Blu Game Europa, S.R.L.
Unidesa Venezuela, C.A.
Infinity Games, Ltda
Udesa

(b) Dissolution of companies due to merger within the Group:

Sema Automátic, S.A.
Allgames
Compraventa Máquinas Recreativas Moran, S.L.
Recreativos Rute, S.L.
GoldPlay, S.A.
Universal Casinos, S.A.
Edmo, S.R.L.
Vendimatic Cinco Hela, S.L.
Gea Link, S.A.
Loto Caribe, S.L.
Zarajuego, S.L.
Operglobal, S.L.
Electrojuegos Zaragoza, S.L.
Electrónicos Pisuerga, S.A.
Allgames

2010

- Acquisition of companies

(Thousands of euros)	Total assets included in the consolidated statement of financial position at December 31, 2010	Operating revenues included in the 2010 consolidated statement of comprehensive income
Accord Investment, S.A.	8,469	33,007
Universal de Casinos, S.A.	32,707	35,015
Edmo, S.R.L.	5,631	13
Hispania Investment, S.A.	626	681
	47,433	68,716

Accord Investment, S.A. has ownership interests in several joint ventures (All Games, S.R.L., Andy Games, S.R.L., Giochigenova, S.R.L., Intensa Giochi, S.R.L., Royal Games, S.R.L., Royalbet, S.R.L., Royal Bet, S.R.L., SGR, S.R.L., Happy Games, S.R.L. and Fly Games, S.R.L.).

Note 4 includes information on business combinations of the year.

Edmo, S.R.L. is the mere owner of a real estate property, so its acquisition represents an indirect acquisition of assets, and as such is recognized in these consolidated financial statements, instead of being recognized as a business combination.

- Creation of companies

The Group has not created any new companies in 2010.

- Sale of companies

(Thousands of euros)	Total assets included in the consolidated statement of financial position at December 31, 2009	Operating revenues included in the 2009 consolidated statement of comprehensive income
Full Games, S.R.L.	166	1,266
Restaurante Jai Alai de Acapulco, S.A.	31	-
Valenciana de Productos Eléctricos, S.L.	409	-
	606	**1,266**

- Changes in percentage of ownership

	Consolidation method		Percentage	
	At December 31, 2010	At December 31, 2009	At December 31, 2010	At December 31, 2009
Complejo Hotelero Monte Picayo, S.A.	Full	Proportional	100.00%	50.00%
Jesalí, S.A.	Full	Proportional	100.00%	50.00%
Promociones e Inversiones de Guerrero, S.A.	Full	Full	100.00%	96.00%
Winner Group, S.A.	Full	Full	50.01%	75.00%
Bumex Land, S.A.	Proportional	Full	50.00%	60.00%
Inversiones Interactivas, S.A.	Full	Proportional	70.00%	70.00%
Integración Inmobiliaria World de México, S.A.	Full	Full	100.00%	96.00%
Global Gaming, S.A.	Full	Full	100.00%	70.00%

The changes in non-controlling interests arisen from the operations to change the consolidation method are shown in Note 4.

The changes in percentages of ownership that have not resulted in a change in the consolidation method are as follows:

(Thousands of euros)	Changes in non-controlling interests	Changes in accumulated results
Promociones e Inversiones de Guerrero, S.A.	5,467	(5,467)
Winner Group, S.A.	27,293	(22,082)
Other	111	-
	32,871	**(27,549)**

- Other changes in the perimeter

(a) Dissolution and liquidation of dormant companies:

Magic Coin, S.A.
Trebisa, S.A.
Leg Portugal – Máquinas de Diversao, LDA
Marrebi, S.A.
Remata, S.A.
Servi-5, S.A.
Astoria Juegos, S.A.
Cirsa Casino, S.A.
Casino Management, S.A.
Cirsa Finance Luxembourg, S.A.
CIC, S.L. – Troyjocs, S.L. UTE

(b) Dissolution of companies due to merger within the Group:

Inversiones Larimar, S.A.
Padova Giochi, S.R.L.
Juan Carlos Espinilla, S.L.
Prodigy Investment Corporation
Global Britton 07, S.L.
Lucky Games, S.A.

2. BASIS OF PRESENTATION AND ACCOUNTING STANDARDS

2.1 Basis of presentation

The 2011 consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards adopted by the European 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, 2010 were approved on March 31, 2011 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, 2011 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, 2011 have not yet been submitted for approval by the shareholders in general meeting. Nevertheless, the Board of Directors of the 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 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 2011 in addition to those of 2010 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 for the information on late payment of suppliers in commercial transactions.

<u>Information on late payment to suppliers in commercial transactions</u>

2010 was the first year in which the Resolution of December 29, 2010, passed by the Institute of Accounting and Auditors of Accounts ("Instituto de Contabilidad y Auditoría de Cuentas" in Spanish), is applicable to the information concerning late payment to suppliers in commercial transactions, to be included in the notes to the financial statements. By virtue of the stipulations in Transitional Provision Two for first-time application, the Company only provided information related to the overdue amounts payable to suppliers which at year end exceeded the legal payment deadline. This information is only presented regarding the companies located in Spain consolidated using the full consolidation method.

Taking into account the paragraph above, 2011 has been the first year in which the Company has presented information on: i) total amounts paid to suppliers in the current year, differentiating between payments exceeding the legal late payment limit; ii) the exceeded weighted average deadline of payments; and (iii) overdue balances payable to suppliers which at year end exceed the legal payment deadline. Therefore, it will not be possible to compare the information provided in 2010, for first-time application of the abovementioned Resolution, with the information presented in the current year.

Classification of Venezuela as a hyperinflationary economy

Throughout 2009 and in the first days of 2010, a number of factors arose in the Venezuelan economy that led the Group to reconsider the treatment it followed with respect to the translation of the financial statements of investees, as well as the recovery of its financial investments in that country. Within these factors it was worth highlighting the level of inflation reached in 2009 and the cumulative inflation over the last three years; the restrictions to the official foreign exchange market and, finally, the devaluation of the Bolivar fuerte by decision of the Government on January 8, 2010.

As a result, in accordance with the applicable standard, Venezuela had to be considered as a hyperinflationary economy in 2009. The main implications of this were as follows:

- Adjustment of 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. The cumulative impact of the accounting restatement to adjust for the effects of hyperinflation for years prior to 2009 was reflected in the translation differences at the beginning of the 2009 financial year.
- Adjustment of 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).
- The various components of the consolidated statement of comprehensive income and statement of cash flows were adjusted according to the inflation index since their generation, with a balancing entry in financial results.
- All components of the financial statements of the Venezuelan companies have been translated at the closing exchange rate, which at December 31, 2011 was to 11.29 Bolivares fuertes per euro (5.75 Bolivares fuertes per euro at December 31, 2010).

At December 31, 2011 and 2010 the Venezuelan economy continued to be considered hyperinflationary in terms of IFRS application, and the main impacts for 2011, 2010 and 2009 are as follows:

(Thousands of euros)	2011	2010	2009
Revenue	1,413	3,774	4,107
EBITDA	411	1,227	1,914
Profit (loss) in the net monetary position*	(1,327)	(3,629)	(4,857)
Net income	(1,587)	(4,725)	(5,248)

*Loss in the net monetary position is included in the financial expense of the consolidated statement of comprehensive income.

The Venezuelan consumer price index issued by the Central Bank of Venezuela was used to identify inflation rates. Its value at December 31, 2011 and 2010 was 265.6 and 208.2, with an increase during 2011 and 2010 of 27% and 71%, respectively.

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 actual results 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 2011 the Group has recognized goodwill impairment losses amounting to 15.3 million euros (2010: 19.3 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 2011 and 2010 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 or a group company 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, 2011 the Group has recognized deferred tax assets amounting to 90,936 thousand euros (2010: 81,447 thousand euros), as described in Note 18.4.

- Provisions for taxes and other risks

Provisions are recognized for taxes and risks that will probably arise based on related studies. At December 31, 2011 the Group has recognized provisions for taxes and other risks amounting to 14,233 thousand euros (2010: 17,007 thousand euros), as described in Note 17.

- Business combinations and goodwill

The Group assesses for each business combination, the fair value of assets, liabilities and acquired contingent liabilities, allocating the cost of the business combination to the identified elements. Likewise, goodwill arising from the acquisition is assigned to its corresponding cash-generating unit, based on expected synergies, for subsequent impairment tests (Note 5).

2.3 Changes in accounting policies and disclosure of information effective in 2011

The accounting policies applied in the preparation of the consolidated financial statements for the year ended December 31, 2011 are the same as those used in the prior year, except for the adoption, on January 1, 2011, of the following standards, amendments and interpretations published by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee, and adopted by the European Union for its application in its member states.

IAS 32 "Classification of rights issues"

This amendment changes the definition of financial liability mentioned in IAS 32. As a result, the rights issues, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency are equity instruments if they are offered pro-rata to all the existing owners of the same class of the entity's own non-derivative equity instruments. The adoption of this amendment has had no impact on the financial position or performance of the Group.

IAS 24 "Related party disclosures"

The following amendments are included in this standard: the definition of related party is clarified and a partial exemption is included for government-related entities, which requires the disclosure of information regarding balances and transactions with them, only if they are significant, taken individually or collectively. The adoption of these amendments has had no impact on these consolidated financial statements.

IFRIC 14 "Prepayments of a minimum funding requirement"

This amendment is applied in specific circumstances in which the company is required to make annual minimum contributions related to its defined benefit post-employment plans and make early payments to meet such requirements. The amendment permits the company to recognize the economic benefits arisen from prepayments as an asset. The adoption of these criteria has had no impact on the financial position or performance of the Group.

IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments"

This interpretation establishes that when the terms of a financial liability are renegotiated and, as a result, the entity issues equity instruments to the creditor to extinguish all or part of the financial liability, the instruments issued are considered part of the consideration paid to extinguish the financial liability. These equity instruments are measured at their fair value, unless it cannot be reliably estimated. In such case, the new instruments should be measured to reflect the fair value of the financial liability extinguished; and any difference between the carrying amount of the financial liability extinguished and the initial value of the equity instruments issued is recognized in the income statement for the period. The adoption of the criteria included in this new interpretation has had no impact on the financial position or performance of the Group.

Improvements to IFRS (May 2010)

In May 2010, the ISAB issued its third omnibus of amendments to standards within the framework of the annual improvement process, with a view to removing inconsistencies and clarify wording. There are separate transitional provisions for each standard. The adoption of the following amendments results in a change in the accounting policies, but has had no impact on the financial position or performance of the Group.

- IFRS 3 Business combinations: The possible measurement options for minority interest have been amended. Only the components of minority interest in the acquiree that are present ownership interests and entitle their holder to a proportionate share of the entity's net assets in the event of liquidation should be measured at either fair value or at the proportionate share that the present equity instruments represent in the recognized amounts of the acquiree's identifiable net assets. All other components of minority interest are measured at their acquisition date fair value.
- IFRS 7 Financial Instruments - Disclosures: The amendment is intended to simplify the disclosures provided by reducing the volume of disclosures around collateral held and improving disclosures by requiring qualitative information to put the quantitative information in context. Cirsa has included the disclosures required.
- IAS 1 Presentation of Financial Statements: The amendment clarifies that an entity may present an analysis of each component of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements.

- IAS 34 Interim Financial Statements: The amendment requires additional disclosures for fair values and changes in classification of financial assets, as well as changes to contingent assets and liabilities in interim condensed financial statements.
- IFRS 3 Business combinations: It clarifies that the contingent consideration arising from a business combination prior to the adoption of IFRS 3 (as revised in 2008) is accounted for under IFRS 3 (2005).
- IFRS 3 Business combinations: It clarifies the accounting treatment in a business combination of the acquirer's share-based payment agreements replaced by the agreements held by the acquiree's employees.
- IAS 27 Consolidated and separate financial statements: Adoption of transition requirements for amendments made as a result of IAS 27 (revised in 2008).
- IFRIC 13 Customer loyalty programmes: In determining the fair value of award credits, an entity must consider the discounts and incentives that would be offered to customers who have not earned award credits.

Changes adopted in 2010

In 2010, the Group adopted the following new accounting standards that had no significant impact on the reported figures or the presentation and disclosure of the financial statements.

- IFRS 3 (2008), Business combinations.
- Amendment to IAS 27, Consolidated and separate financial statements.
- IFRIC 12 Service Concession Agreements. The impacts of this standard were included and described in the 2010 consolidated financial statements.
- IFRIC 18 Transfers of Assets from Customers.
- IFRS 2 Shared-based payments (Amended).
- IAS 39 Financial instruments: Recognition and measurement – Eligible Hedged Items.
- IFRIC 15 Agreements for the Construction of Real Estate.
- IFRIC 17 Distributions of Non-cash Assets to Owners.
- IFRIC 18 'Transfers of Assets from Customers'
- Changes in IFRS 5 'Non-current assets held for sale and discontinued operations' included in improvements in IFRSs issued in May 2008.
- Improvements in IFRSs issued in April 2009.

2.4 Standards and interpretations approved by the European Union but not yet mandatory in the current year

The Group has not adopted any early standard, interpretation or modification published which has not yet come into force.

The Group is currently analyzing the effect that the following amendment, issued by the IASB and approved by the European Union, but not effective yet, could have on the accounting policies, the financial position or the performance of the Group:

- Amendment to IFRS 7 "Disclosures – Transfers of financial assets": Effective for annual periods beginning on or after July 1, 2011.

2.5 New standards and interpretations issued by the IASB and not yet approved by the European Union

At the date of preparation of these consolidated financial statements, the following standards, amendments and interpretations had been issued by the IASB, but were not yet mandatory and had not been approved by the European Union.

- Amendment to IAS 12 "Deferred taxes– Recovery of Underlying Assets", effective for annual periods beginning on or after January 1, 2012.
- Amendments to IAS 1, Presentation of Items of Other Comprehensive Income, effective for annual periods beginning on or after July 1, 2012.
- IFRS 9, Financial instruments, effective for annual periods beginning on or after January 1, 2013.
- IFRS 10, Consolidated Financial Statements, effective for annual periods beginning on or after January 1, 2013.
- IFRS 11, Joint Arrangements, effective for annual periods beginning on or after January 1, 2013.
- IFRS 12, Disclosure of Involvement with Other Entities, effective for annual periods beginning on or after January 1, 2013
- IFRS 13, Fair value measurement, effective for annual periods beginning on or after January 1, 2013.
- IAS 19 revised, Employee Benefits, effective for annual periods beginning on or after January 1, 2013.
- IAS 27 revised, Separate Financial Statements, effective for annual periods beginning on or after January 1, 2013.
- IAS 28 revised, Investments in Associates and Joint Ventures, effective for annual periods beginning on or after January 1, 2013.
- IFRIC 20, Stripping Costs in the Production Phase of a Surface Mine, effective for annual periods beginning on or after January 1, 2013.
- Amendment to IFRS 7 Transfer of Financial Assets, effective for annual periods beginning on or after January 1, 2013.
- Amendments to IAS 32, Offsetting Financial Assets and Financial Liabilities, effective for annual periods beginning on or after January 1, 2014.

If adopted, none of the abovementioned standards and interpretations would have an impact on the Group's financial statements, except for the change in the consolidation method of multigroup companies that are currently consolidated using the proportional consolidation method and that as of January 1, 2013 will have to be consolidated under the equity method.

2.6 Consolidation methodology

The consolidation methodology is described in the following sections:

Consolidation methods

The methods applied in the consolidation process are as follows:

- Full consolidation method for subsidiaries
- Proportional consolidation method for jointly controlled companies
- Equity method for affiliated companies

Harmonization

The financial year of the companies within the consolidation perimeter ends on December 31. For consolidation purposes the corresponding 2011 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 intergroup 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 as stated in Note 2.1. 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.

2.7 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.

2.8 Intangible assets

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

Goodwill is not amortized for having indefinite useful life. Instead, it is tested for impairment at least annually as well as non-amortized intangible assets. 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 the reducing balance amortized 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.

2.9 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 prolong 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. The declining balance depreciation is used alternatively for some assets, basically slot machines, since it better follows the actual pattern of income related to these assets.

	Method	Rate
Commercial buildings (new/used) and plant	Straight line	2-4%
Riverboats	Straight line	6,6%
Production installations (new/used)	Straight line	8-16%
Other installations	Straight line	8-12%
Production machinery	Straight line	10%
Other production equipment	Straight line	20%
New slot machines ("A" and "B" / "V" and "C")	Declining/Straight line	20%
Used slot machines	Straight line	40%
Furniture (new/used)	Straight line	10-20%
Vehicles (new/used)	Declining/Straight line	10-32%
Tools and furniture (new/used)	Straight line	30-60%
EDP equipment (new/used)	Declining/Straight line	25-50%
Molds and dices	Straight line	25%
Other PP&E items	Straight line	16%

The finite useful life of exploiting 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.

2.10 Investments in associates

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

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

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

2.11 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.

<u>Available-for-sale financial assets</u>

Available-for-sale financial assets are non-derivative instruments having neither maturity date (or not expected to be held until maturity), nor nature of trading portfolio, nor derived from trading activities or Group loans. Upon initial recognition, where possible, they are measured at fair value, recognizing changes in fair value directly within a separate caption in equity until the investment is derecognized or impaired, at which time the accumulated profit or loss previously recorded in equity is taken to the consolidated statement of comprehensive income.

In 2011 and 2010 the Group available-for-sale investments have been measured at acquisition cost, since they cannot be measured reliably at fair value.

<u>Loans and receivables</u>

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 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.

2.12 Cancelation 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.

2.13 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 incorporated are 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.

2.14 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.

2.15 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.

2.16 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.

2.17 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.

2.18 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.

2.19 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 intergroup 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.

2.20 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.

2.21 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*.

Revenue 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 operating expense. 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.

2.22 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.

2.23 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) when the Group is able to manage the reversal date of the temporary difference and (b) to the extent that 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) to the extent that the temporary difference will be reversed in the future, and (b) to the extent that 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.

2.24 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.

2.25 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 highest management body 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, cafes, 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. These rooms 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 as a whole represent less than 10% of total external and internal revenue, less than 10% of the combined result of all segments with added benefits and less than 10% of total assets, have been considered as irrelevant and no specific information has been provided, grouped under this generic title.

The following chart shows information on revenue and results, information about assets and liabilities, and other information related to the different operating segments as for December 31, 2011 and 2010.

2011

(Thousands of euros)	Slots	B2B	Casinos	Bingo	Eliminations and other	Total
Assets by segment						
Non-current assets assigned	246,967	100,714	565,257	115,381	(46,423)	981,896
Non-current assets not assigned	-	-	-	-	90,936	90,936
Current assets assigned	121,850	24,728	255,328	31,277	(116,366)	316,817
Total assets	**368,817**	**125,442**	**820,585**	**146,658**	**(71,853)**	**1,389,649**
Liabilities by segment						
Liabilities assigned	(292,485)	(50,055)	(519,036)	(194,903)	(251,579)	(1,308,058)
Liabilities not assigned	-	-	-	-	(45,970)	(45,970)
Total liabilities	**(292,485)**	**(50,055)**	**(519,036)**	**(194,903)**	**(297,549)**	**(1,354,028)**
Revenue						
Sales to external customers	474,488	56,651	488,809	239,609	(2,374)	1,257,182
Intergroup sales	1,711	49,539	1,270	1,581	(54,101)	-
Total net operating revenue	**476,199**	**106,190**	**490,079**	**241,190**	**(56,475)**	**1,257,182**
Profit for the year						
EBITDA (*)	99,324	20,587	172,534	18,020	(20,464)	290,001
Finance income	4,818	8,022	13,137	814	(15,706)	11,085
Finance costs	(11,445)	(6,289)	(37,573)	(12,586)	(39,628)	(107,521)
Profit before income tax	23,302	16,932	77,161	(22,574)	(68,037)	26,784
Income tax expense	(16,263)	(4,173)	(42,758)	2,438	17,052	(43,704)
Net profit from continuing operations	7,038	12,759	34,403	(20,135)	(50,985)	(16,920)
Non-monetary expenses						
Depreciation, amortization and impairment	(61,441)	(3,487)	(65,733)	(24,462)	5,572	(149,551)
Changes in trade provisions	(3,383)	(854)	(1,273)	(1)	-	(5,511)
Other significant expenses						
Personnel	(46,191)	(19,426)	(98,252)	(48,876)	(12,061)	(224,806)
External supplies and services	(66,534)	(20,149)	(113,299)	(68,886)	23,676	(245,192)
Gaming taxes	(222,269)	(1,028)	(94,013)	(92,848)	(288)	(410,446)
Other information by segments						
Investment in non-current assets	57,117	3,326	62,757	36,593	353	160,146
Investments in associates	608	608	736	-	944	2,896

(*) For financial information purposes, EBITDA is defined as profit (loss) before income tax, financial result, gains (losses) from investments in associates, gains (losses) from disposal/write-off of non-current assets, change in operating provisions, and impairment charges, depreciation and amortization.

2010

(Thousands of euros)	Slots	B2B	Casinos	Bingo	Eliminations and other	Total
Assets by segment						
Non-current assets assigned	290,688	65,536	590,469	218,206	(196,327)	968,572
Non-current assets not assigned	-	-	-	-	81,447	81,447
Current assets assigned	99,913	78,817	206,703	44,287	(130,619)	299,101
Total assets	**390,601**	**144,353**	**797,172**	**262,493**	**(245,499)**	**1,349,120**
Liabilities by segment						
Liabilities assigned	(254,427)	(117,814)	(651,311)	(193,000)	(14,313)	(1,230,865)
Liabilities not assigned	-	-	-	-	(33,276)	(33,276)
Total liabilities	**(254,427)**	**(117,814)**	**(651,311)**	**(193,000)**	**(47,589)**	**(1,264,141)**
Revenue						
Sales to external customers	432,497	58,196	460,252	288,150	5,369	1,244,464
Intergroup sales	1,953	33,359	1,001	1,458	(37,771)	-
Total net operating revenue	**434,450**	**91,555**	**461,253**	**289,608**	**(32,402)**	**1,244,464**
Profit for the year						
EBITDA (*)	88,367	16,414	142,188	30,897	(17,844)	260,022
Finance income	4,050	5,365	14,881	906	(14,114)	11,088
Finance costs	(9,488)	(7,096)	(42,005)	(13,463)	(20,264)	(92,316)
Profit before income tax	25,479	9,567	50,013	(17,987)	(44,567)	22,505
Income tax expense	(9,934)	(3,191)	(30,979)	349	10,658	(33,097)
Net loss	15,545	6,376	19,034	(17,638)	(33,909)	(10,592)
Non-monetary expenses						
Depreciation, amortization and impairment	(45,817)	(3,265)	(60,510)	(36,771)	5,945	(140,418)
Changes in trade provisions	(3,840)	(109)	(591)	(7)	(9)	(4,556)
Other significant expenses						
Personnel	(45,620)	(18,953)	(98,465)	(49,888)	(15,646)	(228,572)
External supplies and services	(56,418)	(17,217)	(127,342)	(70,063)	17,611	(253,429)
Gaming taxes	(211,472)	(779)	(82,502)	(120,086)	(24)	(414,863)
Other information by segments						
Investment in non-current assets	48,370	2,364	67,972	21,905	137	140,748
Investments in associates	578	525	702	81	944	2,830

(*) For financial information purposes, EBITDA is defined as profit (loss) before income tax, financial result, gains (losses) from investments in associates, gains (losses) from disposal/write-off of non-current assets, change in operating provisions, and impairment charges, depreciation and amortization.

3.2 Geographic segments

In the presentation of information by geographic segments, sales are based on the destination country and the assets on their location. The following chart shows this information as for December 31, 2011 and 2010.

2011

(Thousands of euros)	Sales to external customers	Sales Inter-segment	Total revenue by segment	Assets by segment	Investment in non-current assets
Spain	457,862	31,664	489,526	794,632	56,556
Latin America	524,920	690	525,610	816,834	90,885
Italy	274,400	1,123	275,523	175,122	12,705
Eliminations and others	-	(33,477)	(33,477)	(396,939)	-
	1,257,182	-	1,257,182	1,389,649	160,146

2010

(Thousands of euros)	Sales to external customers	Sales Inter-segment	Total revenue by segment	Assets by segment	Investment in non-current assets
Spain	554,834	27,660	582,494	834,290	49,027
Latin America	483,770	268	484,038	603,056	69,154
Italy	205,860	-	205,860	122,838	22,567
Eliminations and others	-	(27,928)	(27,928)	(211,064)	-
	1,244,464	-	1,244,464	1,349,120	140,748

4. BUSINESS COMBINATIONS AND ACQUISITIONS OF PARTICIPATING COMPANIES

4.1 2011

The breakdown of the companies in which the Company has gained unilateral and exclusive control in 2011 is summarized as follows:

			(Thousands of euros)		
Name and description of companies and business	Acquisition date	% of voting rights	Acquisition price	Fair value of acquired net assets	Goodwill arising on acquisition
Gonmatic, S.L. (*)	October 2011	100%	16,829	16,829	-
Recreativos Ove, S.L.	February 2011	100%	2,519	2,519	-
La Barra de Panamá, S.A.	April 2011	100%	7	7	-
Bumex Land S.L.	October 2011	15,3%	432	432	-
			19,787	19,787	-

The fair value of the net assets acquired from Gonmatic, S.L. includes, apart from the ones contributed by that company itself at the date of acquisition, the fair value of the assets and liabilities contributed by Gestión de Máquinas Recreativas, S.L. (company 100% owned by the latter), and the fair value of the assets of several activity businesses, which amounted to 11,366 thousand euros, acquired in an operation related to the first one and which consisted of several recreational machine stocks in the Spanish market. Consequently, the operation described above has been recognized as a single business combination.

The fair value of the assets acquired from Recreativos Ove, S.L. includes, apart from the ones contributed by the company itself at the date of acquisition, the fair value of the assets and liabilities contributed by Gestión de Máquinas Recreativas, S.L. (company 100% owned by the latter).

The figure in column Acquisition price is higher than the amount for that concept shown in the consolidated statement of cash flows, since there are deferred payments regarding business combinations in the current year.

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

(Thousands of euros)	Fair value recognized on acquisition	Carrying value
Property, plant and equipment	4,247	1,849
Goodwill	-	3,874
Intangible assets	11,974	1,882
Other non-current assets	21	21
Current assets	4,840	4,840
Liabilities (including generated deferred taxes)	(1,295)	(958)
	19,787	11,508

If acquisitions had occurred at the beginning of the year, consolidated operating revenue and consolidated profit for the year 2011 would have increased by 7,117 thousand and 95 thousand euros, respectively. Additionally, the Group's gains contributed by these companies since the acquisition date amount to 85 thousand euros.

4.2 2010

The breakdown of the companies in which the Company has gained unilateral and exclusive control in 2010 (some of which were already invested in in prior years) is summarized as follows:

			(Thousands of euros)			
Name and description of companies and business	Acquisition date	% of voting rights	Acquisition price	Fair value of acquired net assets	Non-controlling interests arisen in the business combination	Goodwill arising on acquisition
Accord Investment, S.A.	March 2010	100.0%	3,900	3,900	-	-
Universal de Casinos, S.A.	May 2010	50.01%	17,700	35,392	17,692	-
Jesalí, S.A./Complejo Hotelero Monte Picayo, S.A. (*)	April 2010	100.0%	2,980	2,980	-	-
Inversiones Interactivas, S.A.	January 2010	70.0%	-	3,178	3,178	-
Hispania Investments, S.A.	November 2010	100.0%	3,121	708	-	2,413
			27,701	46,158	20,870	2,413

(*) In 2010, Cirsa acquired 50% of Jesali, S.A. shares (obtaining 100% of its shares, since it already held the other 50%). In turn, Jesalí, S.A., owned 100% of Complejo Hotelero Monte Picayo, S.A. shares.

The Group chose to measure non-controlling interests arisen in these business combinations according to its percentage of ownership applied on the fair value of acquired net assets at the date of gaining control over the company, instead of measuring them at the fair value of its minority financial investment.

The figure in column Acquisition price is lower than the amount for that concept shown in the consolidated statement of cash flows, since deferred payments regarding business combinations from prior years were settled in 2010.

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

(Thousands of euros)	Fair value recognized on acquisition	Carrying value
Property, plant and equipment	37,803	33,927
Goodwill	2,413	-
Intangible assets	14,159	3,540
Financial investments	10,421	10,421
Other non-current assets	77	77
Current assets	28,527	28,547
Liabilities (including generated deferred taxes)	(44,829)	(40,480)
	48,571	**36,032**

If acquisitions had occurred at the beginning of the year, consolidated operating revenue and consolidated profit for the year 2010 would have increased by 25,700 thousand and 410 thousand euros, respectively. Additionally, the Group's gains contributed by these companies since the acquisition date amount to 3,518 thousand euros.

5. GOODWILL

The breakdown of goodwill by operating segments is as follows:

(Thousands of euros)	2011	2010
Bingos	85,977	88,134
Slots	63,733	74,142
Casinos	74,193	75,316
Other	3,478	3,478
	227,381	**241,070**

The balance of goodwill at December 31, 2011 and 2010 is shown net of impairment loss allowances, which according to the applicable accounting standards are not revertible, amounting to 51,580 and 36,301 thousand, respectively. In 2011 an impairment loss on goodwill amounting to 15,279 thousand euros has been recognized basically as a result of the lower expectations in generating cash flows from certain operators in Spain (10,409 thousand euros) and certain bingo halls (2,567 thousand euros). In 2010 impairment losses amounting to 19,300 thousand euros were recognized, basically related to goodwill associated to Spanish bingo halls.

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

(Thousands of euros)	2011	2010
Balance at January 1	241,070	250,625
Goodwill recognized in the year (Note 4)	-	2,413
Impairment losses	(15,279)	(19,300)
Net exchange differences arising during the period	1,590	7,332
Balance at December 31	**227,381**	**241,070**

Note 9 includes several elements related to the study on the possible impairment of Group's assets.

6. OTHER INTANGIBLE ASSETS

6.1 Movements

2011

(Thousands of euros)	January 1, 2011	Additions	Disposals	Transfers	Translation differences and other	December 31, 2011
COST						
Development costs and patents	44,454	2,283	-	114	(3)	46,848
Administrative concessions	50,838	6,783	(74)	14,372	575	72,494
Installation rights	121,951	26,740	(11,551)	-	-	137,140
Transfer rights	3,412	534	(224)	37	(42)	3,717
Software	17,423	841	(51)	77	(165)	18,125
Prepayments and other	33,759	2,406	(5)	(14,600)	14	21,574
	271,837	**39,587**	**(11,905)**	-	**379**	**299,898**
AMORTIZATION						
Development costs and patents	(39,208)	(1,960)	-	-	(11)	(41,179)
Administrative concessions	(16,939)	(4,588)	-	-	(572)	(22,099)
Installation rights	(66,948)	(19,270)	9,070	-	4	(77,144)
Transfer rights	(671)	(84)	224	-	19	(512)
Software	(15,181)	(1,282)	50	-	310	(16,103)
	(138,947)	**(27,184)**	**9,344**	-	**(250)**	**(157,037)**
Impairment loss	**(5,228)**	**(1,459)**	-	-	-	**(6,687)**
Net carrying amount	127,662	10,944	(2,561)	-	129	136,174

2010

(Thousands of euros)	January 1, 2010	Additions	Disposals	Transfers	Translation differences and other	December 31, 2010
COST						
Development costs and patents	44,391	1,800	(1,737)	-	-	44,454
Administrative concessions	24,001	1,282	-	24,472	1,083	50,838
Installation rights	113,963	20,957	(12,969)	-	-	121,951
Transfer rights	939	2,458	-	-	15	3,412
Software	15,763	1,466	(113)	-	307	17,423
Prepayments and other	37,728	19,278	-	(24,472)	1,225	33,759
	236,785	**47,241**	**(14,819)**	-	**2,630**	**271,837**
AMORTIZATION						
Development costs and patents	(37,089)	(2,119)	-	-	-	(39,208)
Administrative concessions	(12,446)	(2,795)	-	-	(1,698)	(16,939)
Installation rights	(59,392)	(17,007)	9,453	-	(2)	(66,948)
Transfer rights	(610)	(61)	-	-	-	(671)
Software	(12,931)	(2,753)	110	-	393	(15,181)
	(122,468)	**(24,735)**	**9,563**	-	**(1,307)**	**(138,947)**
Impairment loss	**(6,965)**	-	1,737	-	-	**(5,228)**
Net carrying amount	107,352	22,506	(3,519)	-	1,323	127,662

Additions in 2011 include the effects of business combinations (Note 4), which amounted to a gross value of 13,243 thousand euros and an accumulated depreciation of 1,701 thousand euros (2010: 14,159 thousand euros of net carrying amount in 2010). These amounts are almost entirely related to installation rights and administrative concessions.

Additions in 2011 included in *Installation rights* mainly relate to the non-refundable payment in exchange of the exclusive rights to operate the premises where the recreational machines are located.

The disposals in this caption mainly relate to installation rights pending amortization in premises which are closed, or it was decided not to operate the machine for profitability reasons.

In 2010 additions under *Prepayments* and other correspond to the payment of the second installment of the concession of 2,583 licenses for video lottery machines in Italy amounting to 19.3 million euros. The total cost of the concession was 38.7 million euros and it was settled in two installments: October 2009 and November 2010.

In 2011 transfers under the caption *Prepayments and other* (see Note 6.3) correspond to licenses of video lottery of Cirsa Italia, SpA in operation at December 31, 2011, and therefore, they have been transferred to *Administrative concessions*, for an amount of 14.3 million euros.

In 2010 transfers under the caption *Prepayments and others* (Note 6.3) correspond to the following:

- Licenses acquired in 2009 to operate slot machines in Panama amounting to 13.6 million euros. These licenses were effective as of March 10, 2010 and therefore they were transferred in 2010 to the caption Administrative concessions.
- Licenses of video lottery machines of Cirsa Italia SpA in operation at December 31, 2010 and therefore they were also transferred to *Administrative concessions* for an amount of 10.8 million euros.

6.2 Development costs and patents

They correspond mainly to the following:

- Industrial companies: Creation of new models of slot machines and technological innovations for them. Net value as of December 31, 2011 and 2010 is 2,263 and 2,480 thousand euros, respectively.
- Lottery and interactive products companies: Development of software applications for on-line games. Net value as of December 31, 2011 and 2010 is 3,929 and 3,891 thousand euros, respectively.

The internal cost of developing new models of slot machines and software for on-line games by the B2B division of the Group are capitalized as an increase in the value of developments costs and patents. The total amount of works performed by the Group for the intangible assets in 2011 and 2010 amounted to 1,770 and 1,003 thousand euros, respectively.

Research and development expenses recognized as expenses in 2011 amounted to 253 thousand euros (31 December 2010: 709 thousand euros).

6.3 Administrative concessions

The gross balance of official licenses to operate as of December 31, 2011 mainly corresponds to:

- An official contract to operate slot machines in Panama amounting to 29,914 thousand euros (28,967 thousand euros at December 31, 2010). The net value of this concession at December 31, 2011 amounts to 15,832 thousand euros (17,826 thousand euros at December 31, 2010).
- Ownership interest in an Argentinean company that operates a lottery employing disabled people amounting to 1,906 thousand euros at December 31, 2011 (2,054 thousand euros at December 31, 2010). The net value of these concessions at December 31, 2011 and 2010 is zero.
- Licenses of video lottery machines acquired by Cirsa Italia S.p.A. for an amount of 25.6 million euros (11.3 million euros at December 31, 2010) (Note 6.1). The net value of this concession at December 31, 2011 is 23.2 million euros (10.7 million euros at December 31, 2010). The increase in 2011 is due to the amount transferred from prepayments to administrative concessions mentioned in Note 6.1.

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 loss

The balance of impairment loss basically covers the net value of certain administrative concessions in Argentina (1,096 and 2,054 thousand euros at December 31, 2011 and 2010, respectively), and investments in research and development projects based on implementing new technologies in the gaming industry (1,745 thousand euros at December 31, 2011 and 2010).

The additions in 2011 mainly correspond to the write-down of installation rights of impaired businesses.

Note 9 includes several elements in relation to a test of the potential impairment of the Group's assets.

6.6 Other information

At December 31, 2011, the net value of intangible assets in foreign companies of the Group amounted to 66,606 thousand euros (2010: 64,315 thousand euros).

7. PROPERTY, PLANT AND EQUIPMENT

7.1 Movements

2011

(Thousands of euros)	January 1, 2011	Additions	Disposals	Transfers	Translation differences and others	December 31, 2011
Cost						
Land and buildings	230,053	10,158	(1,301)	(3,175)	(12,817)	222,918
Installations	57,889	4,739	(1,728)	1,286	160	62,346
Machinery	382,573	68,545	(36,255)	17,788	(2,100)	430,551
EDP equipment	52,572	6,725	(2,260)	826	(2,384)	55,479
Vehicles	4,266	322	(274)	2,960	(583)	6,691
Other installations, tools, and furniture	200,992	15,241	(10,099)	8,349	(4,676)	209,807
Assets in progress	2,480	44,712	(3,282)	(28,034)	(4,567)	11,309
	930,825	**150,442**	**(55,199)**	-	**(26,967)**	**999,101**
Depreciation						
Buildings	(30,305)	(6,456)	454	(72)	5,304	(31,075)
Installations	(32,418)	(6,936)	1,449	170	(838)	(38,573)
Machinery	(249,383)	(65,775)	32,345	(32)	2,115	(280,730)
EDP equipment	(37,782)	(3,458)	2,036	30	541	(38,633)
Vehicles	(1,968)	(1,384)	92	8	319	(2,933)
Other installations, tools, and furniture	(104,591)	(18,413)	6,289	(104)	1,920	(114,899)
	(456,447)	**(102,422)**	**42,665**	-	**9,361**	**(506,843)**
Impairment loss	**(7,570)**	**(8,667)**	**1,947**	-	-	**(14,290)**
Net carrying amount	**466,808**	**39,353**	**(10,587)**	-	**(17,606)**	**477,968**

2010

(Thousands of euros)	January 1, 2010	Additions	Disposals	Transfers	Translation differences and others	December 31, 2010
Cost						
Land and buildings	191,653	27,332	-	10,171	897	230,053
Installations	44,277	10,425	(832)	1,439	2,580	57,889
Machinery	277,896	113,094	(27,913)	10,340	9,156	382,573
EDP equipment	45,462	8,203	(315)	136	(914)	52,572
Vehicles	1,853	667	(376)	1,943	179	4,266
Other installations, tools, and furniture	178,558	14,718	(2,124)	8,957	883	200,992
Assets in progress	13,921	27,306	(4,533)	(32,986)	(1,228)	2,480
	753,620	**201,745**	**(36,093)**	-	**11,553**	**930,825**
Depreciation						
Buildings	(23,464)	(7,907)	-	-	1,066	(30,305)
Installations	(24,181)	(9,078)	580	-	261	(32,418)
Machinery	(167,481)	(102,748)	19,978	914	(46)	(249,383)
EDP equipment	(32,897)	(5,508)	190	23	410	(37,782)
Vehicles	(1,568)	(537)	190	-	(53)	(1,968)
Other installations, tools, and furniture	(91,135)	(15,476)	1,207	(937)	1,750	(104,591)
	(340,726)	**(141,254)**	**22,145**	-	**3,388**	**(456,447)**
Impairment loss	**(5,729)**	**(1,929)**	**88**	-	-	**(7,570)**
Net carrying amount	**407,165**	**58,562**	**(13,860)**	-	**14,941**	**466,808**

Additions in 2011 correspond to both the effect of the business combinations (Note 4) and the addition of assets as a result of the acquisition of the joint ventures detailed in Note 1.3, amounting in total to a gross value of 13,883 thousand euros (84,461 thousand euros in 2010) and 3,760 thousand euros of accumulated depreciation (2010: 46,658 thousand euros). These items basically correspond to *Land and Buildings* and *Machinery*, representing 60% and 24%, respectively, of total net value of the additions derived from such operations (2010: 32% and 58%, respectively).

Disposals in 2011 and 2010 show sales of assets and other disposals, mainly due to the substitution of slot machines, which amounted to a loss of 3,469 thousand euros in 2011 (a loss of 4,531 thousand euros in 2010).

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 2011 and 2010 amounted to 40,200 and 16,840 thousand euros, respectively.

7.3 Assets subject to guarantees

Several property, plant and equipment items, whose net value as of December 31, 2011 and 2010 was 82,115 thousand and 89,189 thousand euros, respectively, were used as guarantee for mortgage loan debts.

7.4 Availability of assets

All assets are unrestricted, except for those acquired through financial lease contracts, whose net book value amounted to 33,610 thousand euros at December 31, 2011 (30,361 thousand euros at December 31, 2010) (Note 19.2).

7.5 Property, plant and equipment located abroad

The net value of property, plant and equipment located abroad was 349,182 thousand euros at December 31, 2011 (2010: 326,040 thousand euros).

7.6 Investment commitments

At December 31, 2011 there are no investment commitments.

At December 31, 2010 investment commitments amounted to 13,000 thousand euros and mainly corresponded to investments in video lottery machines in Italy amounting to 10 million euros and to the extension of bingo halls in Mexico amounting to 3 million euros.

8. FINANCIAL ASSETS

This caption is composed by the following balances:

(Thousands of euros)	2011 Non-current	2011 Current	2011 Total	2010 Non-current	2010 Current	2010 Total
Investments in associates						
Investments accounted for under equity method	2,896	-	2,896	2,830	-	2,830
Available-for-sale financial assets						
Equity instruments measured at cost	3,018	-	3,018	3,018	-	3,018
Loans and receivables						
Nortia Business Corporation, S.L.	69,696	-	69,696	64,702	-	64,702
Loans to jointly-controlled business and associates	13,865	12,631	26,496	11,465	11,733	23,198
Loans to third parties	37,170	-	37,170	40,728	-	40,728
Public administrations	1,154	-	1,154	1,154	-	1,154
Deposits and guarantees	10,797	30,739	41,536	11,378	21,971	33,349
Fixed-income securities and deposits	-	2,842	2,842	-	4,158	4,158
Trade and other receivables	-	199,918	199,918	-	190,775	190,775
Other	5,182	6,528	11,710	1,938	11,744	13,682
	143,778	252,658	396,436	137,213	240,381	377,594
Impairment loss	(3,405)	(24,654)	(28,059)	(4,182)	(28,154)	(32,336)
	140,373	228,004	368,377	133,031	212,227	345,258

Current portion of Nortia Business Corporation, S.L., and of Loans to third parties and Receivables from Public administrations is included in the caption *Trade and other receivables*.

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 (24,654 and 28,154 thousand euros at December 31, 2011 and 2010, respectively).

8.1 Investments in associates

This caption includes the following investments:

2011

(Thousands of euros)	Book value	Assets	Liabilities	Operating revenues	Profit (loss) for the year
Casino de Asturias, S.A.	736	1,001	(8)	135	84
Urban Leisure, S.L.	391	1,208	(266)	2,850	(23)
Gironina de Bingos, S.L.	-	2,781	(1,697)	-	(393)
Recreativos Trece, S.L.	217	555	(94)	1,012	105
Compañía Europea de Salones Recreativos, S.L.	608	5,038	(2,519)	4,907	416
Fianzas y Servicios Financieros, SGR	944	4,795	(2,790)	481	-
	2,896	**15,378**	**(7,374)**	**9,385**	**189**

2010

(Thousands of euros)	Book value	Assets	Liabilities	Operating revenues	Profit (loss) for the year
Casino de Asturias, S.A.	702	925	(16)	218	136
Urban Leisure, S.L.	395	1,311	(392)	3,207	118
Gironina de Bingos, S.L.	81	2,781	(1,697)	-	-
Recreativos Trece, S.L.	183	520	(94)	1,056	131
Compañía Europea de Salones Recreativos, S.L.	525	5,326	(3,044)	6,944	591
Fianzas y Servicios Financieros, SGR	944	5,160	(3,124)	505	-
	2,830	**16,023**	**(8,367)**	**11,930**	**976**

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

(Thousands of euros)	2011	2010
Balance at January 1	2,830	3,127
Investment in associate's profit	151	243
Investment in associate's losses	(85)	(5)
Sale of investment	-	(535)
Balance at December 31	**2,896**	**2,830**

Transactions in 2011 and 2010 between companies mentioned above and other companies consolidated through the full and proportional consolidation method are irrelevant.

8.2 Loans and receivables

Nortia Business Corporation, S.L.

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

(Thousands of euros)	2011	2010
Loan maturing in 2018, at 8.75% interest rate	42,754	42,754
Long-term promissory notes from the sale of real state, discounted at 5% interest rate	3,619	1,706
Accrued interests	23,323	20,242
	69,696	64,702

The effective interest rate of the loan granted to Nortia Business Corporation (6.0%) does not match the nominal interest rate (8.75%), since interest will be paid upon the maturity of the loan.

At December 31, 2011 and 2010 the carrying amount of this loan was similar to its fair value.

Credits to jointly-controlled business and associates

This caption is broken down as follows (*):

(Thousands of euros)	2011	2010
Loans granted to a joint venture domiciled in Argentina. These loans are expressed in US dollars and accrue interest at an annual rate of Libor (six months) and mature between 2012 and 2013	10,451	9,687
Current accounts with jointly-controlled business and associates	12,631	11,733
Other	3,414	1,778
	26,496	23,198

(*) The above amounts are the remaining balances after the eliminations derived from the proportional consolidation process.

The maturity date of these assets is as follows:

(Thousands of euros)	2011	2010
Within one year	12,631	11,733
Between one and two years	853	5,287
Between two and three years	853	5,287
Between three and four years	11,305	444
Between four and five years	854	447
More than five years	-	-
	26,496	23,198

The average interest rate of these assets in 2011 and 2010 was at 5.6% and 6.3%, respectively.

Loans to third parties

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

(Thousands of euros)	2011	2010
Mortgage loan in Venezuelan currency granted to Inversiones Pueblamar, CA for the deferred collection of the sale of a building in 2002 to the owner company of a hotel in Isla Margarita, Venezuela, where a casino operated by the Group is located. No explicit interests are accrued; therefore a discount rate of 9.27% has been applied.	1,311	2,775
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%.	1,332	1,404
Loan to the minority shareholder of a Spanish operating company of the Group. This loan accrues a variable interest rate that will be reviewed annually (2011: 1.89%, 2010: 1.48%)	15,106	11,092
Non-trade loan with annual variable maturity dates until 2014 (Spain). It does not yield any explicit interest and therefore a 5% discount rate has been applied.	3,866	4,784
Loans to the minority shareholder of a Colombian company. They earn an interest rate of 4.5% and mature in 2012, but paid in advance in 2011.	-	3,525
Other	15,555	17,148
	37,170	40,728

In October 2009 the Bolivarian Republic of Venezuela acquired by compulsory purchase the hotel Margarita Hilton & Suites owned by Inversiones Pueblamar, CA, where Cirsa Caribe, C.A. operates. These assets were transferred to the Venezuelan tourism company VENETUR, S.A.

The casino managed by Cirsa Caribe in Isla Margarita is currently closed. The Group estimates that as a result of the negotiations with Venezuelan authorities the casino will be reopened in 2012. Additionally, the Group considers that there is no uncertainty in regard with the solvency of Inversiones Pueblamar, CA; thus, the recovery of the granted loan of 1.3 million euros is considered reasonably beyond doubt.

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

(Thousands of euros)	2011	2010
Between one and two years	23,972	24,133
Between two and three years	5,024	4,422
Between three and four years	3,578	3,842
Between four and five years	2,022	2,325
More than five years	2,574	6,006
	37,170	40,728

Trade and other receivables

This caption is broken down as follows:

(Thousands of euros)	2011	2010
Trade receivables	37,805	45,935
Impairment losses	(24,654)	(28,154)
Other related parties	3,581	5,676
Receivables from Public administrations	37,572	33,661
Other receivables	120,357	103.854
Nortia Business Corporation, S.L. – Promissory notes from sale of assets	603	1,649
	175,264	162,621

Receivables from Public administrations mainly correspond to 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)	2011	2010
Balance at January 1	28,154	29,340
Allowance	6,794	5,935
Write-off of bad debts	(10,294)	(7,121)
Balance at December 31	**24,654**	**28,154**

The Group has established credit periods between 90 and 150 days, while the average collection period is approximately of 120 days at December 31, 2011 (120 days at December 31, 2010).

8.3 Available-for-sale financial assets

The caption of available-for-sale financial assets includes the participation of 8.4% in a real estate company of the Nortia Business Corporation Group, with a cost of 3,018 thousand euros.

These assets are measured at cost, as they cannot be determined with reasonable accuracy at fair value. In any case, the Group estimates that under no circumstances these investments could be impaired.

9. IMPAIRMENT TEST

9.1 Goodwill

Cash-generating units

Goodwill acquired through business combinations and intangible assets with indefinite useful lives has 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 activities

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:

Country	Activity	Discount rate (before tax)
Spain	Gaming	9.63%
Spain	Industrial	9.63%
Spain	Interactive	9.63%
Italy	Gaming	10.15%
Latin America	Gaming	12.56%

In 2010 discount rates applied ranged between 9.66% and 11.47%

Test results

As a consequence of the tests performed, impairment loss has been recognized in 2011 amounting to 15,279 thousand euros, basically for the reduction in the estimate of future cash flows of certain operators in Spain (10,409 thousand euros) and certain bingo halls (2,567 thousands euros). In 2010 the impairment loss recognized amounted to 19,300 thousand euros and corresponded to the goodwill related to bingos.

9.2 Other assets

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

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

As a result of the tests performed, apart from the impairment losses described in the paragraph below, an impairment loss amounting to 2,343 thousand euros was recognized (731 thousand euros related to the bingo segment and 1,612 thousand euros related to the slots segment) (700 thousand euros in 2010).

In Venezuela, the temporary close-down of the gaming activities ordered by the Government has given rise to an impairment of assets of one of the two casinos operated by the Group amounting to 6.7 million euros. In the other casino operated by the Group in Venezuela (Isla Margarita) the activity is expected to resume in the short term, and therefore, assets have not been impaired. As for Ecuador, the prohibition of gaming activities in the country has resulted in an impairment adjustment of the assets of the Ecuadorean subsidiary amounting to 1,076 thousand euros.

10. INTERESTS IN JOINTLY CONTROLLED COMPANIES

Jointly controlled companies have been incorporated in the consolidated financial statements through the proportional method.

The information on the related companies is detailed in Appendix. Other relevant information related to these companies is detailed in the following chart:

(Thousands of euros)	Data affected by % of equity interest	
	2011	2010
Non-current assets	170,410	164,623
Current assets	177,447	121,206
Non-current liabilities	(80,587)	(94,069)
Current liabilities	(67,196)	(49,871)
Revenues	376,224	348,978
Expenses	(318,632)	(310,378)
Net profit for the year	57,592	38,600

11. INVENTORIES

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

(Thousands of euros)	2011	2010
Raw and auxiliary materials	3,441	4,039
Spare parts and other	7,790	7,154
Finished products	724	446
Work in progress	759	711
Prepayments to suppliers	1,140	1,218
	13,854	13,568

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)	2011	2010
Balance at January 1	2,796	3,213
Additions	1,092	613
Write-off	(1,608)	(1,030)
Balance at December 31	2,280	2,796

The write-off in 2011 and 2010 corresponds to the destruction of several inventories from the industrial division.

12. CASH AND CASH EQUIVALENTS

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

(Thousands of euros)	2011	2010
Cash	13,836	13,132
Current accounts	51,992	48,562
Deposits	827	3,466
	66,655	65,160

These assets are unrestricted and earn market interest rates.

13. EQUITY

13.1 Share capital

At December 31, 2011 and 2010 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:

	2011	2010
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 (31.04% at December 31, 2011 and 2010) and shares of several subsidiaries are pledged in favor of Institut Català de Finances as a guarantee for a loan granted to Nortia Business Corporation S.L., main shareholder of the Company.

13.2 Treasury shares

At December 31, 2011 and 2010, the Company has 1,131,421 treasury shares at an average cost of 0.1626 each, which are shown reducing the Group's net equity.

13.3 Retained earnings

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

Legal reserve

In accordance with the Spanish Capital Companies Law, 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, 2011 and 2010 the Company's legal reserve amounted to 4,915 thousand euros.

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

Treasury shares reserve

As indicated in Note 13.2 above, the Group acquired treasury shares. In accordance with prevailing mercantile legislation, the Group has provided the corresponding non-distributable reserve by the amount of treasury shares, maintained until sold or amortized.

13.4 Non-controlling interests

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

(Thousands of euros)	Amount in statement of financial position 2011	2010	Participation in results 2011	2010
Division				
Casinos	66,072	64,877	8,078	8,004
Slots	5,157	5,582	423	449
	71,229	70,459	8,501	8,453

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

(Thousands of euros)	2011	2010
Balance at January 1	70,459	18,381
Net profit for the year attributable to non-controlling interest	8,501	8,453
Translation differences	(2,958)	(1,420)
Disposals or additional acquisition up to total amount of shares	-	5,579
Additions for acquisition of companies or changes in consolidation methods (from proportional to full)	687	48,162
Dividend payments	(5,460)	(8,696)
Balance at December 31	71,229	70,459

14. BONDS

This caption basically refers to the following:

The issue of bonds by a subsidiary located in Luxembourg amounting to 680 million euros, including an initial amount of 400 million euros, issued in 2010 below par, at a 97.89% price, and an additional issue in January 2011 with an issue premium of 280 million euros as an extension of the former one. These bonds are listed on the Luxembourg Stock Exchange, accruing an annual interest of 8.75% paid each six months and maturing in 2018. At December, 2011 certain bonds related to this issue, the par value of which amounted to 5 million euros, were not recognized in the Group's liabilities, since they had been acquired in the present year.

At December 31, 2010 in addition to the first part of the issue mentioned above, an issue of bonds made also by a subsidiary located in Luxembourg amounting to 230 million euros and which were listed on the Luxembourg Stock Exchange, accruing an annual interest of 7.875%, which was paid each six months, and matured in 2012. At December 31, 2010, certain bonds related to this issue and whose nominal value amounted to 10 million euros were not recognized in the Group's liabilities, since they had been acquired by the Group during the prior year. Additionally, this issue has been settled in advance in January 2011, with the second part of the issue of bonds mentioned in the paragraph above, which represented expenses amounting to 21,416 thousand euros recognized in 2011.

In May 2010 an issue of bonds amounting to 270 million euros was cancelled. These bonds accrued an annual interest rate of 8.75% and matured in 2014. The repurchase of these bonds generated expenses amounting to 12,469 thousand euros recognized in the consolidated statement of comprehensive income.

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 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, 2011 the quoted price of the bonds recognized in the liabilities side of the balance sheet was 80% of their par value.

15. BANK BORROWINGS

	2011			2010		
(Thousands of euros)	Non-current	Current	Total	Non-current	Current	Total
Mortgage and pledge loans	26,338	27,096	53,434	28,699	22,672	51,371
Other loans	62,370	28,613	90,983	77,921	34,817	112,738
Financial lease agreements (Note 19.2)	19,726	9,364	29,090	19,837	11,900	31,737
Credit and discount lines	-	15,319	15,319	-	10,241	10,241
	108,434	80,392	188,826	126,457	79,630	206,087

Average interest rates accrued by these borrowings are as follows:

	%	
	2011	2010
Loans	5.87%	4.73%
Financial lease agreements	4.85%	4.43%
Credit and discount lines	5.83%	4.88%

The annual maturity date of these liabilities is as follows:

(Thousands of euros)	2011	2010
Within one year	80,392	79,630
Between one and two years	32,720	37,388
Between two and three years	21,856	28,284
Between three and four years	17,407	17,166
Between four and five years	13,620	13,693
More than five years	22,831	29,926
	188,826	206,087

Part of these liabilities, equal to 39,401 and 47,781 thousand euros at December 31, 2011 and 2010, respectively, is denominated in U.S. dollars.

At December 31, 2011, shares of several subsidiaries are pledged in favor of Deutsche Bank London AG as a security for the credit line of 50 million euros received from that entity in 2010. At December 31, 2011 the drawn amount of this credit line amounts to 25 million euros, and it is recognized as a current liability since at December 31, 2011 the contractual maturity for this credit line was 2012. However, before the approval of these consolidated financial statements, the Group has renegotiated its maturity, which is has been set for 2015.

At December 31, 2010 these shares were pledged in favor of Deutsche Bank London AG as a security for a credit line of 30 million euros.

At December 31, 2011 the amount of credit and discount lines not used is 9,822 and 6,723 thousand euros, respectively. These figures amounted to 22,415 and 7,580 thousand euros, respectively, at 2010 year end.

Finally, at December 31, 2011 and 2010 the guarantees given by credit institutions and insurance companies to the Group, in connection with official gaming concessions and licenses were 103,592 and 83,277 thousand euros, respectively

16. OTHER CREDITORS

The breakdown of this caption is as follows:

(Thousands of euros)	2011 Non-current	2011 Current	2011 Total	2010 Non-current	2010 Current	2010 Total
Public administrations	2,981	88,076	91,057	2,510	86,620	89,130
Bills payable	834	2,586	3,420	1,881	6,995	8,876
Sundry creditors	54,816	131,429	186,245	60,083	103,392	163,475
	58,631	222,091	280,722	64,474	197,007	261,481

In 2011 non-current part of liabilities with Public administrations refers mainly to deferral on gaming taxes granted by the corresponding authorities, which accrues an annual interest rate of 5% (2010: 5%). The current portion corresponds to gaming taxes with a short-term maturity (2011: 62,050 thousand euros, 2010: 65,794 thousand euros), and tax return of 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 operational of recreational machines with deferred payment, discounted at market interest rate.

The caption *Non-current sundry creditors* includes an amount of 22,292 thousand euros corresponding to the payable balance of the long-term current account with Nortia Business Corporation, S.L., which earns annual interest at a rate of 8.75%.

Additionally, *Sundry creditors* mainly correspond to debts from acquisition of assets, acquisition of licenses in Panama, which will be settled in two maturity dates at December 31, 2011 and 2012 amounting to 4 million USD each. It also corresponds to a loan received in 2008 from International Game Technology (IGT) for an amount used by the Group at December 31, 2011 of 23,576 thousand euros (30,506 US dollars) and 32,615 thousand euros (43,579 US dollars) at December 31, 2010, including principal and interest. The loan was obtained to finance the investment being made by Casino de Rosario, S.A. (joint venture). It has a right of mortgage on the company's building, accrues an annual interest rate of Libor plus 5.75% and will be cancelled in 48 equal monthly consecutive amounts from September 2010.

Finally, the caption *Sundry creditors* also includes employee benefits payable, according to the amounts indicated in Note 20.1.

17. PROVISIONS

The breakdown of this caption is as follows:

(Thousands of euros)	2011	2010
Obligations in relation to employees	6,264	9,583
Tax assessments appealed by the Group	957	1,430
Other	7,012	5,994
Balance at December 31	14,233	17,007

The amount recognized in "Obligations in relation to employees" mainly consists of probable contingencies with the personnel in Italy, the provision of which must be accounted for according to Note 2.17.

At December 31, 2011 and 2010 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)	2011	2010
Balance at January 1	17,007	10,723
Allowances	3,331	6,196
Applications	(1,965)	(977)
Changes in the consolidation perimeter	-	1,065
Reclassifications to payables – Employee benefits payable	(4,140)	-
Balance at December 31	**14,233**	**17,007**

18. TAXES

18.1 Tax Group

The Company, together with 79 Spanish subsidiaries, which comply with tax legislation requirements, files tax returns on a consolidated basis. Additionally, 11 Spanish subsidiaries, controlled by the subsidiary Orlando Play, S.A., are part of another consolidated tax group.

Other Group companies file income tax returns individually in accordance with applicable tax legislation.

18.2 Accrued and payable income tax

The income tax expense, which has been fully recognized in the consolidated statement of comprehensive income, is broken down as follows:

(Thousands of euros)	2011	2010
Current	40,499	33,289
Deferred for (increase) decrease of tax credits for taxable bases	(5,672)	(8,861)
Deferred for temporary differences	8,877	8,017
Other	-	652
	43,704	**33,097**

The breakdown of current income tax payable is as follows:

(Thousands of euros)	2011	2010
Current income tax	40,499	33,289
Withholdings and payments on account	(2,458)	(4,168)
	38,041	**29,121**

18.3 Analysis of income tax expense

(Thousands of euros)	2011	2010
Profit before tax	26,784	22,505
Tax rate prevailing in Spain	30%	30,0%
Theoretical income tax expense	8,035	6,752
Adjustments – Effect of:		
Different tax rates prevailing in other countries	3,716	2,760
Countries with no income taxation and/or compensation of tax losses	(491)	974
Impairment losses for exclusive consolidation purposes	7,621	6,000
Credits for tax loss carryforwards not capitalized	10,259	5,246
Translation differences deductible / taxable for tax purposes	(497)	1,596
Losses in net monetary position (Venezuelan hyperinflation)	398	1,088
Difference due to the payment of taxes from prior years	3,533	-
Tax inspection expense	1,684	-
Non-deductible expenses and other	9,446	8,681
	43,704	**33,097**

At December 31, 2011 and 2010 the effect of adjustments of different tax rates mainly corresponds to the application of higher taxes in Argentina and Colombia.

At December 31, 2011 and 2010 non-deductible expenses mainly consist of financial investment impairment allowances carried out by subsidiaries in Argentina and Panama, as well as taxes on gaming activities and exchange differences in Venezuela.

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 25.9 million euros (19.3 million euros at December 31, 2010) (Note 5).

18.4 Deferred tax assets and liabilities

(Thousands of euros)	2011	2010
Assets		
Tax loss carryforwards from the tax groups	44,205	38,675
Tax loss carryforwards from other group companies	5,448	5,306
Deductions pending application from the tax groups	2,838	2,838
Deductible temporary differences:		
--- Impaired receivables	7,581	6,415
--- Impaired securities portfolio	6,461	9,593
--- Goodwill impaired in individual books	3,192	2,036
--- Intragroup margin write-off	6,142	5,726
--- Other	15,069	10,858
	90,936	**81,447**
Liabilities		
Taxable temporary differences:		
--- Reinvestment of profit from sale of non-current assets	(663)	(1,335)
--- Initial statement of non-current assets at fair value	(6,596)	(7,202)
--- Provision for maximum gaming prizes	(8,615)	(8,474)
--- Difference between tax depreciation and accounting depreciation	(6,825)	(6,402)
--- Non-accounting impairment for tax purposes	(11,452)	(6,472)
--- Margin write-offs	(2,859)	(1,703)
--- Business combinations	(6,874)	-
--- Other	(2,086)	(1,689)
	(45,970)	**(33,277)**

The Group estimated the taxable profits which it expects to obtain within the utilization period based on budgeted projections. It also analyzed 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, 2011 for the tax group whose parent company is the Company and for the tax group whose parent is 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 Company	Tax group whose parent is Orlando Play, S,A, (*)
1996	2011	63	-
1997	2012	317	-
1998	2013	74	-
1999	2014	1,047	-
2000	2015	8,273	-
2001	2016	19,105	-
2002	2017	2,673	-
2003	2018	10,237	-
2004	2019	14,874	4
2005	2020	35,951	-
2006	2021	1,944	510
2007	2022	27,721	199
2008	2023	1,502	203
2009	2024	15,925	747
2010	2025	23,710	-
2011	2026	42,930	153
		206,346	1,816

(*) Tax group whose parent is a company representing a joint venture consolidated through the proportional consolidation method. Therefore, tax assets included in this table are affected by the 50% of ownership held.

Tax group whose parent is the Company

At December 31, 2011 and 2010 the Group has recognized deferred tax assets amounting to 44,007 and 38,228 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 that at December 31, 2011 amounted to 21,795 thousand euros (2010: 9,557 thousand euros), since their future application is uncertain.

In addition to tax losses carryforwards, the tax group whose parent is the Company holds additional tax credits amounting to 57,845 thousand euros at December 31, 2011 (2010: 47,914 thousand euros), for unused tax deductions. The abovementioned total amounts include 55.007 thousand euros at December 31, 2011 (2010: 45,076 thousand euros) from unused 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, 2011
2011	536
2012	3,821
2013	4,522
2014	5,589
2015	4,730
2016	8,193
2017	3,306
2018	5,050
2019	6,051
2020	6,092
2021	7,989
2022	589
2023	437
2024	556
2025	384
	57,845

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

In 2010 the tax group whose parent is Orlando Play, S.A. was constituted. Since the Group owns 50% of Orland Play, S.A. shares, tax assets contributed by the Group are affected by this percentage of ownership.

At December 31, 2011 the Group has recognized deferred tax assets amounting to 188 thousand euros, related to unused tax loss carryforwards of this tax group. For the rest of unused tax loss carryforwards no deferred tax assets have been recognized, which at December 31, 2011 amounted to 433 thousand of euros (364 thousand euros at December 31, 2010) (amounts affected by percentage of ownership).

18.5 Other tax information

Under prevailing tax regulations, tax returns may not be considered final until they have either been inspected by tax authorities or until the inspection period has expired. At December 31, 2011 Spanish companies (which mostly file taxes under a consolidated tax group) are open to inspection of all taxes to which they are liable for the last four years. In general, the prescription periods for countries where the Group has significant presence are between four and five years after the end of the statutory period for filing tax returns. The Group considers that, in the event of a tax inspection, no significant tax contingencies having effect on consolidated financial statements would arise.

On March 8, 2012, Cirsa Management was notified of an inspection for all the years open to inspection 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. The Group expects that no liabilities will arise from this inspection that may have a significant impact on these consolidated financial statements.

19. LEASES

19.1 Operating leases

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

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

(Thousands of euros)	2011	2010
Within one year	62,249	61,792
Between one and five years	258,957	254,583
More than 5 years	69,357	68,547
	390,563	384,922

19.2 Finance leases

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

(Thousands of euros)	2011 Minimum payments	2011 Present value of payments	2010 Minimum payments	2010 Present value of payments
Within one year	11,689	9,364	14,854	11,900
Between one and five years	29,969	19,726	30,527	19,837
	41,658	29,090	45,381	31,737

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 9,400 thousand euros in 2011 and 10,024 thousand euros in 2010.

20. INCOME AND EXPENSES

20.1 Personnel

(Thousands of euros)	2011	2010
Wages and salaries	167,598	172,093
Social security	40,459	39,507
Indemnities	6,106	5,482
Other personnel expenses	10,643	11,490
	224,806	228,572

Remunerations pending payment at year end of 2011 and 2010 (23,577 and 16,272 thousand euros, respectively) are recognized in the caption *Other creditors*.

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

	2011 Men	2011 Women	2011 Total	2010 Men	2010 Women	2010 Total
Directors	324	74	398	325	86	411
Technicians, production and sales staff	5,677	4,491	10,168	6,344	4,547	10,891
Administrative personnel	895	835	1,730	671	663	1,334
	6,896	5,400	12,296	7,340	5,296	12,636

The headcount at December 31, 2011 and 2010 by category and gender does not significantly differ from the breakdown shown in the table above regarding the average headcount for those years.

20.2 External supplies and services

(Thousands of euros)	2011	2010
Rent and royalties	68,951	62,511
Advertising, promotion and public relations	35,683	40,144
Professional services	20,908	22,720
Sundry services	24,620	25,816
Supplies	26,273	25,058
Travel expenses	11,860	13,465
Repair and maintenance	17,926	19,711
Security	8,858	9,343
Postal services, communications and telephone	10,197	8,682
Insurance premiums	5,220	10,828
Cleaning services	6,502	6,846
Bank services and similar	4,974	4,843
Transportation	2,967	2,753
Research and development expenses	253	709
	245,192	**253,429**

20.3 Foreign exchange results

(Thousands of euros)	2011	2010
Income	5,570	8,111
Expenses	(11,801)	(8,588)
	(6,231)	**(477)**

Net exchange differences from translation of financial balances in foreign currency between Group companies, are recognized in *Translation differences*, as a component that decreases the shareholders' equity at December 31, 2011 by an amount of 1,658 thousand euros (2010: 10,641 thousand euros), since they are considered as exchange differences arising from monetary components of a net investment in a foreign business.

21. RELATED PARTIES

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

(Thousands of euros)	2011	2010
Sale of slot machines	10,456	9,418
Revenues for rendering of services	1,747	2,012
Operating expenses	(10,768)	(12,402)
Interest income	4,058	4,564
Interest expenses	(158)	(19)

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

Accounts receivable derived from these transactions at year end are described in Note 8.

The non-current payable balance amounting to 22,292 thousand euros corresponding to the current account with Nortia Business Corporation, S.L. is detailed in Note 16 *Other Creditors*.

Finally, Accounts payable, arising from commercial transactions, amount to 845 and 2,578 thousand euros at December 31, 2011 and 2010, respectively, and are recognized under *Trade payables*.

22. CONTINGENCIES

Venezuela

Tax authorities raised assessments against a subsidiary (in which the Group has a percentage of ownership of 70%) that operates a casino in Isla Margarita (Venezuela), relating to the supposed non-compliance with an obligation to withhold taxes on gaming prizes as established by a generic tax regulation in that country that does not specifically contemplate the activities of casinos. The related amount, for the year 1998 to 2003, is over 3.8 million euros. This amount was raised by the tax authorities through a global estimation process that did not consider the features of a casino that make it almost impossible to make withholding on prizes. The assessment was appealed against, arguing both the non-applicability of this obligation to a casino and the existence of severe legal deficiencies in the assessment itself. Based on advice of legal counsel, the Group considers that its position will prevail and, therefore, no provision is included in the consolidated financial statements.

Tax law for the activities of games on chance published in June 2007 by the Venezuelan tax authorities establishes an additional tax to that paid by a Group company (in which the Group has a 67.5% percentage of ownership) related to the operation of machines, which for 2007 amounted to approximately 0.9 million euros. The Group, in accordance with its legal advisors, estimates a sentence in favor of its interests of appeals; accordingly no provision has been recorded in this regard.

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 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. The agreement is currently being analyzed by the parties.

Despite the abovementioned agreement, the Government of the Autonomous City of Buenos Aires has 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 has lodged an appeal against the abovementioned precautionary measures.

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 signing of the agreement between LNSE and the Bet and Gambling Institute of the Autonomous City of Buenos Aires and b) 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. Therefore, the Group's legal advisors consider that an unfavorable result of this matter is remote.

Italy

In 2007 the Italian Court of Auditors (Corte dei Conti) started proceedings against Cirsa Italia, SpA and the rest of online recreational machine operators, alleging that they had not fulfilled some obligations they had as authorized operators, and imposed a fine on such company amounting to 3,300 million euros (98,000 million euros on all the online operators as a whole). The Group and the rest of online operators lodged an appeal against such fine.

On February 17, 2012 the Italian Court of Auditors issued a ruling whereby Cirsa Italia has been fined 120 million euros (2,500 million euros for all the operators as a whole).

The management of the Group and legal advisors consider that the ruling has no legal arguments based on:

- The ruling does not consider the technical report issued by an expert appointed by the Court of Auditors itself.
- The methodology used to calculate the damage caused to the State of Italy has no foundation.

The Group intends to appeal against the ruling before a higher court, which will suspend its execution. Consequently, no provision has been recognized in the statement of financial position at December 31, 2011.

In any case, the fine imposed only relates to Cirsa Italia, SpA and does not affect any other group company, according to the Group's legal advisors.

23. INFORMATION ON ENVIRONMENTAL ISSUES

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

24. AUDIT FEES

Fees and expenses referred to the audit of the 2011 financial statements of the Group's companies rendered by the primary auditors and other firms belonging to the auditor's international network amounted to 1,423 thousand euros in 2011 and 1,485 thousand euros in 2010.

In addition, fees and expenses paid during the year corresponding to other services rendered by the primary auditors or other firms within their international network amounted to 335 thousand euros in 2011 and 94 thousand euros in 2010.

25. DIRECTORS AND SENIOR EXECUTIVES

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

(Thousands of euros)	2011	2010
Directors		
Salaries	1,505	1,500
Senior executives		
Salaries	4,800	4,800
	6,305	6,300

At December 31, 2011 there are current accounts receivable with the Company's Directors amounting to 766 thousand euros (735 thousand euros in 2010). These accounts accrue an annual interest of 4.25%.

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

Pursuant to articles 229 and 230 of the Spanish Capital Companies Law, the Directors have informed the Company that there are no situations representing a conflict for the Group and that they hold the following equity investments and/or carry out duties in companies whose activity is identical, similar or complementary to the activity which comprises the Group's corporate purpose:

Director	Company	% of equity interest	Position / Duties
Manuel Lao Hernández	Nortia Business Corporation, S.L.	96.07%	Joint-Administrator
Esther Lao Gorina	Nortia Business Corporation, S.L.	1.19%	Joint-Administrator
Manuel Lao Gorina	Cirsa Amusement Corporation, S.L.	-	Chairman
	Global Bingo Corporation, S.A.	-	Chairman
	Global Casino Technology Corporation, S.A.	-	Chairman
	Cirsa Interactive Corporation, S.L.	-	Chairman
	Cirsa Servicios Corporativos, S.L.	-	Chairman
	Cirsa Intenational Gaming Corporation, S.A.	-	Chairman
	Global Manufacturing Corporation, S.L.	-	Chairman
	Cirsa Slot Corporation, S.L.	-	Chairman
	Nortia Business Corporation, S.L.	1.19%	Joint-Administrator
	Opesa Internacional, S.A.	-	Chairman

26. OBJECTIVES AND POLICIES OF FINANCIAL RISK MANAGEMENT

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

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

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

26.1 Credit risk

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

Guarantees on loans and the credit risk exposure are shown in Note 8.

26.2 Interest rate risk

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

The breakdown of liabilities that accrue interests at 2011 and 2010 year end is as follows:

	2011		2010	
(Thousands of euros)	Fixed interest rate	Floating interest rate	Fixed interest rate	Floating interest rate
Bonds	660,636	-	612,216	-
Bank borrowings	-	188,826	-	206,087
Other creditors	-	64,998	-	79,900
	660,636	253,824	612,216	285,987

At December 31, 2011 and 2010 financial liabilities at a fixed interest rate represented 72% and 68%, respectively, of total liabilities. 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 2,538 thousand euros and 2,860 thousand euros in 2010.

The Group estimates that fair value of the financial liabilities' instruments does not differ significantly from the accounted amounts.

The breakdown of assets that accrue interests at 2011 and 2010 year end is as follows:

	2011		2010	
(Thousands of euros)	Fixed interest rate	Floating interest rate	Fixed interest rate	Floating interest rate
Nortia Business Corporation, S.L.	69,696	-	64,702	-
Loans to jointly-controlled business and associates	12,631	13,865	11,733	11,465
Loans to third parties	6,509	30,661	8,963	31,765
Deposits and guarantees	41,536	-	33,349	-
Fixed-income securities and deposits	2,842	-	4,158	-
Trade and other receivables	1,342	-	1,649	-
	134,556	44,526	124,554	43,230

The Group estimates that the fair value of the assets' financial instruments does not differ significantly from the net book value, except for the comment in Note 14.

26.3 Foreign currency risk

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

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

The following study on sensitivity shows the foreign currency risk:

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

	Thousands of euros	
Variation	2011	2010
+ 10%	(1,979)	(1,038)
+ 5%	(1,036)	(544)
- 5%	1,145	601
- 10%	2,418	1,269

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

	Thousands of euros	
Variation	2011	2010
+ 10%	(4,058)	(3,498)
+ 5%	(2,033)	(1,832)
- 5%	2,657	2,025
- 10%	5,393	4,275

These variations correspond basically to the impact on operating magnitudes, and not on financial figures, since approximately 90% of Group financial liabilities, in both years, are paid in euros.

26.4 Liquidity risk

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

At December 31, 2011 and 2010, 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 statements of cash flows. Additionally, the Group obtains very high EBITDA, as observed in the consolidated statement of comprehensive income, which allows it to face debt service without cash difficulties.

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

- Diversification of financing sources through the access to different markets and geographical areas. In this regard, the Group has an additional borrowing capacity (see data in Note 15).

- Credit facilities committed for the sufficient amount and flexibility. Accordingly, the Group has available cash and cash equivalents amounting to 67 million euros at December 31, 2011 (2010: 65 million euros), to meet unexpected payments.

- The length and repayment schedule for financing through debt is established based on the financed needs.

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

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

The relevant information on the maturity dates of financial liabilities based on contractual terms is broken down in Notes 14, 15 and 16.

27. CAPITAL MANAGEMENT POLICY

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

The Group's strategy, both in 2011 and 2010, 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 been also established as a priority action, with satisfactory results.

As stated in Note 14, the contracts entered into in relation to corporate bonds issued include limitations on the payment of dividends. The Company does not intend to distribute dividends in the short to medium term given that the Group policy is not to distribute dividends.

28. INFORMATION ON LATE PAYMENT TO SUPPLIERS

With respect to 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, the Company includes a breakdown of the total amounts paid to suppliers in the current year, differentiating between payments exceeding the legal late payment limit, the exceeded weighted average deadline and overdue balances payable to suppliers which at year end exceed the legal payment deadline:

	Payments made and overdue balances at year end	
	2011	
	Amount	%
Within maximum legal deadline (*)	200,334	93.69%
Rest	13,496	6.31%
Total payments during the year	213,830	100.00%
EWAD (days) of payments	62.33	
Late payments exceeding maximum legal deadline at year end	1,153	

(*) The legal payment deadline 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.

At December 31, 2010 the overdue balances payable to suppliers which exceeded the legal payment deadline amounted to 408 thousand euros.

29. EVENTS AFTER THE BALANCE SHEET DATE

At the date of preparation of these financial statements no significant event has occurred after the balance sheet date.

30. ADDITIONAL NOTE FOR ENGLISH TRANSLATION

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

These financial statements are presented on the basis of International 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 do not conform with generally accepted principles in other countries.

March 30, 2012

Cirsa Gaming Corporation Group

Consolidated Management Report

Year ended December 31, 2011

In 2011, despite the complex economic situation, the Group's revenues from prizes have increased by 12,718 thousand euros (1.02%) mainly due to the good performance shown by the International Casino Division.

This year's EBITDA was 290,001 thousand euros, compared to 260,002 thousand euros last year, which represents a 11.5% increase (+29,979 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, as well as tackling and competing in international markets 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 2,283 thousand euros.

The Group's strategy for the future is focused on continuing to consolidate and make its already existing business activities profitable, applying its policy of efficiency and productivity programs, combined with selectively chosen investments, analyzed and conducted strictly.

On May 28, 2004, the Parent Company acquired 2.47% of the shares of the said company 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 group 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 30, 2012

List of subsidiaries

Company	Activity	Percentage of ownership 2011	Percentage of ownership 2010	Investment holder	Business address	City	Province/Country
Accord Investment, S.A.	Operational	-	100,00%	Allgames, S.R.L.U.	Rua de la Vallée, 44	Luxembourg	Luxembourg
Administradores De Personal En Entretenimiento, SA de CV	Bingos	100,00%	-	Bincamex, S.A. de CV.	Bosque de Duraznos, 61 3B	México D.F.	México
Ajar, S.A.	Bingos	75,00%	75,00%	Global Bingo Corporation, S.A.U.	Av. Muñoz Vargas, 18	Huelva	Huelva
Allgames, S.R.L.U.	Operational	-	100,00%	Cirsa Italia, S.A.	Centro Direzionate Milanofiori, Strada 2, Palazzo D4	Assago	Milán
Ancon Entertainmant, S.A.	Casinos	50,00%	-	Cirsa International Gaming Corporation, S.A.U.	Calle 50 y 73 Este San Francisco	Ciudad de Panamá	Panamá
Automáticos Siglo XXI, S.L.U.	Operational	75,00%	75,00%	Juegomatic, S.A.	Martillo, 26	Sevilla	Sevilla
Baquei Inversiones, S.L.U.	Operational	100,00%	100,00%	Cirsa Slot Corporation, S.L.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Bar Juegos, S.L.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U. y Madrileña 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 C.V.	Bingos	100,00%	100,00%	Cirsa International Gaming Corporation, S.A.U.	Cantú, 9 - 601. Colonia Nueva Anzures	México D.F.	México
Bincano, S.A.	Bingos	60,00%	60,00%	Global Bingo Corporation, S.A.U.	Elcano, 30-32	Bilbao	Vizcaya
Bingames, S.A.U	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U.	Consell de Cent, 106-108	Barcelona	Barcelona
Bingaser, A.I.E.	Bingos	100,00%	100,00%	Varios	Capitán Haya, 3 1 dcha.	Madrid	Madrid
Bingos de Madrid Reunidos, S.A.U.	Bingos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Fermina Savillano, 5-7	Madrid	Madrid
Bingos Electronicos De Panamá, S.A.U.	Casinos	100,00%	-	Gaming & Services De Panamá, S.A.U.	Calle 50 y 73 Este San Francisco	Panamá	Panamá
Bingos Malagueños, S.A.U.	Bingos	100,00%	100,00%	Sobima, S.A.U.	Pz. Cruz de Humilladero, S/n	Málaga	Málaga
Binred Madrid, S.A.	Bingos	100,00%	-	Novojuegos, S.A. Y Sala Versalles, S.A.	C/ Bravo Murilo, 309	Madrid	Madrid
Bumex Land, S.L.	Bingos	65,30%	50,00%	Global Bingo Corporation, S.A.U.	Elcano, 30-32	Bilbao	Vizcaya
B2B Central Reporting, S.A. De C.V.	B2B	100,00%	-	Cirsa Interactive Corporation, S.L.	Bosque de Duraznos, 61 3 b, Bosquas Lomas	México D.F.	México
Cafetería Miami, S.A.U.	Casinos	100,00%	100,00%	Gaming & Services, S.A.C.	Av. La Marina, 1725	San Miguel (Lima)	Perú
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.L.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,	Centro de Interés Turístico Nacional. Monte	Puçol	Valencia
Casino Nueva Andalucía Marbella, S.A.U.	Casinos	100,00%	100,00%	Global Casino Technology Corporation,	Ctra. Cádiz-Málaga Km. 180	Marbella	Málaga
Casinos de Juego Cirsa Chile Limitada	Casinos	100,00%	100,00%	Sociedad Inversiones Cirsa Chila Ltda.	Comuna de las Condes	Santiago de Chile	Chile
Cirsaecuedor, S.A.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation, S.A.U.	Inglaterra E3263 y Ava. Amazonas	Quito	Ecuador
Cirsa Amusement Corporation, S.L.U.	Operationel	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Consell de Cent, 106-108	Barcelona	Barcelona
Cirsa Amusement France, S.A.U.	Operational	100,00%	100,00%	Cirsa Slot Corporation, S.L.U.	10 Impasse Leonce Couture	Tolouse	France
Cirsa Capital Luxembourg, S.A.	Structure	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Rue Charles Martel, 58	Luxembourg	Luxembourg
Cirsa Caribe, C.A.	Casinos	70,00%	70,00%	Cirsa Venezuela, C.A.U.	Avda. 4 de Mayo. Centro Comercial. Local 41	Porlamar	Venezuela
Cirsa Casino Corporation, S.L.U.	Casinos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Cirsa Casino de Antofagasta, S.A.	Casinos	54,80%	54,80%	Cirsa Casinos de Juego de Chile, S.A.	Comuna de Antofagasta	Antofagasta	Chile
Cirsa Casino de Calama, S.A.U.	Casinos	54,80%	54,80%	Cirsa Casinos de Juego de Chile, S.A.	Comuna de Calama	Calama	Chile
Cirsa Casino de Copiapo, S.A.	Casinos	54,80%	54,80%	Cirsa Casinos de Juego de Chile, S.A.	Comuna de Copiapo	Copiapo	Chile
Cirsa Casino de Punta Arenas, S.A.	Casinos	54,80%	54,80%	Cirsa Casinos de Juego de Chile, S.A.	Comuna de Punta Arenas	Punta Arenas	Chile
Cirsa Casino de Rancagua, S.A.	Casinos	54,80%	54,80%	Cirsa Casinos de Juego de Chile, S.A.	Comuna de Rancagua	Rancagua	Chile
Cirsa Casino de Temuco, S.A.U.	Casinos	54,80%	54,80%	Cirsa Casinos de Juego de Chile, S.A.	Comuna de Temuco	Temuco	Chile
Cirsa Casino del Bio Bio, S.A.U.	Casinos	54,80%	54,80%	Cirsa Casinos de Juego de Chile, S.A.	Comuna de Hualpén	Hualpén	Chile
Cirsa Casinos de Juego de Chile, S.A.	Casinos	54,80%	54,80%	Casinos de Juego Cirsa Chile Limitada	Nueva Tajamar 481 Torre Norte, Of. 706	Las Condes	Chile
Cirsa Digital, S.A.U.	Operational	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.	Estado de Nueva Esparta (Porlamar)	Isla Margarita	Venezuela
Cirsa Interactive Corporation, S.L.	B2B	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Consell de Cent, 106-108	Barcelona	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, S.A.U.	Operational	100,00%	100,00%	Cirsa International Gaming Corporetion,	Centro Direzionale Milanofiori, Strada 2	Assago (Milan)	Italy
Cirsa Penamá, S.A.U.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation,	Vía Domingo Díaz	Ciudad de Panamá	Panamá
Cirsa Servicios Corporativos, S.L.U.	Structure	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Consell de Cent, 106-108	Barcelona	Barcelona
Cirsa Slot Corporation, S.L.U.	Operational	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Consell de Cent, 106-108	Barcelona	Barcelona
Cirsa Suriname A.V.V.U.	Casinos	-	100,00%	Cirsa International Gaming Corporation,	Zoutmaustraat, 35	Oranjestad	Aruba

List of subsidiaries

Company	Activity	Percentage of ownership 2011	Percentage of ownership 2010	Investment holder	Business address	City	Province/Country
Cirsa Venezuela, C.A.U.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation, S.A.U.	D. Marino, Nueva Esparta, Porlamar	Isla Margarita	Venezuela
Cirsacom, S.R.L.U.	Operational	100,00%	-	Cirsa Italia, S.A.U.	Centro Direzionale Milanofiori, Strada 2	Assago	Italy
Club Privado De Fumadores Nuestro Espacio	Bingos	100,00%	-	Bingos de Madrid Reunidos, S.A.U.	Avda. Moratalaz, 42 bajos	Madrid	Madrid
Comercial de Desarrollos Electrónicos, S. A.U.	Operational	100,00%	100,00%	Global Game Machine Corporation, S.A.U.	Pi i Margall, 201	Terrassa	Barcelona
Complejo Hotelero Monte Picayo, S.A.U.	Casinos	100,00%	100,00%	Global Casino Technology Corporation, S.A.U.	Complejo Hotelero Monte Picayo	Sagunto	Valencia
Electrojuegos Zaragoza, S.L.U.	Operational	-	100,00%	Global Game Machine Corporation, S.A.U.	Jaime Ferran,5 P.I. La Cogullada	Zaragoza	Zaragoza
Electrónicos Radisa, S.L.U.	Operational	100,00%	100,00%	Cirsa Slot Corporation, S.L.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Empresa Explotadora del Juego del Bingo, S.A.	Bingos	100,00%	100,00%	International Bingo Technology, S.A.U. y Bingos de Madrid Reunidos, S.A.U.	Pza. Corregidor A. Aguilar, s/n	Madrid	Madrid
Ferrojuegos, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U. y Global Bingo Madrid, S.A.U.	Ferrocarril, 38	Madrid	Madrid
Gaming & Services de Panamá, S.A.U.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation,	Calle 50 y 73 Este San Francisco	Ciudad de Panamá	Panamá
Gaming & Services, S.A.C.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation,	Av. Grau, 1006	Lima	Perú
Gea Link, S.A.U.	B2B	-	100,00%	Cirsa Interactive Corporation, S.L.U.	Consell de Cent, 106-108	Barcelona	Barcelona
Gema, S.r.l.U.	Bingos	100,00%	100,00%	Cirsa International Gaming Corporation,	D4	Assago (Milán)	Italy
Genper, S. A.U.	Operational	100,00%	100,00%	Global Game Machine Corporation, S.A.U.	Pi i Margall, 201	Terrassa	Barcelona
Gestión de Bingos Gobylán, S. A.U.	Bingos	100,00%	100,00%	International Bingo Technology, S.A.U.	Pza. de la Iglesia, 10	Sta. C. de Tenerife	Tenerife
Gestión del Juego Integral, S.A.U.	Casinos	100,00%	100,00%	Cirsa Interactive Corporation, S.L	C/de la Resina, 22-24, Puerta 8-9	Madrid	Madrid
S.L.U.	Operational	100,00%	-	Recreativos Ove, S.L.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Global Amusement Partners Corporation, S.A.U.	Operational	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Global Bingo Corporation, S.A.U.	Bingos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Consell de Cent, 106-108	Barcelona	Barcelona
Global Bingo Madrid, S.A.U.	Bingos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Capitán Haya, 3 1 dcha	Madrid	Madrid
Global Bingo Stars, S.A.U.	Bingos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Capitán Haya, 3 1 dcha.	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.	Operational	100,00%	100,00%	Cirsa Slot Corporation, S.L.U.	Pi i Margall, 201	Terrassa	Barcelona
Global Gaming Corporation Russia, S.L.U.	Operational	100,00%	100,00%	Cirsa Slot Corporation, S.L.U.	Ctra.Castellar, 298	Terrassa	Barcelona
Global Gaming, S.A.U.	Casinos	100,00%	100,00%	Winner Group, S.A.	Calle 38 Norte, 6 N-35	Cali	Colombia
Global Manufacturing Corporation, S.L.U.	B2B	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Consell de Cent, 106-108	Barcelona	Barcelona
Gonmatic, S.L.U.	Operational	100,00%	-	Cirsa Slot Corporation, S.L.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Grasplai, S.A.U.	Bingos	100,00%	100,00%	Romgar, S.A.U.	Av. Generalitat, 6	Sta. Coloma	Barcelona
Hispania Investment, S.A.U.	Structure	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Hostebar 98, S.L.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U. y Madrileña de Servicios para el Bingo, S.L.U.	Ferrocarril, 38	Madrid	Madrid
Infinity Games, Ltda.	Casinos	-	100,00%	Cirsa International Gaming Corporation, S.A.U.	Avda.19 de Noviembre, 122-64	Santa Fe de Bogotá DC	Colombia
Integración Inmobiliaria World de Mexico, S.A. De C.V.	Bingos	100,00%	100,00%	Promociones e Inversiones de Guerrero, S.A.	Bosque de ciruelos, 186	México D.F.	México
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 Casino Corporation, S.L.U.	Consell de Cent, 106-108	Barcelona	Barcelona
Intesa Giochi, S.R.L.U.	Operational	50,00%	50,00%	Royal Games, S.R.L.	Via Casati Felice, 32	Milán	Italy
Inversiones Interactivas, S.A.	Casinos	70,00%	70,00%	Orbis Development, S.A.U.	Av. Obarrio, 57	Ciudad de Panamá	Panamá
Inversiones Recreativas de Occidente, C.A.	Casinos	67,50%	67,50%	Cirsa International Gaming Corporation, S.A.U.	Calle 77, Edif. Bingo	Maracaibo	Venezuela
Investment & Securities, S.A.U.	Casinos	100,00%	100,00%	Cirsa Internacional Gaming Corporation,	Calle 50 y 73 Este San Francisco	Ciudad de Panamá	Panamá
Ivisa - Casino Buenos Aires, U.T.E.	B2B	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
Juegomatic, S. A.	Operational	75,00%	75,00%	Global Game Machine Corporation, S.A.U.	Av. Velázquez, 91	Málaga	Málaga
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%	70,00%	Cirsa Venezuela, C.A.U.	Avda. Fco. de Miranda	Caracas	Venezuela
La Barra Ancon, S.A.	Casinos	50,00%	-	Ancon Entertainment, S.A.	Calle 50 y 73 Este San Francisco	Ciudad de Panamá	Panamá
La Barra Panama, S.A.U.	Casinos	100,00%	-	Cirsa International Gaming Corporation, S.A.U.	Calle 50 y 73 Este San Francisco	Ciudad de Panamá	Panamá
Lista Azul, S.A.U.	Bingos	100,00%	100,00%	Bingames, S.A.U.	Gran Passeig de Ronda, 87	Lleida	LLeida
Loto Caribe, S.L.U.	B2B	-	100,00%	Gea Link, S.A.U.	Consell de Cent, 106-108	Barcelona	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

List of subsidiaries

Company	Activity	Percentage of ownership 2011	Percentage of ownership 2010	Investment holder	Business address	City	Province/Country
Macrojuegos, S.A.U.	Bingos	100,00%	100,00%	International Bingo Technology, S.A.U.	Dionisio Guardiola, 34	Albacete	Albacete
Madrileña de Servicios para el Bingo, S.L.U.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U.	Fermina Sevillano, 5-7	Medrid	Madrid
Mendoza Central Entretenimientos, S.A.	Casinos	51,00%	51,00%	Cirsa International Gaming Corporation, S.A.U.	9 de Julio nº municipal 318, esquina C	Ciudad de Mendoza	Argentina
Monazar Star, S.L.U.	Operational	100,00%	100,00%	Cirsa Slot Corporation, S.L.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Necos, Ltda. U.	Casinos	100,00%	100,00%	Investment & Securities, S.A.U.	22 Richmond Hill (Ratmines)	Dublin	Irlanda
Novojuegos, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U. y Global	Bravo Murillo, 95	Madrid	Madrid
Nyalam, S.A.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation,	Adolfo Alsina, 01729 Piso PB	Buenos Aires	Argentina
O'donnell Juegos, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U. y Bingos de Madrid Reunidos, S.A.U.	O'Donell, 21 y 23	Madrid	Madrid
Red de salones de Aragón, S.L.U.	Operational	100,00%	100,00%	Cirsa Interactive Corporation, S.L.	Ctra. De Castellar, 298	Terrassa	Barcelona
Operglobal, S.L.U.	Operational	-	100,00%	Global Game Machine Corporation, S.A.U.	Jaime Ferran,5 P.I. La Coqullada	Zaragoza	Zaragoza
Oporto Juegos, S.A.U.	Bingos	100,00%	100,00%	Global 5 Estrellas, S.A.	Av. Oporto, 4	Madrid	Madrid
Orbis Development, S.A.U.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation,	Swiss Tower, 16th floor, World Trade Center	Ciudad de Panamá	Panamá
Playcat, S.A.U.	Bingos	100,00%	100,00%	Bingames, S.A.U.	Cádiz, 1	Terrassa	Barcelona
Pol Management Corporation, B.V. U.	Operational	100,00%	-	Cirsa International Gaming Corporation, S.A.U.	Emancipatie Boulevard 29 New Haven e-Zone	Curacao	Netherlands Antillas
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. de C.V.	Bingos	100,00%	100,00%	Bincamex, S.A. de CV.	Bosque de Duraznos, 61 3 b, Bosques Lomas	México D.F.	México
Promociones Tauro, S.L.U.	Operational	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.	Consell de Cent, 106-108	Barcelona	Barcelona
Recreativos Acapulco MRA, S.L.U.	Operational	100,00%	100,00%	Cirsa Slot Corporation, S.L.U.	Pinto, 9	Parla	Madrid
Recreativos Del Istmo, S.A.	Casinos	50,00%	-	Cirsa International Gaming Corporation,	Calle 50 y 73 Este San Francisco	Ciudad de Panamá	Panamá
Recreativos Ove, S.L.U.	Operational	100,00%	-	Cirsa Slot Corporation, S.L.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Recreativos Rodes, S.A.U.	Operational	100,00%	100,00%	Genper, S.A.U.	German Bernacer, 22 P.I. Elche Parque Ind.	Elche	Alicante
Red de Bingos Andaluces, A.I.E.	Bingos	54,00%	54,00%	Varios	Martillo, 26	Sevilla	Sevilla
Red de Interconexión de Andalucía, S.L.U.	B2B	100,00%	100,00%	Cirsa Interactive Corporation, S.L.	Martillo, 26	Sevilla	Sevilla
Romgar, S.A.U.	Bingos	100,00%	100,00%	Telma Enea, S.L.U.	Cayetano del Toro, 23	Cádiz	Cádiz
Sacres, S.A.	Casinos	99,00%	99,00%	Cirsa International Gaming Corporation,	Tucuman, 8	Buenos Aires	Argentina
Sadeju, S.L.U.	Bingos	100,00%	100,00%	Romgar, S.A.U.	Av. Cayetano del Toro, 23 Bj.	Cádiz	Cádiz
Sala Versalles, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U. y Global Bingo Stars, S.A.U.	Bravo Murillo, 309	Madrid	Madrid
SCB Almirante Dominicana, S.R.L	Casinos	100,00%	100,00%	SCB Caribe, S.A.U.	Av. A. Lincoln , 403, La Julia	S. Domingo	Dominican R.
SCB Anil Dominicana, S.R.L.	Casinos	100,00%	100,00%	SCB Caribe, S.A.U.	Av. Máximo Gómez / Avda. 27 Febrero	Guzman	Dominican R.
SCB del Caribe, S.A.U.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation,	C/ 53 Urb. Obarrio Swiss Tower, Piso 16	Ciudad de Panamá	Panamá
SCB Hispaniola Dominicana, S.R.L.	Casinos	100,00%	100,00%	SCB Caribe, S.A.U.	Av. A. Lincoln /Correa y Cidron	Guzman	Dominican R.
SCB Malecon Dominicana, S.A.	Casinos	100,00%	100,00%	SCB Caribe, S.A.U.	Av. George Washington,centro comercial Malecón	Santo Domingo Guzman	Dominican R.
SCB Margarita, C.A.U.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation,	Estado de Nueva Esparta (Porlamar)	Isla Margarita	Venezuela
Sema Automatic, S.A.U.	Operational	-	100,00%	Global Game Machine Corporation, S.A.U.	Sierra Telar, 40 P.I. La Juaida	Viator	Almería
C.V.	Bingos	100,00%	-	Bincamex, S.A. de CV.	Bosque de Duraznos, 61 3B	México D.F.	México
Servicios Integrales del Juego, A.I.E.	Structure	100,00%	100,00%	Varios	Ctra. 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
Sobreaguas, S.A.	Casinos	100,00%	100,00%	Sacres, S.A.	Av. Alicia Morean de Justo, 1960, 1º, ofic 102	Buenos Aires	Argentina
Sociedad de Inversiones Cirsa Chile Limitada	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation,	Comuna de los Condes	Santiago de Chile	Chile
Sodemar, S.L.U.	Bingos	100,00%	100,00%	Romgar, S.A.U.	Sacramento, 16 duplicado	Cádiz	Cádiz
Sternal Bay Venezuela, C.A.	B2B	100,00%	100,00%	Cirsa Interactive Corporation, S.L.	Avda. Fco. de Miranda	Caracas	Venezuela
Techlotto Co., Ltd.U.	B2B	100,00%	100,00%	Red de Interconexión de Andalucía, S.L.U.	33, Youido-Dong, Yeongdeungpo-Gu	Seoul	Corea
Tecnostar, S.A.U.	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation,	Rincón, 512	Montevideo	Uruguay
Tefle, S.A.U.	Bingos	100,00%	100,00%	International Bingo Technology, S.A.U	Tenor Fleta, 57	Zaragoza	Zaragoza
Telma Enea, S.L.U.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U.	Sevilla, 10-14	Frontera	Cádiz
Troyjocs, S.L.	Operational	100,00%	100,00%	Cirsa Slot Corporation, S.L.U.	Ctra. De Castellar, 298	Terrassa	Barcelona
UDESA	Casinos	100,00%	100,00%	SCB Caribe, S.A.U.	C/Mustafa Kemal Ataturk, 52 (Ensanche Naco)	Santo Domingo	Dominican R.
Unidesa Argentina, S.A.	B2B	100,00%	100,00%	Universal de Desarrollos Electrónicos, S. A.	Alsina, 1729	Buenos Aires	Argentina
Unidesa Colombia, L.T.D.	B2B	100,00%	100,00%	Universal de Desarrollos Electrónicos, S. A.	Calle 52, 46 34 p4	Medellin	Colombia
Unidesa Equipment, S.A.U.	B2B	100,00%	100,00%	Universal de Desarrollos Electrónicos, S. A.	241 Persimond Street	Johanessburg	South Africa
Unidesa Perú, S.A.	B2B	100,00%	100,00%	Universal de Desarrollos Electrónicos, S. A.	Avda. Jose Pardo, 513, 8	Lima	Perú

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Unidesa Venezuela, C.A.	B2B	-	100,00%	Universal de Desarrollos Electrónicos, S. A.	Estado de Nueva Esparta (Porlamar)	Porlamar	Venezuela
Uniplay, S.L.U.	Operational	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Universal de Casinos, S.A.	Casinos	-	50,01%	Winner Group, S.A.	Cl 22 6 53 Centro	Bogota	Colombia
Universal de Desarrollos Electrónicos, S. A.	B2B	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Vendimatic Cinco Hela, S.L.U.	Operational	-	100,00%	Global Game Machine Corporation, S.A.U.	Jaime Ferran,5 P.I. La Cogullada	Zaragoza	Zaragoza
Verneda 90, S.A.U.	Bingos	100,00%	100,00%	International Bingo Technology, S.A.U.	Guipuzcoa, 70	Barcelona	Barcelona
Win Sistemas - SCB Argentina, U.T.E.	B2B	-	99,50%	Casino Buenos Aires, S.A.	Marcelo T. De Alvear, 624	Buenos Aires	Argentina
Winner Group, S.A.	Casinos	50,01%	50,01%	Necos Limited e Investments & Securities, S.A.U.	Avda.19 de Noviembre, 122-64	Santa Fe de Bogotá DC	Colombia
Yumbo San Fernando, S.A.	Bingos	60,00%	60,00%	Bingames, S.A.U. y Global Bingo Corporation, S.A.U.	San Fernando, 48	Santander	Cantabria
Zarajuego, S.L.U.	Operational	-	100,00%	Global Game Machine Corporation, S.A.U.	Jaime Ferrar, P.I. La Cogullada	Zaragoza	Zaragoza

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Agrupación De Explotaciones Recreativas Y De Juego, S.L.	Bingos	25,00%	-	Metronia, S.A. Y Servitronic Andalucia, S.L.	C/ Rastrillo, 4	Sevilla	Sevilla
Alavera, S.A.	Casinos	50,00%	50,00%	Sacres, S.A.	Av. Alicia Moreau de Justo, 1960	Buenos Aires	Argentina
Andy Games, S.R.L.	Operational	25,50%	25,50%	Royal Games, S.R.L.	Comune di Milano	Milán	Italy
AOG, S.r.l.	Bingos	50,00%	50,00%	Cirsa International Gaming Corporation, S.A.U. y Gema Srl. U.	Vía Galieo Galilei, 20	Silea (TV)	Italy
Ariv, S.A.	B2B	50,00%	50,00%	Cirsa International Gaming Corporation, S.A.U.	Río Bamba, 927, 14-E	Buenos Aires	Argentina
Automáticos Laomar, S.L.U.	Operational	50,00%	50,00%	Orlando Play, S.A.	C/Sierra Telar, 40	Viator	Almería
Automáticos Manchegos, S.L.	Operational	50,00%	50,00%	Global Amusement Partners Corporation,	Pio III, 13	Alcazar de San Juan	Ciudad Real
Binbaires, S.A.	Casinos	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
Bingo Electrónico de Euskadi, S.L.	Bingos	25,00%	-	Esjalu, S.A. Y 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.	Bosque de Duraznos, 61 3 b, Bosques Lomas	Ciudad de México	México
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
Binsavo, S. A.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U.	Ruiz Morote, 5	Alcazar de San Juan	Ciudad Real
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 la Toja, S.A.	Casinos	50,00%	50,00%	Global Casino Technology Corporation,	Isla de La Toja	El Grove	Pontevedra
CBA-CIESA, UTE	Casinos	50,00%	50,00%	Casino Buenos Aires, S.A.	C/Rawson de Dellepiane, s/n	Buenos Aires	Argentina
Comdibal 2000, S. L.	B2B	50,00%	50,00%	Global Manufacturing Corporation, S.L.U.	Pl. Els Bellots, c/ del Aire, 1	Terrassa	Barcelona
Competiciones Deportivas, S.A.	Casinos	50,00%	50,00%	Gaming & Services de Panamá, S.A.U.	Calle 50 y 73 Este San Francisco	Panamá	Panamá
Compraventa Máquinas Recreativas Moran, S.L.U.	Operational	-	50,00%	Orlando Play, S.A.	German Bernacer, 22 P.I. Elche Parque Ind.	Elche	Alicante
Edmo, S.R.L.U.	Bingos	-	50,00%	A.O.G., S.r.l.	Via Giorgio Washington, 97	Milán	Italy
Electrónicos Pisuerga, S.A.	B2B	-	50,00%	Global Manufacturing Corporation, S.L.U.	Metal, 2	Valladolid	Valladolid
Electrónicos Trujillanos, S.L.	Operational	50,00%	50,00%	Global Amusement Partners Corporation,	Avda. Guadalupe, 14	Trujillo	Cáceres
Emjucasa, 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
Extremeña 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
Festilandia, S.L.U.	Operational	-	50,00%	Resteval, S.A.	Avenida del Mediterráneo, 20	Benidorm	Alicante
Flamingo Eurometic-100, S.L.U.	Operational	50,00%	50,00%	Orlando Play, S.A.	P.I. La Juaida, C/Sierra Telar, 40	Viator	Almería
Ghist, S.R.L.	Operational	-	25,00%	Royal Games, S.R.L.	Viale Montegrappa, 4	Pavia	Italy
Giochigenova, S.R.L.	Operational	50,00%	50,00%	Cirsa Italia, S.A.U.	Via Col Dino, 6	Genova	Italy
Goldplay, S.A.U (antes Camporro, S.A.)	Operational	-	50,00%	Orlando Play, S.A.	Sierra Telar, s/n P.I. La Juaida	Viator	Almería
Goldenplay, S.L.U.	Operational	50,00%	50,00%	Orlando Play, S.A.	German Bernacer, 22 P.I. Elche Parque Ind.	Elche	Alicante
Happy Games, S.R.L.	Operational	25,00%	25,00%	Royal Games, S.R.L.	Via Zappellini, 6	Busto Arsizio	Italy
Juegos San José, S. A.	Bingos	47,50%	47,50%	Global Bingo Corporation, S.A.U.	General Mas De Gaminde, 47 Bajos	Las Pelmas G.C.	Gran Canaria
La Cafetería del Bingo, S.L.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U.	Asunción, 3	Sevilla	Sevilla
Madrileña de Explotaciones Recreativas y de Juego, S.A.	Bingos	50,00%	50,00%	Play To Win, S.L.	C/Antonio de Cabezón, 89	Madrid	Madrid
Marchamatic Indalo, S.L.U.	Operational	50,00%	50,00%	Orlando Play, S.A.	C/Sierra Telar, 40	Viator	Almeria
Mediterranea de explotaciones recreativas y de juego, S.L.	Bingos	50,00%	50,00%	Play To Win, S.L.	C/Antonio de Cabezón, 89	Madrid	Madrid
Metronia CR, S.A.	Bingos	50,00%	50,00%	Play To Win, S.L.	San José-Tibas San Juan 100m norte 450 m oeste	Tibas	Costa Rica
Metronia Panama, S.A.	Bingos	50,00%	50,00%	Play To Win, S.L.	Av. Balboa Edif.Bay Hall Plaza	Ciudad de Panamá	Panamá
Molljoc S. XXI, S.A.U.	Bingos	50,00%	50,00%	Residencial Tibidabo, S.A.	Mallorca, 270	Barcelona	Barcelona
Montecarlo Andalucía, S.L.	Bingos	50,00%	50,00%	Globel Bingo Corporation, S.A.U.	Av. Cruz del Campo, 49	Sevilla	Sevilla
Multicasino, S.A.	Casinos	50,00%	50,00%	Gaming & Services de Panamá, S.A.U.	Calle 50, Calle 73 Este	Ciudad de Panamá	Panamá

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New Laomar, S.L.U.	Operational	50,00%	50,00%	Orlando Play, S.A.	c/Sierra Telar, 40	Viator	Almeria
Opa Services, S.r.l.	Bingos	30,00%	30,00%	A.O.G., S.r.l.	Galleria del Corso, 3	Roma	Italy
Operadora de Explotaciones Recreativas y de Juego, S.L.	Bingos	50,00%	50,00%	Play To Win, S.L.	Antonio Cabezón, 89	Madrid	Madrid
Orlando Italia, S.r.l.	Operational	50,00%	50,00%	Orlando Play, S.A.	Milano Fiori, Strada 2, Palazzo D4	Assago	Italy
Orlando Play, S.A.	Operational	50,00%	50,00%	Global Game Machine Corporation, S.A.U.	Sierra Telar, 40 P.I. La Juaida	Viator	Almería
Play to Win, S.L.	Bingos	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
Posbintra, S.A.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U.	Mallorca, 270	Barcelona	Barcelona
Recreativos Bigar, S.L.	Operational	50,00%	50,00%	Cirsa Slot Corporation, S.L.U.	Paseo Ubarburu, 37	San Sebastián	Guipúzcoa
Recreativos Jeroni Orfila, S.L.	Operational	50,00%	50,00%	Cirsa Slot Corporation, S.L.U.	C/Emili Darder Batle, 4	Palma de Mallorca	Baleares
Recreativos Manchegos, S.L.	Operational	50,00%	50,00%	Global Amusement Partners Corporation,	C/Pío III, 13	Alcazar de San Juan	Ciudad Real
Recreativos Ociomar Levante, S.L.U.	Operational	50,00%	50,00%	Orlando Play, S.A.	Ctra. De Castellar, 298	Terrassa	Barcelona
Recreativos Penaemi, S.L.U.	Operational	50,00%	50,00%	Orlando Play, S.A.	c/ German Bernacer, 22 P.I. Elche	Murcia	Murcia
Recreativos Pozuelo, S.L.	Operational	50,00%	50,00%	Global Amusement Partners Corporation,	C/Costanilla del Olivar, 2	Pozuelo de Alarcón	Madrid
Recreativos Rute, S.L.U.	Operational	-	50,00%	Orlando Play, S.A.	Sierra Telar, s/n P.I. La Juaida	Viator	Almería
Red de Juegos y Apuestas de Madrid, S.A.	Bingos	40,00%	40,00%	Varios	C/Evaristo San Miguel, 2	Madrid	Madrid
Residencial Tibidabo, S.A.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U.	Mallorca, 270	Barcelona	Barcelona
Restaval, S.A.	Operational	-	50,00%	Cirsa Slot Corporation, S.L.U.	Guadalquivir, 84	Horno de Alcedo	Valencia
Royalbet, S.R.L.	Operational	47,50%	47,50%	Royal Games, S.R.L.	Via Rismondo, 4	Pavia	Italy
Royal Bet, S.R.L.	Operational	-	50,00%	Royal Games, S.R.L.			
Royal Games, S.R.L.	Operational	50,00%	50,00%	Cirsa Italia, S.A.U.	Via F. Rismondo, nº 4	Pavia	Italy
Sala Valencia, S.A.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U.	Cuenca, 20	Valencia	Valencia
Serdisga 2000, S. L.	B2B	50,00%	50,00%	Global Manufacturing Corporation, S.L.U.	Av. Finisterre, 283	La Coruña	La Coruña
Servitronic Andalucía, S. L.	B2B	50,00%	50,00%	Global Manufacturing Corporation, S.L.U.	Pol. Aeropuerto Sector A-2, P1, N4	Sevilla	Sevilla
SGR, S.R.L.	Operational	25,00%	25,00%	Royal Games, S.R.L.	Via Bravanti, 7	Piacenza	Italy
Silver Cup Gaming, Inc.	Casinos	50,00%	50,00%	Cirsa Panamá, S.A.U.	Este	Ciudad de Panamá	Panamá
Sportium Apuestas Aragon, S.L.U.	Operational	50,00%	-	Sportium Apuestas Deportivas, S.A.	C/ Jaime Ferrán, 5	Zaragoza	Zaragoza
Sportium Apuestas Deportivas, S.A.	Operational	50,00%	50,00%	Cirsa Slot Corporation, S.L.U.	C/Santa Mª Magdalena, 10-12	Madrid	Madrid
Sportium Apuestas Lavante, S.A.U.	Operational	50,00%	-	Sportium Apuestas Deportivas, S.A.	Complejo Hotelero Monte Picayo	Puçol	Valencia
Sportium Apuestas Navarra, S.A.	Operational	50,00%	-	Cirsa Slot Corporation, S.L.U. Y Ladbrokers Betting And Gaming LTD.	Avda. Barañain, 27 1º A	Pamplona	Navarra
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
Tirreno Games, SRL	Operational	50,00%	50,00%	Cirsa Italia, S.A.U.	Via Orosei, s/n	Navacchio (Cascina)	Italy
Traylon, S.A.	Casinos	50,00%	50,00%	Casino Buenos Aires, S.A. Y Compañie de	s/n	Buenos Aires	Argentina
Vasca de Explotaciones y de Juego, S.L.	Bingos	50,00%	50,00%	Play To Win, S.L.	C/Antonio de Cabezón, 89	Madrid	Madrid

List of affiliated companies

Compeny	Activity	Percentage of ownership 2011	Percentage of ownership 2010	Investment holder	Business address	City	Province/Country
Baru-Speles, SIA	Operational	49,00%	49,00%	Cirsa International Gaming Corporation, S.A.U.	Pilsonulela, 1	Jurmala	Latvia
Casino de Asturias, S.A.	Casinos	40,00%	40,00%	Global Casino Technology Corporation, S.A.U.	Nava, 8	Gijón	Asturias
Compañía Europea de Salones Recreativos, S.L.U.	B2B	20,00%	20,00%	Universal de Desarrollos Electronicos, S.A.	Blasco de Garay, 70 - 1° B	Madrid	Madrid
Gironina de Bingos, S.L.	Bingos	20,60%	20,60%	International Bingo Technology, S.A.U.	Via Laietana, 51	Barcelona	Barcelona
Recreativos Trece, S.L.	Operational	32,00%	32,00%	Urban Leisure, S.L.	Ctra. Rellinars, 345	Terrassa	Barcelona
Urban Leisure, S.L.	Operational	32,00%	32,00%	Global Amusement Partners Corporation,	Ctra. Rellinars, 345	Terrassa	Barcelona
Fianzas y Servicios Financieros, SGR	Structure	35,23%	35,23%	Varios	Rafael Salgado, 19 3°	Madrid	Madrid