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INDEPENDENT AUDIT REPORT

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





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

INDEPENDENT AUDIT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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

Report on the consolidated financial statements

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

Directors' responsibility for the consolidated financial statements

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

Auditor's responsibility

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

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





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

Opinion

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

Report on other legal and regulatory requirements

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

ERNST & YOUNG, S.L. (Signature on the original in Spanish)	CORTÉS, PÉREZ & CIA. AUDITORES, S.L.P. (Signature on the original in Spanish)
Lorenzo López Carrascosa	Jaume Cetrà Oliva

April 10, 2015

Cirsa Gaming Corporation Group

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

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

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Appendix Consolidation perimeter at December 31, 2014 and 2013

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

ASSETS

(Thousands of euros)	Notes	2014	2013 Restated	January 1, 2013 Restated
(11100001100 01 00)	110103	2014	1105iated	Mostatod
Non-current assets		1,376,238	956,221	942,338
Goodwill	5	131,896	144,595	174,187
Other intangible assets	6	406,327	178,259	106,750
Property, plant and equipment	7	578,048	303,277	327,581
Investments accounted for using the equity method	8	69,924	116,340	130,582
Financial assets	9	104,635	117,016	127,813
Deferred tax assets	19.4	85,408	96,734	75,425
Current assets		338,292	280,154	278,344
Inventories	12	12,939	12,037	10,181
Trade and other receivables	9	183,494	182,312	179,335
Other financial assets	9	53,511	34,380	41,133
Other current assets		9,963	5,509	6,950
Cash and cash equivalents	13	78,385	45,916	40,745
Total assets		1,714,530	1,236,375	1,220,682

EQUITY AND LIABILITIES

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

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

		***	2013
(Thousands of euros)	Notes	2014	(restated
Gaming income		1,641,326	1,434,877
Other operating revenues		116,569	109,816
Bingo prizes		(166,372)	(174,603)
Total operating revenues		1,591,523	1,370,090
		.,	.,
Variable rent		(238,088)	(209,293)
Net operating revenues from variable rent	3.1	1,353,435	1,160,797
Consumptions		(55,924)	(61,037)
Personnel	21.1	(246,042)	(199,801)
Supplies and external services	21.2	(253,019)	(222.340)
Gaming taxes	2	(470,348)	(423,882)
Depreciation, amortization and impairment	5.6&7	(193,532)	(143,425)
Change in trade provisions	3,00.	(6,190)	(5,015)
Financial income		14,587	10,472
Financial costs		(99,230)	(96,012)
Change in financial provisions		(2,693)	(5,137)
Profit/(loss) on investments in associates	8	(1,510)	11,697
Exchange gains/(losses), net	21.3	(12,827)	(1,649)
Profit/(loss) on sale/disposals of non-current assets	1.3	81,801	(3,032)
Profit before income tax	1.5	108,508	21,636
		,	,
ncome tax	19.2	(32,035)	(20,653)
Net profit (loss) from continuing activities		76,473	983
Franslation differences		(46,983)	(44,802)
Tax effect		` <u>-</u>	
Other comprehensive profit/(loss) that will be reclassified to profit/(loss)			
n subsequent years		(46,983)	(44,802)
Other comprehensive profit/(loss) that will not be reclassified to			
profit/(loss) in subsequent years		-	-
Total comprehensive profit/(loss) for the year		29,490	(43,819)
otal completionare profit/(iosa) for the year		25,430	(43,013)
Net profit (loss) attributable to:			
Equity holders of the parent		55,927	(13,133)
Non-controlling interests	14.4	20,546	14,116
		76,473	983
Total comprehensive income /(loss) attributable to:			
Equity holders of the parent		13.209	(55,325)
Non-controlling interests	14.4	16,281	11,506
Hon-cond oning interests	177.77	29,490	(43,819)
		29,490	(43,019)

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

(Thousands of euros)	Share capital (Note 14.1)	Share premium	Treasury shares (Note14.2)	Retained earnings (Note 14.3)	Translation differences	Non- controlling interests (Note 14.4)	Total
At December 31, 2012 (*)	24,577	9,500	(184)	54,443	(139,708)	65,485	14,113
Net profit (loss) for the year 2013	-	-	-	(13,133)	-	14,116	983
Other comprehensive income (loss)		-			(42,192)	(2,610)	(44,802)
Total comprehensive income (loss) for the year 2013	-	-	-	(13,133)	(42,192)	11,506	(43,819)
Other changes: • Additions for the year – Business combinations	-				-	23,898	23,898
 Sale of companies Changes in the percentage of ownership 				- (11,123)	69	(1,448) (99)	(1,379) (11,222)
Dividends paid	•	-	-	•	-	(13.234)	(13.234)
At December 31, 2013 (*)	24,577	9,500	(184)	30,187	(181,831)	86,108	(31,643)
Net profit (loss) for the year 2014	-	-	-	55.927		20,546	76,473
Other comprehensive income (loss)					(42.718)	(4,265)	(46,983)
Total comprehensive income (loss) for the year 2014	-	-		55,927	(42,718)	16,281	29,490
Other changes: Additions for the year – Business combinations					13,159	170,934	184.093
Sale of companiesChanges in the percentage of	-	-		-	269	2,915	3,184
ownership Dividends paid		-		(38,865)	-	(440) (26.202)	(39,305)
At December 31, 2014	24,577	9,500	(184)	47,249	(211,121)	249,596	119,617

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

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

(Thousands of euros)	Notes	2014	2013 Restated
Cash-flows from operating activities			
Profit before tax		108,508	21,636
Adjustments to profit:			
Changes in operating provisions		6,190	5,015
Depreciation, amortization and impairment	5,687	193,532	143.425
Profit/(loss) on sale/disposals of non-current assets		(81,801)	3,032
Finance income and costs		88,846	78,980
Exchange gains/(losses), net	21.3	12,827	1.649
Other income and expenses		3,416	(5,928)
Change in:			
Inventories		(611)	(1,569)
Trade and other receivables		(6.926)	(6.289)
Suppliers and other payables		6,109	(10,480)
Gaming taxes payable		(10,995)	(12,792)
Other operating assets and liabilities, net		(17,175)	(11,031)
Income tax paid		(48,521)	(40,241)
Net cash-flows from operating activities		253,399	165,407
Cash-flows from (used in) investing activities			
Purchase of property, plant and equipment		(99,283)	(66,181)
Purchase of intangible assets		(24,327)	(33,292)
Proceeds from disposal of property, plant and equipment		564	20,694
Acquisition of investments in other companies, net of cash acquired		(55,959)	(22,536)
Current account with Nortia Business Corporation, S. L. – Outflows		(49,308)	(110,335)
Current account with Nortia Business Corporation, S. L. – Inflows		47.234	110.335
Other financial investments		(16,422)	(4,017)
Interest received and cash revenues from financial investments		6,426	6,890
Net cash-flows used in investing activities		(191,075)	(98,442)
Cools Harris forms I and to Consider a state of			
Cash-flows from (used in) financing activities		4 057 000	4 222 245
Proceeds from bank borrowings		1,357,900	1,333,845
Repayment of bank borrowings	4.5	(1.386,200)	(1,375,408)
Issue of bonds Finance leases	15	127,721	101,694
		(19,229)	(5,283)
Interest paid Funds from loans from Nortia Business Corporation, S.L.		(92,593)	(87,695)
Dividends paid and other payments		(26,518)	(12,301)
Net cash-flows used in financing activities			(13,446)
Net cash-nows used in imancing activities		(38,919)	(58,594)
Net variation in cash and cash equivalents		23,405	8,371
Cash and cash equivalents from business combinations		23,405 11,565	0,371
Net foreign exchange difference on cash balances		(2,501)	(3,200)
Cash and cash equivalents at January 1		45,916	40,745
			40,145
Cash and cash equivalents at December 31	13	78,385	45,916

Cirsa Gaming Corporation Group Notes to the consolidated statements for the year ended December 31, 2014

1. DESCRIPTION OF THE GROUP

1.1 Group activity

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

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

1.2 Composition and structure of the Group

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

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

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

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

1.3 Changes in the consolidation perimeter

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

2014

Acquisition of companies

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

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

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

· Creation of companies

In 2014 the following companies have been created:

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

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

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

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

· Sale of companies resulting in loss of control

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

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

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

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

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

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

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

· Changes in the percentage of ownership or consolidation method

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

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

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

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

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

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

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

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

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

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

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

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

Other changes in the perimeter

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

2013 (Restated)

Acquisition of companies

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

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

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

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

^(**) Interservi S.A. fully owned Gestora de Inversiones Cobiman, S.L.U. at the date of acquisition.
(***) Egartronic, S.A. fully owned 100% and 97% of Tecnijoc, S.L.U. and Apple Games 2000, S.L., respectively, at the date of acquisition.

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

Creation of companies

In 2013 the following companies were created:

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

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

Sale of companies

In 2013 the following companies were sold:

(Thousands of euros)	% of ownership at prior year end	Consolidation method at prior year end	% of ownership after the sale	Consolidation method after the sale
Sociedad de Inversiones Cirs	sa			
Chile, Limitada (*)	100%	Full	-	-
Servitronic Andalucia, S.L.	50%	Equity	-	•
Sacres, S.A.	99%	Full	-	-
Cirsa Digital, S.A.U.	100%	Full	50%	Equity
Recreativos Bigar, S.L.	50%	Equity	-	. ,
Novojuegos, S.A.U.	100%	Full	-	-
Empresa Explotadora del Jueo	10			
del Bingo, S.A.U.	100%	Full	-	•

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

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

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

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

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

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

· Changes in the percentage of ownership

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

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

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

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

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

(Thousands of euros)	Changes in non-controlling interests	Changes in accumulated results ("Reserves")
Bumex Land, S.L.	1,310	(1,310)
Juegomátic, S.A. (*)	(44)	(10,894)
Bincano, S.A.	(1,365)	1.081
	(99)	(11.123)

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

Other changes in the perimeter

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

2. BASIS OF PRESENTATION AND ACCOUNTING STANDARDS

2.1 Basis of presentation

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

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

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

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

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

2.2 Estimates and judgments

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

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

Impairment of assets

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

· Non-current assets with finite useful life

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

Recoverability of deferred tax assets

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

Provisions for taxes and other risks

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

· Business combinations and goodwill

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

Consolidation methods

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

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

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

IFRS 10 - Consolidated Financial Statements.

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

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

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

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

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

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

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

Impact on the consolidated statements of financial position

(Thousands of euros)	December 31, 2013	January 1, 2013
Goodwill	(40,698)	(42,149)
Other intangible assets	(16,663)	(16,193)
Property, plant and equipment	(94,701)	(127.082)
Other non-current assets	(23,955)	(9,485)
Cash and cash equivalents	(12,460)	(14,489)
Other current assets	(21,370)	(32,086)
Derecognition of assets	(209,847)	(241,484)
Non-current bank borrowings	21,371	33,083
Other non-current creditors	10,371	22,031
Current bank borrowings	20,389	26,302
Other current liabilities	29,687	38,557
Derecognition of liabilities	81,818	119,973
Addition of investments accounted for using the equity method	128,029	121,511
Impact		•

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

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

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

Impact on the consolidated cash flow statement for the year 2013

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

Impact on the consolidated statement of changes in equity

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

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

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

IFRS 12, Disclosures of Involvement with Other Entities.

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

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

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

2.5 Consolidation methodology

The consolidation methodology is described in the following sections:

Consolidation methods

The methods applied in the consolidation process are as follows:

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

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

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

Harmonization

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

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

Elimination of internal transactions

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

Translation of financial statements in foreign currency

General method

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

Method applied to companies in hyperinflationary countries

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

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

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

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

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

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

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

2.6 Business combinations

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

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

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

2.7 Intangible assets

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

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

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

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

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

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

2.8 Property, plant and equipment

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

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

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

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

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

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

2.9 Investments in associates

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

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

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

2.10 Financial assets

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

Loans and receivables

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

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

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

2.11 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

Non-financial assets

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

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

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

Financial assets

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

· Assets measured at amortized cost

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

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

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

Available-for-sale financial assets

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

2.15 Treasury shares

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

2.16 Provisions

Provisions are recognized when:

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

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

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

2.17 Interest yield loans and credits

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

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

2.18 Translation of balances in foreign currency

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

2.19 Leases

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

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

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

2.20 Revenues

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

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

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

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

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

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

2.21 Restructuring expenses

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

2.22 Income tax

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

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

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

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

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

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

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

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

2.23 Contingencies

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

2.24 Classification of current and non-current assets and liabilities

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

3. SEGMENT INFORMATION

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

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

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

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

3.1 Operating segments

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

Slots:

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

B2B:

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

Casinos:

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

Bingos:

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

Other segments:

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

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

(Thousands of euros)	Slots	B2B	Casinos	Bíngo	Eliminations and other	Total
Assets by segment						
Non-current assets assigned	301,267	79,178	474,851	95,166	340,368	1,290,830
Non-current assets not assigned	, 201	. 001	' 60	, 100	85,408	85,408
Current assets assigned	114.781	44.162	334,237	1/7'07	(1/5//28)	338,292
Total assets	416,048	123,940	809,088	115,437	250,017	1,714,530
Liabilities by segment						
Liabilities assigned Liabilities not assigned	(426,755)	(61,546)	(553,559)	(153,529)	(235,251)	(1,430,640)
Total liabilities	(426,755)	(61,546)	(553,559)	(153,529)	(399,524)	(1,594,913)
Net operating revenue from variable rent						
Sales to external customers	543,734	44,031	623,545	161,779	(19,654)	1,353,435
Sales intra-group	1,060	40,046	1,012	1,839	(43,957)	•
Total net operating revenue from variable rent	544,794	84,077	624,557	163,618	(63,611)	1,353,435
Profit for the year						
EBITDA (*)	98,416	15,972	216,393	18,243	(20,922)	328,102
Financial income	5,708	10,789	15,847	472	(18,229)	14,587
Financial costs	(23,243)	(5,879)	(27,415)	(12.236)	(30,457)	(99,230)
Profit/(loss) before income tax	22,030	15,205	155,000	(22,459)	(61,268)	108,508
Income tax	14,725	(4,188)	(42,199)	(4,865)	4,492	(32,035)
Net profit/(loss) from continuing operations	36,755	11,016	112,801	(27,324)	(56,775)	76,473
Non-monetary expenses						
Depreciation, amortization and impairment	(72,338)	(3,373)	(96,439)	(28,323)	6,941	(193,532)
Changes in trade provisions	(3,453)	23	(2,336)	(423)	(1)	(6,190)
Other significant expenses						
Personnel	(52,835)	(18,289)	(131,572)	(34.764)	(8,582)	(246,042)
Supplies and external services	(72,257)	(18,276)	(133,936)	(53,726)	25,176	(253,019)
Calling taxes	(203,230)	(000)	(600,001)	(49,040)	(001)	(4/0,340)
Other information by segments						
Investment in non-current assets Investments in associates	36,935 23.496	7,254	63,869 5.167	14,295	1,257	123,610
Non-controlling interests	78,420	2,504	164,492	4,180	1	249,596

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

2013 (Restated)

					Eliminations	
(Thousands of euros)	Siots	828	Casinos	Ringo	and otner	loral
Assets by segment						
Non-current assets assigned	232,081	89,653	436,078	114.776	(13,101)	859,487
Not-cuitem assets inclassigned Current assets assigned	86,054	81,129	245,963	14,816	(147,808)	280,154
Total assets	318,135	170,782	682,041	129,592	(64,175)	1,236,375
<u>Liabilities by segment</u> Liabilities assigned	(306,212)	(111,746)	(450,454)	(165,357)	(185,953)	(1,219.722)
Total liabilities	(306,212)	(111,746)	(450,454)	(165,357)	(234,249)	(1,268,018)
Net operating revenue from variable rent Sales to external customers Sales intra-group	482,225 2,872	50,316 36,954	467,239	161,914	(897) (42,784)	1,160,797
Total net operating revenue from variable rent	485,097	87,270	468,307	163,804	(43,681)	1,160,797
Profit for the year EBITDA (*)	43,628	21,611	190.323	17,411	(19,236)	253.737
Financial costs	(14,381)	(5,930)	(33,414)	(12,395)	(29,890)	(96,012)
Profit/(loss) before income tax	(35,781)	22,127	94.032	(31,185)	(27,557)	21,636
necessity from continuing operations	(38,887)	19,356	47,374	(1,103)	(25,757)	(50,037)
Non-monetary expenses Depreciation, amortization and impairment Changes in trade provisions	(47,819) (3,502)	(3.334) 508	(61,170)	(35,658) (56)	4,556 14	(143,425) (5.015)
Other significant expenses Personnel Supplies and external services Gaming taxes	(44.693) (69.730) (292,914)	(17,129) (17,358) (1,298)	(92,096) (102,062) (77,984)	(33.676) (54.007) (51,176)	(12,207) 20,817 (510)	(199,801) (222,340) (423,882)
Other information by segments Investment in associates Investments in associates Non-controlling interests	27,124 11,546 21,112	3,139 4,303	52.076 61,407 64,996	16,194 39,084	940	99,473 116,340 86,108

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

3.2 Geographic segments

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

2014

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

2013 (restated)

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

4. BUSINESS COMBINATIONS

4.1 2014

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

		(Thousands of euros)					
Name and description of companies and business	Acquisition date	Acquisition price	Fair value of acquired net assets	Non-controlling interests arisen in the business combination	Fair value of prior ownership interest	Goodwill arising on acquisition (Note 5)	
Ibermatic Games, S.L.							
and subsidiary	February 2014	150	294	144	-	-	
Techoappel, S.L. and subsidiary	February 2014	270	529	259	-		
Gran Casino de las Palmas, S.A.	February 2014	-	-	-	-	-	
Operadora Internacional de	•						
Recreativos, S.L.	January 2014	3,000	5,882	2,882	-	-	
Grupo Portal (Peruvian casinos)	April 2014	20,348	20,348	-		-	
Cirsa +, S.R.L.	February 2014	1,090	2,137	1,047		-	
Interplay, S.A.	May 2014	2,900	5,683	2,783		-	
Elettronolo Firenze, S.R.L.	August 2014	6,053	6,053			-	
Recreativos Martos, S.L.S.U.	December 2014	506	506	-	-	-	
Multicasino, S.A.	January 2014	-	2,993	3,006	3,006	3,019	
Casino de Rosario, S.A.	January 2014	-	230.972	115,486	115,486	-	
Urban Leisure, S.L.	October 2014	-	535	364	364	-	
Bingos Benidorm, S.A.	July 2014	-	1,408	704	704	_	
Bingos Andaluces, S.A.	July 2014	-	697	349	349	-	
Sala Valencia, S.A.	July 2014	-	1,088	544	544	-	
La Cafeteria del Bingo, S.L.	July 2014	-	37	18	18	-	
Comdibal 2000, S.L.	February 2014	245	5,431	2,661	2,525	-	
Orlando Play, S.A.	,						
and subsidiaries	July 2014	11,932	75,800	37,900	32,200	-	
SGR, S.R.L.	December 2014	400	509	-	109		
Automáticos Manchegos, S.L.							
and subsidiary	July 2014	487	5,688	2,787	2,434	•	
		47,381	366,590	170,934	157,739	3,019	

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

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

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

(Thousands of euros)	Fair value recognized on acquisition	Carrying amount
Property, plant and equipment	280,758	123.622
Intangible assets	248,464	10,867
Other non-current assets	43,994	40,565
Current assets	60,096	60,096
Liabilities (including generated deferred taxes)	(266,722)	(147,144)
	366,590	88,006

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

4.2 2013

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

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

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

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

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

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

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

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

5. GOODWILL

The breakdown of goodwill by operating segments is as follows:

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

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

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

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

6. OTHER INTANGIBLE ASSETS

6.1 Movements

2014

(Thousands of euros)	January 1, 2014	Additions	Disposals	Transfers	Translation differences and other	December 31, 2014
COST						
Development costs and patents	49,225	3,626	(111)	(1.668)	12	51,084
Administrative concessions	86,517	46,834	(8)	-	4,630	137,973
Installation rights	208,706	266,818	(23,321)	1,251	(2,720)	450,734
Transfer rights	6,958	193	(464)	-	7	6,694
Software	28,456	1,503	(107)	1,668	(100)	31,420
Prepayments and other	978	1,251	(565)	(1,251)		413
-	380,840	320,225	(24,576)	-	1,829	678,318
AMORTIZATION						
Development costs and patents	(42,906)	(2.699)	-	-	9	(45,596)
Administrative concessions	(29,784)	(9,372)			(2,598)	(41,754)
Installation rights	(104,235)	(55,491)	7,742	-	(8)	(151,992)
Transfer rights	(1,516)	(1,171)	321	_	5	(2,361)
Software	(20,786)	(3,045)	93	-	90	(23,648)
	(199,227)	(71,778)	8,156	-	(2,502)	(265,351)
Impairment loss	(3,354)	(3,464)	-	-	178	(6,640)
Net carrying amount	178,259	244,983	(16,420)		(495)	406,327

2013 (Restated)

(Thousands of euros)	January 1, 2013	Additions	Disposals	Transfers	Translation differences and other	December 31, 2013
COST						
	46,046	4,026	(755)		(92)	49,225
Development costs and patents				2.005	(1,810)	86,517
Administrative concessions	75,519	12,268	(1,545)	2,085 1,406	(1,610)	208,706
Installation rights	110,775	101,650	(5,009)	1,406	, ,	
Transfer rights	2,261	4,951	(150)	20	(104)	6,958
Software	25,708	4,839	(1,107)	26	(1.010)	28,456
Prepayments and other	2,953	2,510	(966)	(3,517)	(2)	978
	263,262	130,244	(9,532)	-	(3,134)	380,840
AMORTIZATION						
Development costs and patents	(39,709)	(3,668)	469	-	2	(42,906)
Administrative concessions	(24,360)	(6,674)	1,006	-	244	(29,784)
Installation rights	(68,945)	(37,739)	2,449	-	-	(104,235)
Transfer rights	(1,048)	(552)	61	-	23	(1,516)
Software	(19,096)	(2,473)	20	-	763	(20,786)
	(153,158)	(51,106)	4,005	-	1,032	(199,227)
Impairment loss	(3,354)	-	-	-		(3,354)
Net carrying amount	106,750	79,138	(5,527)		(2,102)	178,259

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

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

6.2 Development costs and patents

They correspond mainly to the following:

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

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

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

6.3 Administrative concessions

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

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

6.4 Installation rights

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

6.5 Impairment losses

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

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

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

6.6 Other information

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

7. PROPERTY, PLANT AND EQUIPMENT

7.1 Movements

2014

(Thousands of euros)	January 1, 2014	Additions	Disposals	Transfers	Translation differences and other	December 31, 2014
Cool			•			
Cost	400 500	050 000	(400)	4.005	(4.4.004)	0.10.115
Land and buildings	106,586	252,388	(193)	4,295	(14,661)	348,415
Installations	52,658	9,851	(537)	1,043	178	63,193
Machinery	421,514	130,794	(35,680)	22,945	(2,075)	537,498
Data processing equipment	46,402	8,428	(1,146)	1,364	(317)	54,731
Vehicles	14,891	1,422	(165)	2,030	(1,527)	16,651
Other installations, tools, and						
furniture	225,322	40,255	(7,666)	2,240	6,373	266,524
Assets in progress	14,141	52,199	(5,642)	(33,917)	(664)	26,117
	881,514	495,337	(51,029)	-	(12,693)	1,313,129
Depreciation						
Buildings	(42,138)	(27,393)	36	(15)	1,585	(67.925)
Installations	(36,324)	(9,914)	368	() 0 /	274	(45,596)
Machinery	(307,261)	(111,224)	31,206	(81)	578	(386,782)
Data processing equipment	(38,458)	(7,925)	482	78	503	(45,320)
Vehicles	(7,964)	(2,171)	156		700	(9,279)
Other installations, tools, and	(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	(=,)			, 00	(0,2,0)
furniture	(143,096)	(36,471)	5,437	18	(3,553)	(177,665)
	(575,241)	(195,098)	37,685	-	87	(732,567)
Impairment losses	(2,996)	(1,284)	1,766	-	-	(2,514)
Net carrying amount	303,277	298,955	(11,578)		(12,606)	578,048

2013 (Restated)

(Thousands of euros)	January 1, 2013	Additions	Disposals	Transfers	Translation differences and other	December 31, 2013
Cost						
Land and buildings	104,750	4.954	(20)	2.587	(5,685)	106.586
Installations	53.769	2.604	(176)	783	(4,322)	52.658
Machinery	401,146	60,602	(27,250)	15,472	(28,456)	421,514
Data processing equipment	45.310	2.899	(1,911)	1.645	(1.541)	46.402
Vehicles	18,606	337	(168)	835	(4,719)	14,891
Other installations, tools, and	,	007	(,,,,	000	(1,1 12)	,
furniture	223,589	11,442	(6,416)	3.061	(6,354)	225,322
Assets in progress	12.155	28,744	(302)	(24,383)	(2,073)	14,141
	859,325	111,582	(36,243)	- (- ((53,150)	881,514
Depreciation						
Buildings	(38,461)	(5,391)	-		1.714	(42,138)
Installations	(33,673)	(6,016)	70	-	3,295	(36,324)
Machinery	(283,924)	(68,045)	23,224	(31)	21,515	(307,261)
Data processing equipment	(36,706)	(4.597)	1,628	-	1,217	(38,458)
Vehicles	(8,389)	(1,799)	166		2,058	(7,964)
Other installations, tools, and	(-1)	(11.00)			_,	(-107
furniture	(128,505)	(21,508)	3,230	31	3,656	(143,096)
	(529,658)	(107,356)	28,318		33,455	(575,241)
Impairment losses	(2,086)	(1,490)	580	-	-	(2,996)
Net carrying amount	327,581	2,736	(7,345)		(19,695)	303,277

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

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

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

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

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

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

7.3 Assets subject to guarantees

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

7.4 Assets subject to charges and limitations

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

7.5 Property, plant and equipment located abroad

The net value of property, plant and equipment located abroad was 468,219 thousand euros at December 31, 2014 (2013: 209,811 thousand euros).

7.6 Investment commitments

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

8. INVESTMENTS IN ASSOCIATES

This caption includes the following investments:

<u>2014</u>

(Thousands of euros)	Carrying amount of the investment	Assets	Liabilities	Operating revenue	Profit/(loss) for the year
AOG, S.R.L.	23.410	45,264	(11,049)	80.501	3,380
Recreativos Pozuelo, S.L.	12.547	27,197	(2,103)	14,358	210
Binbaires, S.A.	7,387	26,906	(4,743)	26,164	4,447
Royal Games, S.R.L.	5,076	19,092	(8,940)	31,003	(72)
Juegos San Jose, S.A.	3,199	7,924	(1,189)	36,284	(178)
Montecarlo Andalucía, S.L.	2,587	5,481	(317)	21,555	1,441
Play to Win, S.L.	2,317	5,139	(505)	-	895
Sportium Apuestas Deportivas, S.A.	2,086	18,693	(14,521)	17,450	1,448
Bingo Electrónico de México, S.L.	1,844	4,161	(677)	3,771	336
Competiciones Deportivas, S.L.	1,657	1.345	(110)	-	-
Other	7,814	73,324	(51,538)	104,992	(8,352)
	69,924				

2013 (Restated)

(Thousands of euros)	Carrying amount of the investment	Assets	Liabilities	Operating revenue	Profit/(loss)
Casino de Rosario, S.A.	38,985	128,594	(50,621)	161,233	14,838
AOG, S.R.L.	21,720	42,771	(11,936)	81,010	2,944
Recreativos Pozuelo, S.L.	12,442	26,925	(2,041)	12,864	31
Binbaires, S.A.	7,646	25,849	(2,909)	26,320	3,338
Royal Games, S.R.L.	5.112	21,512	(11,288)	31,183	1,135
Automáticos Manchegos, S.L.	4,299	9,155	(557)	4,516	119
Comdibal 2000, S.L.	3,974	12,208	(4,260)	14,939	684
Juegos San Jose, S.A.	3,388	8.128	(995)	39,375	422
Sportium Apuestas Deportivas, S.A	2,565	6,662	(1,532)	11,690	(1,673)
Play to Win, S.L.	2.322	6.176	(1,532)	6	2,013
Montecarlo Andalucía, S.L.	1.896	4,202	(410)	20.655	1,247
Residencial Tibidabo, S.A.	1,791	1,129	(1,541)	33,721	197
Competiciones Deportivas, S.L.	1.771	1.779	(96)		-
Bingo Electrónico de México, S.L.	1,630	3,664	(608)	4,472	890
Bingos Andaluces, S.A	1,587	2,379	(432)	10,628	78
Postbintra, S.A.	1,510	2,748	(673)	11.836	48
Other	3,702	152,346	(145,089)	147,697	(15,462)
	116,340				

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

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

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

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

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

9. FINANCIAL ASSETS

This caption is composed by the following balances:

	2014			2013 (Restated)		
(Thousands of euros)	Non- current	Current	Total	Non- current	Current	Total
Loans and receivables						
Nortia Business Corporation, S.L.	68,559	_	68,559	66,372	-	66,372
Loans to jointly-controlled companies						
and associates	1,391	5,209	6,600	4,979	11,200	16,179
Loans to third parties	25,624	-	25,624	36,483	-	36,483
Deposits and guarantees	6,912	40,581	47,493	6,550	28,004	34,554
Fixed-income securities and deposits	-	9,113	9,113		1,727	1,727
Trade and other receivables	-	212,603	212,603		195,073	195,073
Other	2,980	4,937	7,917	3,682	8,543	12,225
	105,466	272,443	377,909	118,066	244,547	362,613
Impairment losses	(831)	(35,438)	(36,269)	(1,050)	(27.855)	(28,905)
	104,635	237,005	341,640	117,016	216,692	333,708

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

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

9.1 Loans and receivables

Nortia Business Corporation, S.L.

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

(Thousands of euros)	2014	Restated 2013
Loan maturing in 2017, at 8.75% interest rate	31,381	31,381
Long-term promissory notes from the sale of assets, discounted at 5% interest rate	3.060	3.619
Accrued interests	34,118	31,372
	68,559	66,372

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

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

Credits to jointly-controlled companies and associates

This caption is broken down as follows (*):

(Thousands of euros)	2014	Restated 2013
Loans granted to a jointly controlled company domiciled in Argentina. These loans were expressed in US dollars and accrued interest at an annual rate of Libor (six months) and matured in 2014	-	3.367
Current accounts with jointly-controlled companies and associates	5,508	10,819
Other	1,092	1,993
	6,600	16,179

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

The maturity date of these assets is as follows:

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

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

Loans to third parties

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

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

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

(Thousands of euros)	2014	Restated 2013
Between one and two years	15,947	9.643
Between two and three years	6,317	3,529
Between three and four years	264	3,666
Between four and five years	1,023	882
More than five years	2,073	18,763
	25,624	36,483

Trade and other receivables

This caption is broken down as follows:

(The second of second)	2044	Restated
(Thousands of euros)	2014	2013
Trade receivables	40,188	26,698
Impairment losses	(34,318)	(23,960)
Other related parties	1,105	1,979
Receivables from Public administrations	32,493	25,017
Other receivables	138,817	141.363
Nortia Business Corporation, S.L. – Promissory notes from sale of assets	-	16
	178,285	171,113

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

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

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

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

10. IMPAIRMENT TEST

10.1 Goodwill

Cash-generating units

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

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

Key assumptions

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

Country	Activity	Discount rate (before tax)
Spain	Gaming	11.65% - 13.15 %
Spain	Industrial	13.71%
Spain	Interactive	13.71%
Italy	Gaming	12.87%
Peru	Gaming	14.26%
Colombia	Gaming	17,25%

Test results

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

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

2014

(Millions of euros)		Impairment loss	
CGU	Recoverable amount of the CGU	On goodwill	On other assets
Group of bingos of which Global Bingo Corporation, S.A.U. is the parent	53.7	9.3	_
Recreativos Rodés, S.A.U.	1.3	0.3	_
Electrónicos Radisa, S.L.U.	5.3	0.3	-
Casino Cirsa Valencia, S.A.U.	11.0	1,5	_
Group of which Global Amusement Partners Corporation, S.A.U. is the			
parent	12.7	1.3	-
Impairment loss recognized		12.7	-

2013 (Restated)

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

10.2 Other assets

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

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

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

11. INTERESTS IN JOINT OPERATIONS AND JOINTLY CONTROLLED COMPANIES

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

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

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

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

12. INVENTORIES

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

(Thousands of euros)	2014	Restated 2013
Raw and auxiliary materials	3,873	2,888
Spare parts and other	6,156	3,075
Finished products	218	149
Work in progress	799	3,971
Prepayments to suppliers	1,893	1.954
	12,939	12,037

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

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

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

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

13. CASH AND CASH EQUIVALENTS

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

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

These assets are unrestricted and earn market interest rates.

14. EQUITY

14.1 Share capital

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

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

2014	2013
his	
52.43%	52.43%
46.65%	46.65%
0.92%	0.92%
100.00%	100.00%
	his 52.43% 46.65%

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

14.2 Treasury shares

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

14.3 Retained earnings

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

Legal reserve

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

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

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

Treasury shares reserve

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

14.4 Non-controlling interests

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

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

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

(Thousands of euros)	2014	Restated 2013
Balance at January 1	86,108	65,485
Share in profit for the year	20,546	14,116
Translation differences	(4,265)	(2,610)
Additions for acquisition / creation of companies, changes in consolidation methods (from proportional to full) or changes in the % of ownership in companies consolidated under the		
full consolidation method (Note 4.1)	170,494	23,799
Sale of companies	2,915	(1,448)
Dividends paid	(26,202)	(13,234)
Balance at December 31	249,596	86,108

15. BONDS

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

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

At December 31, 2014 the quoted price of the bonds recognized in the liabilities side of the balance sheet was 102.6% of their par value (105.8% at 2013 year end).

16. BANK BORROWINGS

The breakdown of bank borrowings at December 31, 2014 and 2013 is as follows:

	2014			Restated 2013		
(Thousands of euros)	Non- current	Current	Total	Non- current	Current	Total
Mortgage and pledge loans	22,353	3,974	26,327	43,904	2,782	46,686
Other loans	71,714	26,044	97,758	36,168	22,739	58,907
Financial lease agreements (Note				•	,	
20.2)	7,327	8,529	15,856	9,187	6,169	15,356
Credit and discount lines	8,000	10.703	18,703	-	4,428	4,428
	109,394	49,250	158,644	89,259	36,118	125,377

Average interest rates accrued by these borrowings are as follows:

		%
	2014	Restated 2013
Loans	4.46%	4.69%
Financial lease agreements	5.33%	5.27%
Credit and discount lines	4.33%	4.54%

The annual maturity date of these liabilities is as follows:

(Thousands of euros)	2014	Restated 2013
Within one year	49,250	36,118
Between one and two years	32,110	20,758
Between two and three years	19,223	15,358
Between three and four years	40,779	9,319
Between four and five years	7,534	30,607
More than five years	9,748	13,217
	158,644	125,377

Part of these liabilities, equal to 26,182 and 21,084 thousand euros at December 31, 2014 and 2013, respectively, is denominated in U.S. dollars.

At December 31, 2014, the shares of several subsidiaries were pledged in favor of Deutsche Bank London AG as a security for the credit line, whose utilization limit amounted to 50 million euros (the same amount at December 31, 2013). At December 31, 2014 the Group has not drawn down any balance of this credit line. At December 31, 2013, 25 million euros had been drawn down, which were recognized as a non-current liability, since they matured in 2018. As a result of the issue of bonds carried out during January 2014 (described in Note 15) the Group settled the drawn amount of the said credit line.

At December 31, 2014 the undrawn amount of credit and discount lines is 13,911 and 2,544 thousand euros, respectively, without considering the credit line commented in the paragraph above. These figures amounted to 14,135 and 4,485 thousand euros, respectively, at 2013 year end.

Finally, at December 31, 2014 and 2013 the guarantees given by credit institutions and insurance companies to the Group, in connection with official gaming concessions and licenses were 99,807 and 71,534 thousand euros, respectively.

17. OTHER CREDITORS

The breakdown of this caption is as follows:

		2014			Restated 2013	
(Thousands of euros)	Non- current	Current	Total	Non- current	Current	Total
Public administrations	1,075	60,836	61,911	911	63,499	64,410
Bills payable	2,399	5,194	7,593	1,038	2,863	3,901
Sundry creditors	36,138	88,285	124,423	31,512	74,917	106,429
	39,612	154,315	193,927	33,461	141,279	174,740

In 2014 the non-current portion of liabilities with Public administrations refers mainly to deferral on gaming taxes granted by the corresponding authorities, which have accrued an annual interest rate of 5% (2013: 5%). The current portion corresponds to gaming taxes with a short-term maturity (2014: 28,595 thousand euros, 2013: 34,602 thousand euros), personal income tax, VAT, social security contributions and similar concepts pending to be filed.

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

The caption Non-current sundry creditors mainly includes:

- Asset suppliers amounting to 5,428 thousand euros (4,304 thousand euros at prior year end).
- Non-current payable amount related to certain investments in Panama amounting to 7,449 thousand dollars (6,135 thousand euros). The debt derived from this investment will be settled through 47 equal monthly instalments of 395 thousand dollars, including interest, the first payment being in January 2014 until December 2017. At prior year end the non-current payable amount was 11,539 thousand US dollars (8,367 thousand euros).
- Several payables for ordinary transactions amounting to 10,191 thousand euros, with an undetermined maturity (7,427 thousand euros at prior year end).

The caption Current sundry creditors mainly includes:

- Asset suppliers amounting to 33,527 thousand euros (25,056 thousand euros at prior year end).
- Payables for the rendering of services amounting to 20,401 thousand euros (21,292 thousand euros at December 31, 2013).
- Current borrowings amounting to 7,540 thousand euros (8,752 thousand euros at prior year end), notably including the payable portion in 2015 for the investments in Panama mentioned above, amounting to 3,387 thousand euros (3,866 thousand euros at prior year end).
- Employee benefits payable amounting to 21,590 thousand euros (2013: 15,951 thousand euros) (Note 21.1).

18. PROVISIONS

The breakdown of this caption is as follows:

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

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

At December 31, 2014 and 2013 the amount shown under the caption *Others* mainly consisted of provisions for several risks, fines and labor trials that are individually irrelevant.

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

(Thousands of euros)	2014	Restated 2013
Balance at January 1	21,680	18,497
Charge for the year	3,347	4.714
Provisions utilized	(6.534)	(4,082)
Additions due to sale of companies	1,136	2,551
Balance at December 31	19,629	21,680

19. TAXES

19.1 Tax Group

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

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

19.2 Accrued and payable income tax

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

(Thousands of euros)	2014	Restated 2013
01	20.754	00.105
Current	33,791	28,425
Deferred for (increase) decrease in tax loss carryforwards capitalized and tax credits	(11,333)	(8,692)
Deferred for temporary differences	19,058	179
Deductibility of the fine imposed to Italy during 2013	(11,429)	-
Adjustment in the Mexican income tax for the prior year	1,948	-
Expenses from tax inspection	-	741
	32,035	20,653
he breakdown of current income tax payable is as follows:		
		Restated
(Thousands of euros)	2014	2013
Current income tax	33,791	28,425
Withholdings and payments on account	(7,643)	(9,701)
	26,148	18,724

19.3 Analysis of income tax expense

(Thousands of euros)	2014	Restated 2013
Profit before tax	108,508	21,636
Tax rate prevailing in Spain	30%	30%_
Theoretical income tax expense	32,552	6,491
Adjustments – Effect of:		
Different tax rates prevailing in other countries	5.025	2.807
Changes in the general tax rate in Spain (Note 19.4)	4.992	-
Countries with no income taxation and/or compensation of tax losses	(1,202)	(1,773)
Impairment losses solely for consolidation purposes	3,169	6,274
Cancelled prior years' deferred tax assets from the tax group whose parent is Cirsa Gaming		-,
Corporation, S.A.	8.053	3,200
Cancelled prior years' tax deferred tax assets from companies that file taxes separately	1,204	334
Recognition of deferred tax assets arisen in prior years	-	(17,694)
Translation differences deductible / taxable for tax purposes	78	(630)
Expense from tax inspection	_	`769 [′]
Unrecognized used tax credits	-	(2.264)
Revaluation of previous investments in business combinations (Note 1.3)	(28,985)	-
Fine to Cirsa Italia, Spa (Note 23)	(11,429)	10,800
Adjustment in the Mexican income tax for the prior year	1,948	-
Limitation on the deductibility of financial expenses in Spanish companies that will not be		
recovered	8,691	9,529
Other non-deductible expenses and other	7,939	2,810
	32,035	20,653

At December 31, 2014 and 2013 the effect of corrections in different tax rates mainly corresponds to the higher taxes applied in Argentina and Colombia.

Cancelled prior years' deferred tax assets in companies that file taxes separately in 2014 (1,204 thousand euros) and in 2013 (334 thousand euros) corresponded to Spanish subsidiaries.

In relation to the fine imposed on Cirsa Italia, Spa in the prior year, described in Note 23, it should be taken into account that at December 31, 2013, and out of prudence, it was considered non-deductible for income tax purposes. However, in May 2014 the Group sent a formal request ("Interpello") to the tax authorities for the recognition of the deductibility of such expenses. Since on June 16, 2014 such tax authorities answered positively to the deductibility, the Group has recognized a positive impact on the consolidated statement of comprehensive income for the current year amounting to 11,429 thousand euros (tax effect of the tax contingency paid in the prior year).

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

The impact of assets impairment merely for consolidation purposes basically relates to the prevailing tax rate applicable to the impairment of goodwill or assets in Spain amounting to 12.7 million euros (20.1 million euros at December 31, 2013).

At December 31, 2014 and 2013 non-deductible expenses mainly consisted of financial investment impairment allowances carried out by subsidiaries in Latin American countries.

19.4 Deferred tax assets and liabilities

		Restated
(Thousands of euros)	2014	2013
<u>Assets</u>		
Tax loss carryforwards from the tax group whose parent is Cirsa Gaming Corporation	23,556	14,968
Tax loss carryforwards from the tax group whose parent is Orlando Play, S.A.	421	-
Tax loss carryforwards from other group companies	21,132	18,808
Deductible temporary differences:		
Impaired receivables	6,245	8,238
Impaired securities portfolio	5	24,050
Goodwill impaired in individual books	1,256	483
Intragroup margin write-off	6,014	6,267
Non-accounting impairment for tax purposes	9,628	12,710
Non-deductible amortization for accounting purposes	9.347	4,589
Other	7.804	6.621
	,,,,,,	0,02
	85,408	96,734
Liabilities		
Taxable temporary differences:	/7 7001	/C 70C)
Provision for maximum gaming prizes	(7,708)	(6,736)
Difference between tax depreciation and accounting depreciation	(2,297)	(4.701)
Non-accounting impairment for tax purposes	(12,042)	(14,810)
Margin write-offs	(2,162)	(2,740)
Business combinations (Initial statement of non-current assets at fair value)	(133,425)	(16,624)
Other	(6,639)	(2,685)
	(164,273)	(48,296

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

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

The breakdown of unused tax losses carryforwards at December 31, 2014 for the 2 tax groups whose parent companies are, respectively, the Parent Company and the subsidiary Orlando Play, S.A., is as follows:

(Thousands of euros)	· ·	Taxable basis		
Arising in	Last year for utilization	Tax group whose parent is the Parent Company	Tax group whose parent is Orlando Play, S.A.	
1997	2015	317		
1998	2016	74	-	
1999	2017	1,047	-	
2000	2018	1,141	-	
2001	2019	17,885	-	
2002	2020	2,605	-	
2003	2021	10,237	-	
2004	2022	14.681	-	
2005	2023	35,712	-	
2006	2024	2,064	937	
2007	2025	17,599	396	
2008	2026	1,764	378	
2009	2027	8,500	1,388	
2010	2028	15,904	-	
2011	2029	40,301	-	
2012	2030	10,327	-	
2013	2031	*	-	
2014	2032	25,770	-	
		205,928	3,099	

Tax group whose parent is the Company

At December 31, 2014 and 2013 the Group has recognized deferred tax assets amounting to 23,556 and 14,964 thousand euros, respectively, relating to unused tax loss carryforwards of the tax group. No deferred tax assets were recorded for the rest of unused tax losses carryforwards, which at December 31, 2014 amount to 27,926 thousand euros (2013: 39,333 thousand euros), since their future application is uncertain.

In addition to tax loss carryforwards, the tax group whose parent is the Company holds additional tax credits amounting to 55,438 thousand euros at December 31, 2014 (2013: 49,794 thousand euros), for unused tax deductions that were not capitalized for not having met the terms to be used.

ousands of euros)	
Last year for utilization	Unused deductions at December 31, 2014
2014	68
2015	36
2016	1,029
2017	4,207
2018	5,094
2019	9,579
2020	8.636
2021	15,893
2022	1,464
2023	1,524
2024	3,751
2025	566
2026	419
2027	1,647
2028	721
2029	252
2030	284
2031	268
	55,438

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

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

At December 31, 2014 the Group had recognized deferred tax assets amounting to 421 thousand euros, corresponding to unused tax loss carryforwards.

Additionally, the said tax group has unused tax loss carryforwards amounting to 1,415 thousand euros for which the deferred tax assets have not been recognized, since the requirements established by the applicable framework for financial information are not met.

19.5 Other tax information

Under prevailing tax regulations, tax returns may not be considered final until they have either been inspected by tax authorities or until the inspection period has expired. At December 31, 2014 Spanish companies (which mostly file taxes under a consolidated tax group) are open to inspection of all taxes to which they are liable for the last four years, except for those that, in accordance with the paragraph below, have already been reviewed. In general, the prescription periods for countries where the Group has significant presence are between four and five years after the end of the statutory period for filing tax returns.

On March 8, 2012, the Company's Management was notified of an inspection for all the years open to inspection, that is, from 2007 to 2010 (from 2008 to 2010 for VAT and withholdings), and for all taxes of Cirsa Gaming Corporation, S.A., Universal de Desarrollos Electrónicos, S.A, Global Game Machine Corporation, S.A., Cirsa International Gaming Corporation, S.A. and Cirsa Slot Corporation, S.A. All these companies belong to the Spanish tax group. On November 7, 2013 the corresponding inspection agreement assessment was signed, whereby tax loss carryforwards amounting to 40,576 thousand euros were regularized and sanctions were imposed for an amount of 769 thousand euros.

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

20. LEASES

20.1 Operating leases

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

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

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

20.2 Finance leases

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

	2014			tated 113
(Thousands of euros)	Minimum payments	Present value of payments (Note 16)	Minimum payments	Present value of payments (Note 16)
Within one year Between one and five years	10,659 11,503	8,529 7,327	7,711 14,422	6,169 9,187
	22,162	15,856	22,133	15,356

Acquisition of property, plant and equipment through financial lease agreements, not recorded as cash flows in investing activities in the consolidated statements of cash flows, amounted to 3,546 thousand euros in 2014 and 4,348 thousand euros in 2013.

21. INCOME AND EXPENSES

21.1 Personnel

(Thousands of euros)	2014	Restated 2013
Wages and salaries	185,502	150,273
Social security	44,195	34,279
Indemnities	4,078	4,321
Other personnel expenses	12,267	10,928
	246,042	199,801

Remunerations pending payment at year end of 2014 and 2013 (21,590 and 15,951 thousand euros, respectively) are recognized in the caption *Other creditors* (Note 17).

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

	2014			Restated 2013		
	Men	Women	Total	Men	Women	Total
Executives	356	84	440	261	81	342
Technicians, production and sales staff	6,202	5,068	11,270	4,697	3,802	8,499
Administrative personnel	902	730	1,632	793	583	1,376
	7,460	5,882	13,342	5,751	4,466	10,217

The headcount at December 31, 2014 and 2013 by category and gender does not significantly differ from the breakdown shown in the table above regarding the average headcount for those years.

21.2 Supplies and external services

(Thousands of euros)	2014	Restated 2013
Rent and royalties	73.480	64,532
Advertising, promotion and public relations	41,918	35,296
Professional services	19.520	18,239
Sundry services	12,406	14,925
Supplies	29.381	25.352
Travel expenses	12,232	9,959
Repair and maintenance	20,562	14,798
Security	8,304	7,905
Postal services, communications and telephone	11,970	12,624
Insurance premiums	8,133	5,439
Cleaning services	6,767	5,472
Bank services and similar	5,682	5,253
Transportation	2,366	2,406
Research and development expenses (Note 6.2)	298	140
	253,019	222,340

21.3 Exchange gains/(losses)

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

Net exchange gains/(losses) from translation of financial balances in foreign currency between Group companies are recognized in *Translation differences*, as a component that decreases the shareholders' equity at December 31, 2014 by 259 thousand euros (2013: it decreased the shareholders' equity by 2,100 thousand euros), since they are considered as exchange gains/(losses) arising from monetary components of a net investment in a foreign business.

22. RELATED PARTIES

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

(Thousands of euros)	2014	Restated 2013
Sale of slot machines	302	745
Revenues from the rendering of services	1,024	1,739
Operating expenses	(12,482)	(12,218)
Interest income	3,745	4,689
Interest expenses	(73)	(644)

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

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

Accounts payable from trade transactions amount to 2,127 and 1,896 thousand euros at December 31, 2014 and 2013, respectively, and are included in *Trade Payables*.

23. CONTINGENCIES

Argentina

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

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

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

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

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

On December 18, 2013 the Authorities took precautionary measures whereby they suspended certain clauses of the addendum, invalidating the agreement for the moment. These measures were appealed against by the GCABA on December 20, 2013 and revoked during the current year due to formal non-compliance.

Although at the current date the addendum is pending final approval by the National Executive Authority, on December 15, 2014 the Group paid an amount of 42 million pesos to LNSE and continues to recognize a liability to LNSE for the remaining amount accrued for during the year 2014 in the caption "Other creditors" in the consolidated statement of financial position (5,040 thousand Argentinian pesos).

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

<u>Italy</u>

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

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

On April 23, 2012 the Group appealed against the ruling before a higher court, which suspended its execution. At December 31, 2012 no provision was recognized in the consolidated statement of financial position, but the contingency was disclosed in the notes to the consolidated financial statements for the year then ended, since the Group's Management and legal advisors considered unlikely that the contingency would have to be settled, based on several legal and factual reasons.

However, in the prior year, specifically on November 15, 2013, the Group announced that the settlement of the contingency had been agreed with Corte dei Conti (CdC) through the payment of 36 million euros (30% of 120 million euros) plus 1.5 million of interest. Such contingency was settled by Cirsa Italia, Spa in November 2013, which had an impact on the consolidated statement of comprehensive income for the comparative year (2013), specifically on the captions "Gaming taxes" (36 million euros) and "Financial costs" (1.5 million euros).

24. INFORMATION ON ENVIRONMENTAL ISSUES

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

25. AUDIT FEES

Fees and expenses referred to the audit of the 2014 financial statements of the Group's companies rendered by the main auditors and other firms belonging to the auditor's international network amounted to 1,397 thousand euros in 2014 and 1,261 thousand euros in 2013.

In addition, fees and expenses paid during the year corresponding to other services rendered by the main auditors or other related entities amounted to 386 thousand euros in 2014 and 346 thousand euros in 2013.

26. DIRECTORS AND SENIOR EXECUTIVES

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

	Restat			
(Thousands of euros)	2014 20	013		
Directors				
Salaries	1,817 1,	157		
Senior executives				
Salaries	4,800 4,8	800		
	6,617 5,9	957		

At December 31, 2014 there are debit balances in current accounts with the Company's Directors amounting to 478 thousand euros (815 thousand euros in 2013). These accounts accrue an annual interest of 4.25%.

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

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

27. OBJECTIVES AND POLICIES OF FINANCIAL RISK MANAGEMENT

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

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

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

27.1 Credit risk

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

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

27.2 Interest rate risk

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

The breakdown of liabilities that accrue interests at 2014 and 2013 year end is as follows:

(Thousands of euros)	20	2014		Restated 2013	
	Fixed interest rate	Floating interest rate	Fixed interest rate	Floating interest rate	
Bonds	897,242	-	770,010	-	
Bank borrowings	-	158,644	-	125,377	
Other creditors	-	28,769	-	27,364	
	897,242	187,413	770,010	152,741	

At December 31, 2014 financial liabilities at a fixed interest rate represented 83% of total liabilities (the same percentage in 2013). In this regard, the Group's sensitivity to fluctuations in interest rates is low: a variation of 100 basis points in floating rates would lead to a change in the result amounting to 1,874 thousand euros and 1,527 thousand euros in 2013.

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

The breakdown of assets that accrue interests at 2014 and 2013 year end is as follows:

	2014		Restated 2013		
(Thousands of euros)	Fixed interest rate	Floating interest rate	Fixed interest rate	Floating interest rate	
Nortia Business Corporation, S.L.	68,559	-	66,372		
Loans to jointly-controlled companies and associates	5,508	1,092	10,819	5,360	
Loans to third parties	3,608	22,016	13,343	23,140	
Deposits and guarantees	47,493	_	34,554		
Fixed-income securities and deposits	9,113	-	1,727	-	
4 - 2 -	134,281	23,108	126,815	28,500	

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

27.3 Foreign currency risk

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

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

The following study on sensitivity shows the foreign currency risk:

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

/ariation	Thousands	
	2014	Restated 2013
+ 10%	(2,974)	(2,700
+ 5%	(1,558)	(1,415
- 5%	1,722	1,563
- 10%	3,635	3,301

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

Variation	Thousands	of euros
	2014	Restated 2013
+ 10%	(9,691)	(4,468
+ 5%	(5,032)	(2,214
- 5%	5,757	3,004
- 10%	12,050	6,048

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

27.4 Liquidity risk

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

At December 31, 2014 and 2013, like in prior years, the Group shows negative working capital. This should be read within the context of the Group's activities, which are mostly based on revenues that generate cash every day, resulting in very high cash flows from operations, as observed in the consolidated statement of cash flows. Additionally, the Group obtains very high EBITDA, as shown in the consolidated statement of comprehensive income, which allows it to face debt service without cash difficulties.

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

- Diversification of financing sources through the access to different markets and geographical areas. In this regard, the Group has an additional borrowing capacity (see data in Note 16).
- Credit facilities committed for the sufficient amount and flexibility. Accordingly, the Group has available cash and cash equivalents amounting to 78 million euros at December 31, 2014 (2013: 46 million euros), to meet unexpected payments.
- The length and repayment schedule for financing through debt is established based on the financed needs.

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

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

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

28. CAPITAL MANAGEMENT POLICY

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

The Group's strategy, both in 2014 and 2013, is to enhance the more profitable business and to act decisively on the deficit operations, to significantly improve the results and net cash flows. Control of investments and costs restraint have also been established as a priority action, with satisfactory results.

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

29. INFORMATION ON THE AVERAGE PAYMENT PERIOD TO SUPPLIERS

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

	Payments made and payments outstanding at the balance sheet date				
	2014		Restated 2013		
	Amount	%	Amount	%	
Within maximum legal payment period (*)	190,024	65.07%	212,915	65.15%	
Other	102,011	34.93%	113,871	34.85%	
Total payments in the year	292,035	100.00%	326,786	100.00%	
Weighted average payment period exceeded (days)	36		40		
Overdue payments exceeding the legal payment period at the closing date	13,169		8,992		

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

30. EVENTS AFTER THE BALANCE SHEET DATE

In February 2015 the Group has acquired 7 casinos in Costa Rica, which jointly operate with 1,200 slot machines and 21 tables. The price agreed upon in the acquisition amounts to 33.5 million dollars, approximately 5 times the Ebitda of such casinos, which has been settled through available cash. As a result of this acquisition, the Cirsa Group has become the leading casino operator in Costa Rica.

31. ADDITIONAL NOTE FOR ENGLISH TRANSLATION

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

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

March 31, 2015

Cirsa Gaming Corporation Group

Consolidated Management Report

Year ended December 31, 2014

Previous consideration

The coming into effect of IFRS 10, which redefines the concept of control, and IFRS 11, which eliminates the option of accounting for jointly-controlled companies using the proportional consolidation method, has forced the Group to restate the 2013 figures as indicated in the standards themselves. The breakdown of this impact is explained in Note 2.3.

Relevant information

Despite the complex economic situation, and generalized depreciation of the currencies of the Latin American countries in which the Group carries out part of its activity, the Group's operating revenues (net of variable rent) have increased by 192,638 thousand euros (16.6%) during the twelve months of 2014.

EBITDA amounts to 328,102 thousand euros, compared to 253,737 thousand euros in the prior year, which represents a 29.31% increase (+74,365 thousand euros) mainly due to the improvement in the way the Group has managed its business, focusing on achieving profitable growth and consolidating its already existing business activities. In particular, we highlight the performance of the activities in Latin America.

In order to maintain the Group's position of leadership at a domestic level and offer a larger range of products in traditional sectors and in those related to new technologies, the Group has continued, as in previous years, to invest significant level of resources in research and development. This year the total amount allocated for projects carried out by the Group's Research and Development department amounted to 3,626 thousand euros.

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

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

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

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

March 31, 2015

		Percentage	Percentage				
Company	Activity	2014	2013	Investment holder	Business address	ÇIÇ	Province/Country
Administradora de Salas de Juego Alfa, S.A.C.	Casinos	%00'06	,	Gaming And Services, S.A.C.	C/ Mercaderes, 303	Arequipa	Peru
Administradores De Personal En	ī		4				
Liveteimineino. 38 de CV	Sopried	200,00%	%00'001	Bincamex, S.A. de CV	Bosque de Duraznos, 61 3B	Mexico City	Mexico
Alar, S.A	Bingos	75,00%	%00'5/	Global Bingo Corporation, S.A.U.	Av Muñoz Vargas, 18	Huelva	Huelva
Alfemalic, S.A.	Siois	%00'09	50,00%	Cirsa Slot Corporation, S.L.U.	Ctra Relinars, 345	Terrassa	Barcelona
Ancon Enterlainment, S A	Casinos	%00'09	%00'09	S A U	Calle 50 v 73 Este San Francisco	Panama City	Расивора
Apple Games 2000, S.L.	Stots	49.50%	49,50%	Eqartronic, S.A.	Segula de Favara, 11	Picarca	a social v
Automáticos Laomar, S.L.U	Slots	51,00%	20.00%	Orlando Play, S.A	C/Sterra Telar 40	Vistor	Almonio
Automaticos Manchegos, S.L.	Stots	51,00%	20,00%	Interservi, S.A	Pio III 13	Die i	Cuidad Dool
Automáticos Siglo XXI, S.L. U	Sfots	100,00%	75,00%	Juegomatic, S.A.	Martillo, 26	Sevilla	Sextiles
Bar brence S.	9000	700 006	,000	Global Bingo Corporation, S.A.U. y	Fernina Sevillano, 5.7	Madrid	Madrid
Sol suedos. O.E.	sohuna	100,00%	800,001	Madniena de Servicios para el Bingo, S.L. U.	6 C C C C C C C C C C C C C C C C C C C		:
Binale, S.A.	Bingos	100,00%	100,00%	Bingo Madnd, S.A.U.	General Ricardos, 175	Madrd	Madrid
Bincamex, S.A. de C.V.	Bingos	100.00%	100 00%	Casa menjaronal caning Corporation,	Carlo 6000 0000 0000 0000 0000 0000 0000 00		
Bincano, S.A U	Bingos	100.00%	100 00%	Global Bingo Comoration, S.A.U.	Eleano 30.32	Mexico City	Mexico
Bingames, S.A.U.	Bingos	100.00%	100.00%	Global Bingo Comoration S.A.(J.	Cicaro, su-sx	Gilbao	Vizcava
Bingaser, A I E	Bingos	100 00%	100.00%	Vanos	Fermina Coultana 6 2	Perassa	Barcelona
Bingos Andaluces, S.A.	Binges	20,00%	20.00%	Global Bingo Corporation, S.A.U.	Aginoto 3	Sexilla	Special
Bingos Benidorm, S A	Bingos	20,00%	20.00%	Global Bindo Corporation S.A.U	Plaza Doctor Flemon s/n	Bondom	Sevilla
Bingos de Madrid Reunidos, S.A.U	Bingos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Fermina Sevalano 5-7	Medad	Maded
Bingos Electronicos De Panamá S.A U.	Casinos	100,00%	100.00%	Gaming & Services De Panama, S A.U.	Calle 50 v 73 Este San Francisco	Panama City	Daoama
Bingos Malaqueños, S.A U	Bingos	100,00%	100.00%	Sobima, S.A.U	Pz Cruz de Humiltadero, S/n	Malaoa	Málada
Binred Madnd, S.A U	Bingos	100,00%	100,00%	Sala Versalles, S.A.	C/ Bravo Munio, 309	Madnd	Madro
Bumex Land, S.L. U	Bingos	100,00%	100.00%	Global Binga Corporation, S.A.U	Elcano, 30-32	Bilbao	Vizcava
B2B Central Reporting, S.A. De C.V.	828	100,00%	100,00%	Cirsa Interactive Corporation, S.L.	Bosque de Duraznos, 61 3 b, Bosques Lomas	Mexico City	Mexico
Cafeteria Mami, S.A.U	Casinos	,	100,00%	Gaming & Services, S.A.C.	Av. La Manna, 1725	San Miquel (Lima)	Pero
Capilan Haya 7, S A	Bingos	100 00%	100 00%	Global Bingo Corporation, S.A.U. y Global	Capitán Haya, 7	Madrid	Madrid
	Casinos		3	Cirsa International Gaming Corporation,	Avda Elvira Rawson de Dellegiane, sín	Buenos Aires O F	Argentine
Casino Buenos Aires, S.A.		100,00%	100,00%	S.A U y Gestion de Juego Integral, S.A U			
Casino Cirsa Valencia, S.A U	Casinos	100,00%	100,00%	Global Casino Technology Corporation,	Avda de las Cortes Valencianas, 59	Valencia	Valencia
Casino de Rosano, S.A	Casinos	20,00%	%00.09	Casino Buenos Aires, S.A.	C/Córdoba, 1365, Piso 5 of 508	Santa Fé-Rosano	Argentina
Casino Nueva Andalucia Marbella, S.A U	Casinos	100.00%	100.00%	Global Casino Technology Corporation,	Cưa Cádiz-Málaga Km 180	Marbella	Malaoa
Caterers Services, S.A.	Casinos		100,00%	Gaming & Services de Panama, S A U	Calle 50 v 73 Este San Francisco	Panama City	Panama
Cusa+, S.K.L	Siots	21,00%	•	Cirsagest, S.P.A.U	Via Toscana, 31	Buccinasco	Milan
Centro de Apuestas, 5 A C	Casinos	%00'06		Gaming And Services, S.A.C.	C/ Mercaderes, 303	Arequipa	Peru
Cirsaecuador, S.A	Casinos	100 00%	100 00%	Cirsa International Gaming Corporation, S.A. I.I.	63000 Carried Land		
Cirsa Amusement France, S.A.U.	Sints	100 00%	400 00%	Circa Slot Compration A. 1.1	10 Image of Cocoo y Ava Arriaconas	Curo	Ecuador
Cirsa Caribe, C.A.	Casinos	70.00%	20,00%	Cirsa Venezuela, C.A.U.	And A do Many Course	loiouse	Francia
Cirsa Casino Corporation, S.L.U.	Casinos	100.00%	100 00%	Cirsa Gaming Corporation, S.A.	Con Charles 200	- Coldinal	Pianzaua
Cirsa Funding Luxembourg, S.A.U	Siructure	100.00%	100,00%	Cirsa Gaming Corporation, S.A.	Rue Chades Mariel 58	Lyembourg	Barcelona
Cirsa Insular, C.A.U	Casinos	100,00%	100.00%	Cirsa Venezuela, C.A.U	Hologo de Nieva Henaga (Dorlama)	Biographic Sol	CONSTITUTION
Cirsa Interactive Corporation, S.L.U.	BZB	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra Castellar 298	Terrassa	Barreloga
Cirsa International Gaming Corporation, S.A.U.	Casinos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Cira Castellar 298	Terres	Barrelona
Cirsa Italia Holding, S.A.U	Siots	100,00%	100,00%	Cirsa International Gaming Corporation	Centro Direzionale Milanofion Strada 2	Accado (Milan)	llatv
Cirsa Italia, S.A.U	Siots	100,00%	100.00%	Cirsa Italia Holding, S.A.U.	Centro Direzionale Milanofion Strada 2	Assamo (Milan)	y year
Cirsa Panamá, S A.U	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation,	Via Domingio Diaz	Papama City	Danama
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 Garning 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.	Month of the party	A A A Section 1	
			. !		מינווי ומספים בסףמומי י טופווופי	ista Margadia	Venezuela

List of subsidiaries

Company	Activity	Percentage of ownership 2014	Percentage of ownership 2013	Investment holder	Business address	City	Province/Country
Cirsacom, S.R.L.U	Slots		100 00%	Circa Ilala S.A.I.	Centro Directorale Mileoclope Strade 2	Account	3
Cirsaqest, S P A U	Slots	100,00%	100,00%	Cirsa Ilaha Holding, S.A.U.	Centro Direzionale Milanoflori Strada 2	Assago	llaty
Club Privado De Fumadores Nuestro Espacio	Bingos	100 00%	100 00%	Bingoe de Madrid Reunidos C 4 13	C/ Brayo Musika 300	Maded	וומול
Comdibal 2000 S 1	ROB	51 00%	50 00%	Clobal Manufactures Companies C1 1		D H	DIDEN
Comercial de Desarrollos Electronicos, S. A.U.	Slots	100 00%	100 00%	Global Game Machine Comocation S & 11	Di Marcall 201	Torroga	parcelona
				Tecnoappel, S.L.	2011	Carbaiosa de la	Deliceiona
Comercial de Recreativos Salamanca, S.A.U.	Stots	51,00%			C/ Cuarta, 17 P l El Montaivo	Sagrada	Salamanca
Months Deposited Manager Comments		200	000	Global Casino Technology Corporation,			
Complejo notelero Monte Picayo, S.A U	Casinos	%00'001	%/10,001	NAU	Complejo Hotelero Monte Picayo	Sagunto	Valencia
Egartronic, S.A.	Slots	21,00%	51,00%	Cirsa Slot Corporation, S.L.U	C/ del Aire, 1 Pol Ind Els Bellots	Terrassa	Barcelona
Eqartronic Servicios Centrales. A I E	Slots	37.10%	37.10%	Apple Games 2000, S.L.	C/ del Aire, I Pol Ind Els Bellats	Terrassa	Barcelona
Electrónicos Radisa, S.L.U	Slots	100,00%	100,00%	Cirsa Slot Corporation, S Ł U	Fermina Sevillano 5-7	Madrid	Madod
Electrónicos Trujillanos, S.L.U.	Slots	100,00%	75,00%	Global Amusement Partners Corporation.	Fermina Sevillano 5-7	Madod	Madrd
Elettronolo Firenze, S.R.L.U	Stots	100.00%		Cirsagesl, S P A U	Palazzo D4	Accado	Malor
Entidad Gestora del Bingo Siglo XXI, S.L. U	828		100,00%	Cirsa Interactive Corporation, S.L.	Sena nº 2	Sant Canal del	Barcelona
		100,00%				Vallés	Daiceiolia
				Global Bingo Corporation, S.A U y Global	Ferrocaml, 38	Madrid	Madrid
Ferroluegos, S.A	Bingos	100,00%	100,00%	Bingo Madrid, S.A U			
Flamingo Euromalic-100, S.L.U	Slots	21,00%	20,00%	Orlando Play, S.A	P.I. La Junida, C/Sierra Telar, 40	Viator	Almeria
				Cirsa International Gaming Corporation,	Corregimiento de San Francisco, calle 50 y 73		
Gaming & Services de Panamà, S.A.U.	Casinos	100,00%	100,00%	SAU.	Esle	Panama City	Panama
Gaming & Services, S.A.C	Casinos	100.00%	100,00%	Cirsa International Gaming Corporation,	Av Grau, 1006	Lima	Perù
Garbimalic, S L U.	Siols	%00'09	25.50%	Alfematic, S.A.	Ctra Relinars 345	Terrassa	Barcelona
Gema, SrIU	Bingos	100.00%	100.00%	Cirsa International Geming Compration.	Centro Directionale Milanofori Strada 2 Dal DA	Accoo (Milan)	
Genper, S. A.U.	Slots	100.00%	100 00%	Global Game Machine Corporation, S.A.	Di Marcell 204	Togget	lidity
Gestión de Bingos Gobylan, S. A. U.	Bingos	100 00%	100,00%	International Bingo Technology S A 18	Den de la lalecte de	See C 4- Treest	parceiona
Sestion def. Juedo Internal S.A.11	300136	100,00%	100,00%	Circa Interactive Composition S.1.11	Care la latesta, 10	Sia o de reneme	senenie .
Gestión (alegral De Maquinas Recreativas,	00000	00.00	0,00,001	Flactropings Radica S.1.1	Cira Castellar, 298	lerrassa	Barcelona
S.L.U	Slots	•	100,00%		Fermina Sevillano 5-7	Madad	Abadad
				Interservi, S.A		Alchard do Cao	
Gestora de Inversiones Cobiman, S.L.U.	Slots	91,00%	51,00%		Cira, Nacional 420, km 286	Then.	Curded Read
Global Amusement Partners Corporation, S.A.U	Slots	100.00%	100,00%	Cirsa Gaming Corporation, S.A.	Cira Casiellar 298	Terracca	Barcelona
Global Betting Aragón, S.L.U	Slots	100.00%		Global Game Machine Corporation, S.A.U.	C. Jame Ferran & Dol Ind 1 a Coordade	Zamona	Zarana
Global Bingo Corporation, S.A.U	Bingos	100,00%	100.00%	Cirsa Gaming Corporation, S.A.	Cra Castellar 298	Terrassa	Barrelona
Global Bingo Madrid, S.A.U.	Bingos	100.00%	100.00%	Cirsa Gamino Corporation S.A.	Forming Caulton 6.7	Manfari	Darcelona
Global Bingo Stars, S.A.U	Ringos	400.00%	100.00%	Circa Gamino Comoralion S. A.	Commission Commission 6.3	DUNEW	Madrid
Global Casion Technology Compression CA 1	Sopra	100.00%	%00'00'	Cres Games Companion & A	remina Sevulano, 3-7	Madrid	Madrid
Global Cinco Estrellas, S.A.	Bingos	100.00%	100.00%	Global Broto Corporation S.A. H. v. Global	Cira de Casiellar, 298	Terrassa	Barcelona
Global Game Machine Corneration S 4 11	Slots	100,00%	400,000		Commo Sevulatio, Se	Dinak	Madrid
Clobal Campa Constant Direct Control of the	Siolo	%00'001	100,00%	Circle Gold Colporation, St. C	Fill Margall, 201	Terrassa	Barcelona
Clobal Caming Colonian Reside (C.E.C.)	Siols	100,00%	100.00%	Misses Stot Corporation, S.L.U	Ctra Castellar, 298	Terrassa	Barcelona
Clouds Calling, G.A.O.	Casinos	300.001	400,001	Wilkiel Gloup, S.A.	Calle 38 Norle, 6 N-35	ca.	Colombia
Giobal Manufactoring Corporation, S.L.U	828	100.00%	100.00%	Cirsa Gaming Corporation, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Goldenplay, S.L.U	Slots	51.00%	20.00%		German Remarer 22 B Fiche Darous lad	Choko	Alterate
Gonmatic, S L U	Siols	100.00%	100 00%	Cirsa Slot Corporation, S.L.U	Fermina Caullana S 7	Elicine Manager	Ancante
Gran Casino de las Palmas, S.A.U	Casinos	100 00%		Global Casino Technology Compration	of Supply Notice As	Madrid	Madrid
Grasolar S A I	Binnos	100.00%	400.00%	Telma Free C. L.I.	Cr Suarez Naranjo, 10	Las Palmas	Gran Carana
Historial Indianal Control	Structure	100,00%	00,000	Cina Campa Commiss C.A.	Av Generalität, b	Sta Coloma	Bercelona
Lisperial investinent, S.A.O.		%.00'00 l	%00,001	Clobal Boon Connection C A LL ::	Ctraide Castellar, 338	Terrassa	Barcelona
Hociebar 08 C.	D.occo.	100 000	200,000	Madelaga do Consolos com al Diago O 1	renocami, so	Madrid	Madrid
her Mair Games C	Slets	0,00,001	00.00	Circa Stot Corporation S / 11	C tomos Econos 9.4	7	-
Internation Inmobilish Model do Masson C.A.	SIDIS	%00,16	,	Circle Stot Colporation, S.C.O.	Cloame renail 2-4	caragoza	Zaragoza
megración immodinaria wong de Mexico, S.A. De C.V.	Dinage	700000	100 00%	Promociones e Inversiones de Guerrero			
International Brook Technology S 4 17	Binge	300,000	%00 003	Global Bross Companyion 8 A 11	c/ Guillermo Conzalez Camarena 600 Piso 8	Mexico City	Mexico
International Gamma Manufacturing C. 1.	0.00	%00'001	100.00%	Circa Course Comparation 8.5 (1	Pri Margali, 201	lerrassa	Barcelona
International Garming Manusacturing, S.L. U.	879	%00'001	100,00%	Circa Casino Corporation, S. L. U	Ctra Castellar, 298	Terrassa	Barcelona
anelpay, on o.	Siois	%\)0'L¢	,	Egarronic S A	C/ Francia, 26 v 27	Puerto Real	Cádiz

List of subsidiaries					
Company	Activity	Percentage of ownership 2014	Percentage of ownership 2013	Investment holder	Business address
		-			
Interservi, S.A.	Slots	51,00%	51,00%	Cirsa Slot Corporation, S.L.U.	C(ra. Nacional 420, km 289
inversiones interactivas, S.A.	Casinos	%00'02	%00'02	Orbis Development, S.A.U	C/57 y Avenida Obarno
Inversiones Recreatives de Occidente C.A.	Cacinos		67 5.0%	Constraint Hotelers Sun Brack C.A.	Callo 27 Edd Boon
Investment & Securities Danama S A 11	Carinos	100 00%	%00 00t	Circa Internacional Gampo Compression	Calle 7. Euli Birdo
Ivisa - Casino Buenos Aree 11 F	ROB	100.00%	100.00%	Castro Briance Area S A	Cita Castellar, 298
S S S S S S S S S S	250	800,000	400,000		C/ Adolio Alsina, 1729 F B
Constant, Or	Casinos	100,00%	%.00,001 %.00,001	Complete Holelero Montie Progyo, S.A.U.	Complejo Hotelero Monte Picayo
Speciality, or A	Siors	%00,001	%00'57	Global Game Machine Corporation, S.A.U.	Av. Velázguez, 91
Juegos v Bingos, S A U	Sobula	100,00%	100,00%	International Bingo Lechnology, S.A.U	Entenza, 96 bajos
KLC Negacios y Proyectos, S.A.	Casinos		%00'02	Cirsa Venezuela, C.A.U	Avda. Fco de Miranda
La Barra Ancon, S.A.U	Casinos	%00'09	%00'09	Ancon Entertainment, S.A. Organ International Common Common	Calle 50 y 73 Este San Francisco
La Barra Panama, S.A.U.	Casinos	100 00%	100 00%		Callo E0 1. 72 Gala Can Escapa
La Cafeteria del Bingo, S.L.	Bingos	20,00%	20.00%	Global Bingo Corporation S.A.U.	Associate 3
La Selva Inversiones, S.A.C.	Casinos	%00 06		Caming And Separes S. A.	000 000
Lista Azul, S.A.U	Bingos	100 00%	100 00%	Broames, S.A.U	Con Donney do Dondo 97
Elahtmoon International 21.5.1	Slots	100.00%	100,00%	Cirsa Slot Compration S.1.13	Clear respend of Aution, or
			800	Global Bingo Corporation, S.A.U. v. Bingos	Cura Castellar, 296 Euchana, 23
Luckiplay, S A	Bingos	100,00%	100,00%	de Madrid Reunidos. S A U	
Mabel 96, S.L.U	Slots	100,00%	100.00%	Global Game Machine Corporation, S.A.U	Cira de Castellar, 298
Macrojuegos, S.A.	Bingos	21,00%	\$1,00%	International Bingo Technology, S.A U	Dionisio Guardiola, 34
Madrileña de Servicios para el Bingo, S.L.U	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U	Fermina Sevillano, 5-7
Marchamatic Indalo, S.L.U.	Slots	51,00%	20,00%	Orlando Play, S.A	C/Sierra Telar, 40
				Cirsa International Ganying Corporation.	
Mendoza Central Entretenimientos, S A.U.	Casinos	,	21,00%	S.A U.	9 de Julio nº municipal 318, esquina C
Month, S.A U	Slots	51,00%		Iber Malic Games, S.L.	C/ Rambla 49
Mullicasino, S.A	Casinos	%00'09	20.00%	Gaming & Services de Panama, S.A.U	Calle 50, Calle 73 Este
New Laoniar, S L U	Slots	51,00%	%00'09	Orlando Play, S.A	c/Sierra Telar, 40
				Cirsa International Gaming Corporation,	
Nightfall Construccions, S.R.L.	Casinos	100,00%	400,001	S.A.U.	Avda. Abraham Lincoln
O'donnell Juegos, S A	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U. y Bingos de Madrid Reundos, S.A.U.	O'Donell, 21 y 23
Operadora Internacional de Recreativos, S.A.		51,00%	,	Cirsa Stot Corporation S.L.U	c/ Cervanies 14 1
	Siois		4		
Oborto Juegos S.A U	Ringos	100,00%	100.00%	Global 5 Estrellas, S.A.	Av Oporto, 4
Urbis Development, S.A.U	Casmos	100,00%	100,00%	Cirsa International Gaming Corporation,	Swiss Tower, 16th floor, World Trade Center
Orlando Italia, Sr.I	Slots	21,00%	20,00%	Orlando Play, S.A.	Milano Fion, Strada 2, Palazzo D4
Orlando Play, S.A	Slots	51,00%	%00'09	Global Game Machine Corporation, S.A U.	Sierra Telar, 40 P. I. La Juaida
Playcal, S.A.U	Bingos	100,00%	100.00%	Bingames, S.A U	Cadiz, 1
				Cirsa International Gaming Corporation, S.A.U	
Pol Management Corporation, B.V. U	Stots	100,00%	100,00%		Emancipatie Boulevard 29 New Haven 6-7006
Pnncesa 31, S A	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U. y Bingos	Princesa, 31
Promociones e inversiones de Guerrero, S.A P I				de Madrio Aedindos, 5 A C	
de C V	Bingos	100,00%	100,00%	Bincamex, S.A. de CV	Bosque de Duraznos, 613 b. Bosques Lornas
Promociones Tauro, S.L.U.	Slots	100.00%	100,00%	Global Game Machine Corporation, S.A.U.	Martillo, 26
Push Games, S.L.U	Bingos	100.00%	100.00%	Global Bingo Corporation, S.A.U.	Ctra Castellar, 298
Recreativos Arranz, S.L.U	Slots	100.00%	100,00%	Cirsa Slot Corporation, S.L.U	Fermina Sevillano, 5-7
Recrealivos Manchegos, S.L	Siols	51,00%	20.00%	Interservi, S.A.	Ctra. Nacional 420, Km 286
Recreativos Martos, S.L.U	Slots	100.00%		Global Game Machine Corporation, S.A.U.	Crta De Castellar, 298
Recreativos Ociomar Levante, S.L. U	Slots	51.00%	20,00%	Orlando Play, S.A.	Cira De Castellar, 298
Recreativos Panaemi, S.L.U	Slots	51.00%	20.00%	Orlando Play, S.A	c/ German Bernacer 22 P I Elche
Recreativos Rodes, S.A.U.	Slots	100.00%	100,00%	Genper, S.A.U	German Bernacer, 22 P.I. Elche Parque Ind
Ked de bingos Andaluces, A I E	Bingos	54,00%	24,00%	Varios	Manillo, 26

Barcelona Albacele Madnd Almeria

Terrassa Albacele Madnid Viator Argentina
Barcelona
Panama
Almeria
Dominican
Republic

Santo Domango Madrid

Ciudad de Mendoza Barcelona Panama Cily Viator

Venezuela Barcelona Argentina Argentina Málaga Barcelona Venezuela Panama Panama Penu Lleida Barcelona Madnd

Maracabo
Terrassa
Buenos Aires
Sagunto
Malaqa
Barcelona
Caracas
Panama City
Panama City
Panama City
Tambopala
Lleida
Terrassa

Province/Country

City Alcázar de San Juan Panama City The Netherlands Antilles Madrid

> Curação Madrid

Madrid Panama Italy Almería Barcelona

Madrid Panama Cilv Assago Viator Terrassa

Astunas

Mexico Sevilla Barcelona Madnd Ciudad Real Barcelona Barcelona Murcia Alicanle Sevilla

Mexico City Sevilla Terrassa Madrid Juan Terrassa Murcia Elche Sevilla

List of subsidiaries							
(of ownership	of ownership	:			
Company	Activity	2014	2013	investment holder	Business address	City	Province/Country
Red de Interconexión de Andalucía, S.L.U	828	100,00%	100,00%	Cirsa interactive Corporation, S.L.U	Martillo, 26	Sevilla	Sevilla
Red de salones de Aragon, 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	Cádíz	Cádtz
S.A. Explotadora de Recreativos	Slots	61,40%	61,40%	Cirsa Stot Corporation, S.L.U	C/del Avre, 1 Pol Ind Els Beliots	Terrassa	Barcelona
Sadely, S.L.U.	Bingos	%00'59	100,00%	Felma Enea, S.L.U	c/ Carlota Alexandre 106	Torremolinos	Málaga
Sala Valencia, S.A.	Bingos	%00'09	%00'09	Global Bingo Corporation, S A U	Cuenca, 20	Valencia	Valencia
Sala Versalles, S.A.	Bingos	4	100,00%	Global Bingo Corporation, S.A.U. y Global	Bravo Murillo, 309	Madrid	Madrid
Salón de Juegos Portal, S.A	Casinos	%00,001 %00,06		Bingo Stars, S.A.U Gamina And Services, S.A.C.	C/ Mercaderes: 303	Arequipa	Peni
Savoy Slot Machines, S.A.C.	Casinos	%00'06		Gaming And Services, S.A.C.	C/ Dean Valdivia 208	Arenuina	Peru
				SCB Carbe, S.A U			Dominican
SCB Almirante Dominicana, S.R.L.	Casinos	100,00%	100,00%		Av A Lincoln, 403, La Julia	S Domingo	Republic
				SCB Canbe, S.A U		S Domingo	Dominican
SCB Anil Dominicana, S.R.L.	Casinos	100,00%	100.00%		Av Máximo Gomez / Avda 27 Febrero	Guzman	Republic
SCB del Canbe, S.A U	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation, SCB Cambe, S.A.1.)	C/53 Urb Obarrio Swiss Tower, Piso 16	Panama City	Panama
SCB Hispaniola Dominicana, S.R.L.	Casinos	100,00%	100,00%		Av A Lincoln /Correa v Cidron	Guzman	Republic
				SCB Canbe, S.A U	Av George Washington, centro comercial	Santo Domingo	Dominican
SCB Malecon Dominicana, S.A.	Casinos	100,00%	100,00%		Malecón	Guzman	Republic
SCB Marganta, C.A U	Casinos	100,00%	100,00%	Cirsa International Gaming Corporation	Estado de Nueva Esparia (Porlamar)	Isla Margania	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 J E	Structure	100,00%	100,00%	Varios	Cira Castellar, 298	Terrassa	Barcelona
SGR, S.R.L	Siols	100,00%	25,00%	CirsaGest, S P A U	Via Bravanlı, 7	Piacenza	Italy
Slot Games Online, S.L.	Stots	100,00%	100,00%	Cirsa Siol Corporation, S.L. U.	Cira De Castellar, 298	Terrassa	Barcelone
Sobima, S.A.U	Bingos	100,00%	100,00%	International Bingo Technology, S. A. U.	Av Velázquez 91-93	Málaga	Malaga
Sobreaquas, 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%	100.00%	Global Manufacturing Corporation, S.L.U.	Medes. 4 -6	Barcelona	Barcelona
Sodemar, S.L.U	Bingos	100,00%	100,00%	Telma Enea, S L U	Sacramento, 16 duplicado	Cadiz	Cádiz
Sternal Bay Venezuela, C.A U	B28	100,00%	100,00%	Cirsa Interactive Corporation, S.L.U.	Avda. Fco de Miranda	Caracas	Venezuela
Technotic Co. Ltd U	BZB Slols	100.00%	100,00%	Red de Inferconexión de Andalucia, S.L.U.	33, Youldo-Dong, Yeongdeungpo-Gu	Seoul	Korea
Tecnoappel, S.L.	Siots	51 00%		Circa Stot Composition Sci. 1	C/Tenor Fleta 57	Zaradoza	Zaradoza Zaradoza
Tecnostar, S.A U	Casinos	,	100.00%	Cirsa International Gaming Corporation,	Rincon, 512	Montevideo	Dramay
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	Jerez de la Frontera	Cádlz
Travion, S.A	Casinos	25 00%	25,00%	Casino Buenos Aires, S.A.	Avda Eívira Rawson de dellepiane s/n	Buenos Aires	Argentina
Unidesa Equipment, S.A.U.	828	100.00%	100,00%	Universal de Desarrollos Electrónicos, S. A.	241 Persimond Street	Johannesburg	South Africa
Unidesa Perù, S.A	828	100,00%	100,00%	Universal de Desarrollos Electrónicos, S. A.	Avda Jose Pardo, 513, 8	Lima	Peru
Uniplay, S Ł U.	Slots	100.00%	100,00%	Cirsa Gaming Corporation, S.A.	Femina Sevillano, 5-7	Madrid	Madrid
Universal de Desarrollos Electrónicos, S. A	828	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Urban Leisure, S.L.	Slots	32,00%	32,00%	Global Amusement Partners Corporation,	Ctra Rellinars, 345	Terrassa	Barcelona
Verneda 90, S.A U	Bingos	100,00%	100,00%	International Bingo Technology, S.A.U.	Guipuzcoa, 70	Barcelons	Barcelona
while Gloup, 3-A	Source	30'00'0C	%10.00	Investments & Securities Panama, S.A.U.	Calle 90, nº 196-32. Oficina 401	Sanla Fe de Bogota DC	Colombia
Yumbo San Fernando, S.A	Bingos	%00'09	%00'09	Bingames, S.A.U. y Global Bingo	San Fernando, 48	Santander	Centabria
				Carporation S.A.U			

List of joint operations		Percentage of ownership	Percentage of ownership				
Company	Activity	2014	2013	Investment holder	Business address	City	Province/Country
CBA-CIESA, UTE	Casinos	45,00%	45,00%	Casino Buenos Aires, S.A	C/Rawson de Dellepiane, s/n	Buenos Aires	Arqentina
S.A. UTE	Casinos	33,30%	33,30%	Casino Buenos Aires S A	C/Rawson de Dellepiane, s/n	Buenos Aires	Arqentina

List of associates			1				
		Percentage	Percentage				
Company	Activity	of ownership 2014	of ownership 2013	Investment holder	Business address	City	Province/Country
					Av Elvíra Rawson de Dellepiane, s/n,	:	}
Alavera, S.A. Andy Games, S.R.L.	Slots	50.00% 25,50%	25,50%	Casino Buenos Aires S.A. Roval Games, S.R.L.	Darsena sur Comune di Milano	Buenos Aires Milan	Argentina Italy
A0G, S.r.I	Bingos	%00'09	20.00%	Cirsa International Gaming Corporation, S A U y Gema Srt U.	Via Galieo Galiler, 20	Silea (TV)	Italy
	:			Cirsa International Gaming Corporation,			
Ariv. S.A	828	20,00%	%00'05	S.A.U	Rio Bamba, 927 14-E	Buenos Aires	Argentina
Binbaires, S.A.	Casinos	33,33%	33,33%	Cirsa International Gaming Corporation,	Pinamar	Pinamar	Argentina
Binelec, S L	828	20'00%	20,00%	Universal de Desarrollos Electrónicos. S.A	Atenas, 45	Málaga	Málaga
Bingo Amico, S r I	Bingos	20,00%	20,00%	Gema, S.r.I.U	Pz Ferreto, 55 A	Mestre	Italy
Bingo Electrónico de Euskadi, S.L	Bingos	25,00%	25,00%	Play to Win, S.L	C/ Antonio Cabezon, 89	Madrid	Madrid
Brnqo Electrónico de México. S L. De C V	Bingos	%00'09	%00'09	Play To Win, S L	Lago Ladoga, 216 colonia Modelo	Mexico City	Mexico
Binsavo, S A	Bingos	%00'09	20,00%	Global Bingo Corporation, S.A U	Ruiz Morote, 5	Alcazar de San Juan	Ciudad Real
Canaria de Explotacrones Recreativas y de	č				C/ León y Castillo, 244 Pl 7 Dpto 703		
Juego, S L.	Sobug	20,00%	20,00%	Play To Win, S.L.	Edif Bellavista	Las Palmas G C	Gran Canaria
Casino de Asturias, S.A	Casinos	40,00%	40.00%	Global Casino Technology Corporation, S.A.U.	Nava, 8	Gijón	Asturias
Casino la Tola, S.A.	Casinos	%00'09	%00'09	Global Casino Technology Corporation	Isla de La Toja	El Grove	Pontevedra
Cirsa Digital, S.A.U.	Slots	20,00%	%00'09	Sportium Apuestas Deportivas, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
	878	70000	50 00%	1 Disconsisted Personal of Personal Charles	C/ Enrique Mariñas, 36 planta 5 local		
Compage Company of Colorer Describing	070	30,00%	200,00	Olliversal de Desairollos Electrosicos, o A.	20	A Coluna	A Coruna
Compania Europea de Saiones Recreativos, S BZB	S B2B	%00'02	20.00%	Universal de Desarrollos Electronicos, S.A.	C/ Toledo, 137	Madrid	Madrid
Compellctones Deportivas, S.A.	Casinos	20.00%	%00'09	Gaming & Services de Panama, S.A U	Calle 50 y 73 Este San Francisco Rosono de Direzzos 81.3 h. Bosonos	Panama City	Panama
Digital Gaming México, S.A.P.1	Slofs	65.00%	100 00%	Shorting Apriestas Deportivas S.A.	bosque de Durazgos, o 1 3 0, bosques	Mayoo City	Mosico
				Cirsa International Gaming Corporation,			ואופאורס
Emjucasa, S.A.	Casinos	%00.05	%00'09	S A.U	Bacacay, 2789 piso 5-20	Buenos Aires	Argentina
Enjoy With Us, S.L.	Bingos	%00'09	%00'09	Play To Win, S.L.	C/ Antonio Cabezon, 89	Madrid	Madrid
Extremeña de explotaciones recreativas y							
de juego. S.L	Bingos	%00'09	20,00%	Play To Win, S L	C/Antonio de Cabezón, 89	Madrid	Madrid
Fianzas y Servicios Financieros, SGR	Structure	35,23%	35,23%	Varios	Rafael Salgado, 19 3º	Madrid	Madrid
Giochiqenova, S.R L.	Slots	%00'09	%00'09	CirsaGest, S P.A.U	Via Col Dino, 6	Genoa	Italy
Gironina de Bingos, S.L	Bingos	20,60%	%09'02	International Bingo Technology, S.A U	Via Laietana, 51	Barcelona	Barcelona
Intesa Giochi, S R L U	Slots	%00'09	%00'09	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 Baios	Las Palmas G C	Gran Canaria
Madrileña de Explotaciones Recreativas y							
de Juego, S.A.	Bingos	%00'09	%00'09	Play To Win S L	C/Antonio de Cabezón, 89	Madrid	Madrid
Majestic Food Services, S.A.U.	Casinos	%00.09	%00'09	Gaming & Services de Panamá, S,A U	Calle 50, Calle 73 Este	Panama City	Panama
y de juego, S L	Bingos	%00'09	20,00%	Play To Win, S.L.	C/Antonio de Cabezón, 89	Madrid	Madrid
					San José-Tibas San Juan 100m norte		
Metronia CR, S A	Bingos	%00'09	%00'09	Play To Win, S L.	450 m oeste	Tibas	Costa Rica
Metronia Panama, S.A.	Bingos	20,00%	%00'09	Play To Win, S.L.	Av Balboa Edif Bay Hali Plaza	Panama City	Panama
Metroservi Andaluza de Salones, S.L.	Ringos	25.00%	25.00%	Global Bingo Corporation, S.A.U.	C/ Rastrillo, 4	Sevilla	Sevilla
Mollipc S XXI, S A U	Bingos	•	20,00%	Residencial Tibidabo, S A	oran via de les cons calalanes, 750 bajos	Barcelona	Barcelona

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		Percentage	Percentage of ownership				
Сотралу	Activity	2014	2013	Investment holder	Business address	City	Province/Country
Montecarlo Andalucia, S L	Bingos	20.00%	20,00%	Global Bingo Corporation, S.A.U	Av Cruz del Campo, 49	Sevilla	Sevilla
Opa Services, S.r.l.	Bingos	30,00%	30,00%	AOG.ST.	Torricella, 11	Rome	ltaiy
Operadora de Explotaciones Recreativas y							
de Juego, S L	Bingos	20,00%	%00'09	Play To Win, S L	Antonio Cabezón, 89	Madrid	Мафпо
Ovidio Collado, S L	Slots	20,00%	,	Recreativos Pozuelo, S L.	C/ Costanilla del Olivar, 2	Pozuelo de Alarcón	Madrid
Play to Win, S L	Bingos	%00.09	20,00%	Global Bingo Corporation, S.A.U	Antonio Cabezón, 89	Madrid	Madrid
Polispace, S L U	B2B	20.00%	20,00%	Binelec, S L	Alenas, 45	Málaga	Málaga
4 C			300		Gran Via de les Corts Catalanes, 756	ć	
Pospinira, 5 A	Birdos	, 4	%00'00	Global Bingo Corporation, S.A. U	Dalos	Barcelona	garcelona
Recreativos Pozuelo. S L.	Slo(s	%00'09	%00'05	Global Amusement Partners Corporation,	C/Costanilla del Olivar, 2	Pozuelo de Alarcón	Madrid
Recreativos Trece, S.L.	Slots	32.00%	32.00%	Urban Leisure, S.L	Ctra Rellinars, 345	Terrassa	Barcelona
Red de Juegos y Apuestas de Madrid, S A	Bingos	40,00%	40,00%	Varios	C/Evaristo San Miguel, 2	Madrid	Madrid
Residencial Tibidabo, S A	Bingos		20,00%	Global Bingo Corporation, S.A U	bajos	Barcelona	Barcelona
Royalbel, S.R.L.	Slots	47,50%	47,50%	Royal Games, S.R.L.	Via Rismondo, 4	Pavia	Italy
Roval Games, S.R.L.	Slots	%00'09	%00.09	CirsaGest, S.P.A.U	Via F. Rismondo, nº 4	Pavia	Italy
Serdisga 2000, S. L.	B28	20,00%	%00'09	Global Manufacturing Corporation, S.L.U	Av Finisterre, 283	La Coruña	La Coruña
					Edif Cirsa Calle 50y73, San Francisco		
Silver Cup Gaming, Inc.	Casinos	20.00%	20,00%	Cırsa Panamá, S A U	Este	Panama City	Panama
Sportium Apostes Catalunya, S A U	Slots	%00'09	20,00%	Sportium Apuestas Deportivas, S.A.	C/ Sena, 2	Vallès	Barcelona
Sportium Apuestas Aragon, S.L.U.	Slots	20,00%	%00'09	Sportium Apuestas Deportivas, S A	C/ Jaime Ferrán, 5	Zaragoza	Zaragoza
Sportium Apuestas Canarias, S L.U.	Slots	%00'09	,	Sportium Apuestas Deportivas S A	C/ Garcia Morato 1	Telde	Gran Canaria
Sportium Apuestas Castilla La Mancha,						Sant Cugat Del	
SLU	Siots	%00'09	%00'09	Sportium Apuestas Deportivas, S.A.	C/ Sena, 2	Valles	Barcelona
Sportium Apuestas Deportivas, S.A.	Slots	%00'09	%00'09	Cirsa Slot Corporation, S.L U.	C/Santa Mª Maqdalena, 10-12	Madrid	Madrid
						El Grove - Isla de fa	
Sportium Apuestas Galicía S.L.U.	Siots	%00`05	20,00%	Sportrum Apuestas Deportivas, S.A.	C/ Don Pedro, s/n	Toja	Pontevedra
Sportium Apuestas Levante, S.A U	Sials	%00'09	20,00%	Sportium Apuestas Deportivas, S A	Completo Hotelero Monte Picavo	Pucol	Valencia
Sportium Apuestas Navarra, S A U	Siots	%00'09	%00'09	Sportium Apuestas Deportivas, S.A.	Avda Barañaın, 27 1º A	Pamplona	Navarra
Sportium Apuestas Oeste, S.A.U	Siots	20,00%		Sportium Apuestas Deportivas, S A	C/ Nevero Doce, Parcela 21	Badaloz	Badajoz
Sportium Zona Norte, S A U	Slots	20,00%	,	Sportium Apuestas Deportivas, S.A.	C/ Las Balsas, 20 nave 49	Logroño	Logroña
Tejebin, S.A.U	Bingos	47,50%	47.50%	Juegos San José, S A	General Mas De Gaminde, 47 Bajos	Las Paímas G C	Gran Canaria
Tirreno Games, SRL	Stots	%00'09	%00'09	CirsaGest, S.P.A.U	Via Orosei, s/n	Navacchio (Cascina)	Italy
Vasca de Explotaciones y de Juego, S L	Bingos	20.00%	%00'09	Píay To Win, S Ł	C/Antonio de Cabezón, 89	Madrid	Madrid





INDEPENDENT AUDIT REPORT

CIRSA GAMING CORPORATION GROUP

Consolidated financial statements and Consolidated management report for the year ended

December 31, 2013





Translation of an audit report, consolidated financial statements and consolidated management report originally issued in Spanish.

In the event of discrepancy, the Spanish-language version prevails (See note 30)

AUDIT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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



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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

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Consolidated Financial Statements

- Consolidated statement of financial position at December 31, 2013 and 2012
- Consolidated statement of comprehensive income for the years ended December 31, 2013 and 2012
- Consolidated statement of changes in equity for the years ended December 31, 2013 and 2012
- Consolidated statement of cash flows for the years ended December 31, 2013 and 2013
- Notes to the consolidated financial statements for the year ended December 31, 2013

Consolidated Management Report

Appendix Consolidation perimeter at December 31, 2013 and 2012

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

ASSETS

(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 Tax effect		(44,802)	(17,760)
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)
MOREO			
Net profit (loss) attributable to:		(40.400)	400
Equity holders of the parent	40.4	(13,133)	169
Non-controlling interests	13.4	14,116	9,443
Total comprehensive income /(loss) attributable to:		983	9,612
, ,			
Equity holders of the parent		(55,325)	(16,528)
Non-controlling interests	13. <u>4</u>	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)	-		<u> </u>		(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 companiesChanges in the percentage of	-	٠	-	-	69	(1,448)	(1,379)
ownership Dividends paid	-			(11,123) -		(99) (13,234)	(11,222) (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	(0/4,413)
Acquisition / Sale of own bonds	14	101,034	5.118
Finance leases	14	(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)
<u> </u>			
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

Cirsa Gaming Corporation Group Notes to the consolidated statements for the year ended December 31, 2013

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. Garbimatic, S.L.(*)	50.004% 25.50%	Full Full	7,230 1,369	3,863 1,373
Interservi, S.A. Gestora de Inversiones Cobiman, S.L.U. (**)	51% 51%	Full Full	4,489 3	5,982
Egartronic, S.A. Tecnijoc, S.L.U. (***) Apple Games 2000, S.L. (***)	50.99% 50.99% 49.50%	Full Full Full	36,145 5,540 7,782	14,049 3,495 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.

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 Electronicos 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.

^(**) 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.

· 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:

	Changes in non-controlling interests	Profit/(loss) from the sale
(Thousands of euros)		<u> </u>
Sociedad de Inversiones Cirsa Chile, Limitada and		
subsidiaries	(1,448)	1,379
Servitronic Andalucia, 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		Perce	entage
	2013	2012	At December 31, 2013	At December 31, 2012
Burnex 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	-
The state of the s	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		
Macrojuegos, S.A. Juegomátic, S.A.(*) UTE CBA-Ciesa	2012	2011	At December 31, 2012	At December 31, 2011	
	Full Full Proportional	Full Full Proportional	51.0% 65.0% 45.0%	100.00% 75.00% 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.

<u> </u>	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

Non-financial assets

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

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

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

Financial assets

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

Assets measured at amortized cost

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

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

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

Available-for-sale financial assets

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

2.15 Treasury shares

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

2.16 Provisions

Provisions are recognized when:

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

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

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

2.17 Interest yield loans and credits

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

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

2.18 Translation of balances in foreign currency

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

2.19 Leases

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

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

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

2.20 Revenues

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

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

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

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

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

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

2.21 Restructuring expenses

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

2.22 Income tax

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

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

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

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

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

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

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

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

2.23 Contingencies

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

2.24 Classification of current and non-current assets and liabilities

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

3. SEGMENT INFORMATION

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

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

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

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

3.1 Operating segments

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

Slots:

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

B2B:

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

Casinos:

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

Bingos:

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

On-line:

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

Other segments:

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

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

(Thousands of euros)	Slots	BZB	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
Notification assets not assigned 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
<u>Liabilities by seqment</u> Liabilities assigned Liabilities not assigned	(345,244)	(112,777)	(473,046)	(178,884)	(3,695)	(181,258) (54,932)	(1,294,904) (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 Sales inter-segment	517,543 2,922	52,591 38,991	576,784 1,130	212,940	3,799	(667) (44,980)	1,362,990
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)	(2,284	98,902	(29,200)	(7,468)	(27,323)	29,485
Net profit from continuing operations	(31,889)	19,356	47,153	(1,103)	(266'9)	(25,537)	983
Non-monetary expenses Depreciation, amortization and impairment Changes in trade provisions	(53,772) (3,853)	(3,367) 501	(70,515) (2,025)	(39,576) (56)	(311)	4,554 16	(162,987) (5,417)
Other significant expenses Personnel External supplies and services Gaming taxes	(49,029) (72,193) (312,996)	(17,943) (17,860) (1,308)	(117,205) (115,269) (109,229)	(43,320) (68,180) (68,928)	(1,710) (6,008) (778)	(12,634) 21,091 (215)	(241,841) (258,419) (493,454)
Other information by segments Investment in non-current assets Investments in associates	35,153 704	3,409 725	61,483 795	16,722	434	924 944	118,125 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.

						Climinations and	
(Thousands of euros)	Slots	B2B	Casinos	Bingo	On-line	other	Total
Assets by segment							
Non-current assets assigned Non-current assets not assigned	206,315	67,814	486,611	116,243	3,191	54,684 80,878	934,858 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)
Total liabilities	(271,780)	(60,308)	(491,561)	(188,511)	(1,469)	(306,913)	1,326,542
Net operating revenue from variable rent Sales to external customers Sales inter-segment	497,125	58,112	559,624 1,765	229,006 1,941	1,881	4,288 (50,520)	1,350,036
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
Profit before income tax	15,467	19,478	103,749	(19,153)	(5,665)	(48,197)	62,53
Income tax expense Net profit from continuing operations	(16,163) (696)	(12,777) 6,701	(32,368) 71,381	3,175 (15,978)	1,404 (4,261)	662 (47,535)	(56,067) 9,612
Non-monetary expenses Depreciation, amortization and impairment Changes in trade provisions	(56,217) (3,564)	(4,181) (773)	(69,787) (1,531)	(28,971) (303)	(176)	5,958	(153,374) (6,171)
Other significant expenses Personnel External supplies and services Gaming laxes	(46,841) (69,296) (250,130)	(18,934) (21,352) (1,128)	(113,850) (123,698) (107,343)	(44,137) (72,292) (78,503)	(1,075) (5,684) (550)	(17,410) 25,903 (89)	(242,247) (266,419) (437,743)
Other information by segments Investment in non-current assets Investments in associates	34,261 665	2,346 668	82,940 772	22,316	2,909	47 944	144,819 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:

_			(Th	nousands 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	odly 2010	0,007	,,420	4,102	_	_
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:

			(Th	nousands 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:

2013	2012
61 112	78,136
	59,413
67,933	76,769
•	2,018
185 293	216,336
	61,113 56,247 67,933

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

<u>2013</u>

(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						
3331						
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)	_	ìíí	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	2,222		(/		, ,	
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

(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)
<u>.</u>	(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:

<u> 2013</u>

(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			, ,	4,717	
Recreativos, S.L.	725	5.862	(2,793)		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 cashgenerating unit, taking into account the type of activity and country where it is located. The following chart shows the discount rates used based on business and geographic area for the CGUs with significant goodwill associated to them.

Country	Activity	Discount rate (before tax)
Spain	Gaming	13.71%
Spain	Industrial	13.71%
Spain	Interactive	13.71%
Italy	Gaming	13 00%
Peru	Gaming	15 64%
Colombia	Gaming	15 00%

Test results

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

9.2 Other assets

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

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

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

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

10. INTERESTS IN JOINTLY CONTROLLED COMPANIES

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

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

(Thousands of euros)	Data affected equity in	
	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:

	Amount in s financial		Participation	n in results
(Thousands of euros)	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

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

		2013		2012		
(Thousands of euros)	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	10,000	
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	10,000	2,838
Deductions pending application from the tax groups Deductible temporary differences:	-	2,030
Impaired receivables	8.238	7.568
	24.050	20,544
Impaired securities portfolio	24,050 483	
Goodwill impaired in individual books		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.

ids 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:

	201	13	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			
THE W	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 Expenses	1,966 (9,231)	2,369 (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 Rio 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 ("Loteria Nacional, SE") in gaming matters. In particular, it claimed that gaming activities fell under its jurisdiction in the City of Buenos Aires, and hence, raised objections against the license granted to the subsidiary Casino Buenos Aires, S.A. (CBA).

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

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

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

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

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:

	20)13	20	12
(Thousands of euros)	Fixed interest rate	Floating interest rate	Fixed interest rate	Floating interest rate
Bonds	770,010	_	668,488	_
Bank borrowings	-	167,137		200,162
Other creditors	-	29,788	-	54,815
	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:

	20)13	20	12
(Thousands of euros)	Fixed interest rate	Floating interest rate	Fixed interest rate	Floating interest rate
Nortia Business Corporation, S.L.	66,372		72,206	_
Loans to jointly-controlled business and associates	8,270	5,847	7,196	9,742
Loans to third parties	15,785	27,619	21,462	18,261
Deposits and guarantees	37,417		41,848	-
Fixed-income securities and deposits	2,390	-	3,534	
	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

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

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

	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:

		made and part the balance	ayments outs sheet date	tanding	
	201	3	201	2	
	Amount	%	Amount %	%	
Within maximum legal payment period (*)	212,915	65,15%	282,710	88,59%	
Other	113,871		5% 36,418 11	36,418	11,41%
Total payments in the year	326,786 100,00%	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	Crty	Province/Country
Administradores De Personal En Entretenimento SA de CV	Bingos	100 00%	100.00%	Bincamex. S.A. de CV	Bosaue de Duraznos 6138	Mexico City	Mexico
Alar S.A	Bingos	75.00%	75.00%	Global Bingo Corporation, S.A.U.	Av Muñoz Vargas, 18	Huelva	Huelva
Alfematic S.A	Slots	20.00%		Cirsa Slot Corporation S.L.U.	Ctra Relinars, 345	Terrassa	Barcelona
Ancon Entertainment S.A.	Casinos	50.00%	20.00%	S.A.U	Calle 50 y 73 Este San Francisco	Panama City	Panama
Apple Games 2000 S L	Slots	49 50%		Eqartronic, S.A.	Sequia de Favara, 11	Picanya	Valencia
Automáticos Siglo XXI S L U	Siots	75,00%	65 00%	Juegomatic, S A	Martillo 26	Sevilla	Sevilla
Bar Juegos, S L	sugus	100 00%	%00 00L	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.E.	General Ricardos, 176	Madrid	Madrid
				Cirsa international Gaming Corporation,			
Bincamex SA de CV	Bingos	100.00%	100,00%	S.A.U	Cantú, 9 - 601 Colonia Nueva Anzures	Mexico City	Mexico
Bincano S.A.U.	Singos	100.00%	60 00%	Global Broot Corporation, S.A.U.	Elcano, 30-32	Bilbao	Vızcaya
Biogaser A F	Bingos	100 00%	100.00%	Varios	Forming Sovillano 5.7	Maded	Maded
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 SAU	Casinos	100.00%	100.00%	Gaming & Services De Panamá SAU	Calle 50 v 73 Este San Francisco	Panama City	Panama
Bingos Malagueños, S A U	Bingos	100,00%	100.00%	Sobima SAU	Pz Cruz de Humiladero, S/n	Malaga	Malaga
Binred Madrid S.A.	Bindos	100.00%	100,00%	Novojuegos, S.A. Y Sala Versalles, S.A.	C/ Bravo Munio, 309	Madrid	Madrid
Burnex 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.	828	100 00%	100,00%	Cirsa Interactive Corporation S.L.	Bosque de Duraznos, 61 3 b. Bosques Lomas	Mexico City	Mexico
Cafeteria Miami, S.A.U. Capitan Hava 7, S.A.	Casinos	100,00%	100 00%	Gaming & Services, S.A.C. Global Bings Corporation, S.A.H. v.Global	Av La Marina 1725 Canilan Hava 7	San Migue! (Lima)	Peru
))			Bindo Stars SAU			
Casino Buenos Aires, S.A	Casinos	100 00%	100.00%	Cirsa International Gaming Corporation, S.A.H. v.Gestion de Tueno Internal, S.A.H.	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	Pecol	Valencia
Casino Nueva Andalucia Marbella, S.A.U.	Casinos	100 00%	100 00%	Global Casino Technology Corporation	Cira Cadis-Majaca Km 180	Marhella	Malan
Casinos de Juego Cirsa Chile Limitada	Casinos	100.00%	100.00%	Sociedad Inversiones Cirsa Chile Lida	Comuna de las Condes	Santiago de Chile	Chile
Caterers Services S.A	Casinos	100 00%		Gaming & Services de Panama SAU	Calle 50 v 73 Este San Francisco	Panama City	Panama
	(Cirsa International Gaming Corporation,			
Circaecuador, S.A	Casinos	100 00%	700.00%	SAU	inglaterra E3263 y Ava Amazonas	Quito	Ecuador
Circa Amuserient Corporation, S.L.O.	Sibis	, 000	100,00%	Circa Carning Corporation, S.A.	Consell de Cent 106-108	Barcelona	Barcelona
Circa Amusement rightee, 5.4 U	Sibis	100.00%	100.00%	Crisa Source Composition S.A.	10 Impasse Leonce Coulure	Tolouse	France
Circa Cariba C. A	Casinos	20,00%	70.00%	Circa Venezuela C.A.U.	Auto 2 do Maio Costo Company 1 and 41	Luxembourg	Luxembourg
Cirsa Casino Corporation, S.L.U.	Casinos	100 00%	100.00%	Cirsa Gaming Corporation, S.A.	Otra Castellar 298	Terrassa	Venezuela
Cirsa Casino de Antofaqasta 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	Casmos	54.80%	54.80%	Cirsa Casinos de Juego de Chile, S.A.	Comuna de Calama	Calama	Chile
Cirsa Casino de Copiapo, S A	Casmos	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 Rancaqua, S.A.	Casinos	54 80%	54.80%	Cirsa Casinos de Juego de Chile. S A	Comuna de Rancaqua	Rancaqua	Chile
Cirsa Casino de Ternuco, 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
Circa Casinos de Juego de Crille 6.A	Casinos	34 80%	34.80%	Cashios de Juego Cilsa Cilhe Elimada	Nueva Fajamar 481 Torre Norle, Of 706	Las Condes	Chile
Cirsa Fundina Luxemboura, S.A U	Structure	100.00%	100.00%	Cirsa Gaming Corporation S.A.	Rue Charles Mariel 58	Lixompound	Barcelona
Cirsa Insular, C A U	Casinos	100,00%	100,00%	Cirsa Venezuela, C A U	Estado de Nueva Esparla (Porlamar)	Isla Margarita	Venezuela
Cirsa Interactive Corporation, S.L.	B2B	100.00%	100.00%	Cirsa Gaming Corporation, S.A.	Cfra 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	Casmos	100.00%	100,00%	Circa 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 Siot Corporation, S.L.U.	Siots	%00,00r	100.00%	Circa International Gaming Congretion	Cira, de Castellar, 298	Terrassa	Barcelona
Cırsa Venezuela, C.A.U	Casinos	100.00%	100.00%	S.A.U	D Marino Nueva Esparta Porlamar	Isla Marqarita	Venezuela

List of subsidiaries		Percentage of ownership	Percentage of ownership		:	i	,
Company	Activity	2013	2012	investment holder	Business address	Cily	Province/Country
Cirsacom SRLU	Slots	100.00%	100,00%	Cirsa Italia S.A.U	Centro Direzionale Milanoffori, Strada 2	Assago	Italy
Cirsagest SPAU	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 Electronicos S. A.U.	Slots	100 00%	100 00%	Global Game Machine Corporation, S.A.U.	Pri Margall, 201	Terrassa	Вагсеюпа
Complete Hotelory Mondy Descriptor	2000	400,00%	700000	Coda Casing recitionary Corporation.	Complete Manager Design	Cagniple	eracie!
	201168	200					A dielicia
Digital Gaming México, S A P I	Stots	100,00%	٠	Bincamex SA de CV	Bosque de Duraznos 613 b. Bosques Lomas	Mexico City	Mexico
Egartronic, S.A.	Stots	51,00%		Cirsa Slot Corporation, S.L.U	C/del Aire 1 Pol Ind Els Bellots	Terrassa	Barcelona
Fradrong Servicios Centrales, A.I.E.	Stofe	37 10%	,	Apple Games 2000, S.t.	C. del Aire 1 Pol 1nd Fis Relints	Terrassa	Rarrelona
Clearing Contracts Contracts, 211	n do	100 00%	100.00%	Cirsa Stot Comoration St. U	Forming Coulling 6-7	Madrid	Model
Clockopion Taullane C	Slots	75 00%	50 00 %	Global Amisement Pathoes Cornocation	Fermina Coviliano, 5-1	Madro	New Company
Crecionación Calpination, o E. Crecionación Diseas	Grade	%00 00t	30.00%	Biblioto busescopes C. 1	Day Corrector A Aprillar sto	Madrid	Dipola
Chipiesa exploracola del Juego del Brigo.	softing of	100,00%	100.00%	Biblingo inversiones, o.c.	Car Collegador Agunar, Sar	Madrid	Niedoria Piniedoria
Entidad Gestora del Bingo Siglo XXI, S.L.U	878	%00 001	100.00%	Cirsa Interactive Corporation, S.L.	Sena, n° 2	Sant Cugal del	Barcelona
Ferrojuegos S.A.	Bingos	100 00%	100.00%	Global Bingo Corporation, S.A.U. y Global Bingo Madrid S.A.I.I.	Ferrocarul 38	Madrid	Madrid
		200,000	900	Cree (plennational Gamma Community			6
Gaming & Services de Panama, S.A.U	Casinos	100 00%	100.00%	Casa international Carming Corporation,	Calle 50 V /3 Este San Francisco	Panama City	Fanama
Gaming & Services, S.A.C.	Casinos	%00.00L	100 00%	Citisa international Garning Corporation.	Av Grau 1006	Lima	Peru
Garbimatic S L	Slots	25 50%	,	Aliematic of A	Ctra Relinars, 345	lerrassa	Barcelona
Gema SriU	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.	Pri Margali 201	Terrassa	Barcelona
Gestion de Bingos Gobylán S. A.U.	Bridges	100.00%	100.00%	international Bingo Technology, S.A.U	Pza de la folesia, 10	Sta C de Tenerife	Tenerife
Gestion del Juego Integral, S.A.U	Casinos	100.00%	100 00%	Cirsa interactive Corporation, S.L.U.	C/de la Resina, 22-24, Puena 8-9	Madrid	Madrid
sru	Slots	100 00%	100 00%	Electronicos Radisa, S.L.U.	Fermina Sevillano 5-7	Madrid	Madrid
				Interservi, S A		Alcazar de San	
Gestora de Inversiones Cobiman, S.L.U	Slots	51,00%	,		Ctra Nacional 420, km 286	Juan	Ciudad Real
Global Amusement Partners Corporation, S.A.U.	Slots	100 00%	100.00%	Cirsa Gaming Corporation, S.A.	Cira 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
Giobal 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 Stot Corporation, S.L.U	Pri Margall, 201	Terrassa	Barcelona
Global Gaming Corporation Russia, S.L.U	Slots	100.00%	100 00%	Cirsa Slot Corporation, S.L.U	Cira 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.	82B	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
Grasplar, S.A.U	Bingos	100 00%	100,00%	Telma Enea, S.L.U	Av Generalital 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	Ferrocarril 38	Madrid	Madrid
A Company of Manager Company of Company				Madrileña de Servicios para el Bingo, S.L.U			
	Biogo	700 00%	100 00%	N A D I DA C V	Roberts of action of altered	Maxico	Most
International Bingo Technology S.A.U	Bingos	100 00%	100 00%	Global Bingo Corporation, S.A.U	Pri Margall 201	Terrassa	Rarcelona
International Gaming Manufacturing, S.L.U.	828	100.00%	100.00%	Cirsa Casino Corporation, S.L.U	Ctra Castellar 298	Terrassa	Barcelona
	1					Alcazar de San	
Interservi, S.A	Slots	51,00%	1	Cirsa Slot Corporation, S.L.U.	Ctra. Nacional 420 km 289	Juan	Ciudad Real
Inversiones Interactivas, S.A.	Casinos	70 00%	70,00%	Orbis Development, S.A.U.	Av Obarno 57	Panama Crtv	Panama
Inversiones Recreativas de Occidente, C.A	Casinos	67.50%	67.50%	Cirsa International Gaming Corporation,	0 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Series Series	Alexander Co.
Invastment & Carurdian Panama C A L	Sociae	100 00%	100 00%	S.A.O. Cirsa loternacional Gaming Corporation	Carle 17, Edit Bindo	Terracaido	Venezuera
Average Control Duoros Average 11 T. E.	aca	100.00%	100 00%	Casino Ruppos Aires S.A	Charles dens 1730 D D	Diooss Aros	Arabahaa
INISA - CASHIO BUENOS AHEB, O I E	Casinos	100,00%	100.00%	Complete Hotelery Monte Brown C A 11	Complete Attended Mode Direct	Sacialo	Valentina
Lipenomalic S. A.	Siots	75,00%	65.00%	Global Game Machine Corporation, S.A.U.	Av Velázaniez 91	Málada	Majana
Joegos V Bingos S.A U	Bingos	100 00%	100 00%	International Bingo Technology, S.A U	Fotenza 96 haros	Raccelona	Barrelona
KLC Negocios v Provectos, S.A.	Casinos	70.00%	70.00%	Cirsa Venezuela. C A U	Avda Fco de Mranda	Caracas	Venezuela
La Barra Ancon S.A.U	Casinos	20.00%	50,00%	Ancon Entertainment, S.A.	Calle 50 v 73 Este San Francisco	Panama City	Panama
				Cirsa International Gaming Corporation.			
La Barra Panama, S.A.U	Casinos	100.00%	100.00%	SAU	Calle 50 v 73 Este San Francisco	Panama City	Panama

		Percentage of ownership	Percentage				
Company	Activity	2013	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	Lierda	Finds
Lightmoon Infernational 21, S.1.	Slots	100 00%		Cirsa Stot Corporation, S.L. U	Ctra Castellar 298	Torracea	Baccelona
Luckolav S.A	Bingos	300 00%	100 00%	Global Bridge Corporation S.A.C. v. Bridge	Lichana 23	Maded	Maded
				de Madrid Reunidos S.A.U.			
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	Brngos	51.00%	51.00%	International Bingo Technology, S.A U	Dionisio Guardiola 34	Albacete	Albacete
Madrileña de Servicios para el Bingo S L U	Brngos	100.00%	100,00%	Global Bingo Corporation, S.A.U.	Fermina Sevillano 5-7	Madrid	Madrid
				Cirsa International Gaming Corporation.		Cuidad de	
Mendoza Central Entretenimientos SAU	Casinos	51,00%	51 00%	SAU	9 de Julio nº municipal 318, esquina C	Mendoza	Argentina
				Cirsa International Gaming Corporation,			Dominican
Nightfall Construccions S.R.L.	Casnos	100.00%		SAU	Avda Abraham Lincoln	Santo Dominoo	Population
Novojuegos, S A	Bingos	100.00%	100.00%	Garnandez, S L	Bravo Munito 95	Madrid	Madrid
A C. Chelevia	Caemon	,	100 00%	Cirsa Infernational Gamino Corporation	Adolfo Alsino 01730 Disco Da	Disease Area	and a second
O'donneil Juegos, S.A.	Bingos	100.00%	100.00%	Global Bingo Corporation S.A.U. v. Bingos	O'Donell 21 v 23	Madrid	Maded
		<u> </u>		de Madrid Reunidos, S.A U			
Oppute Juegos S.A.U	Binops	100 00%	100 00%	Global 5 Estrellas, S A	A Opoglo	Maded	Modera
Orbic Development S A Li	action C	100 00%	100.00%	Cirsa International Gamino Comoration	Course Tourse 16th Book World Toods Contra	10000	אימחום
District C A 11	Bigge	100 00%	100.00%	Biographic C A 11	Code 1	Tanama City	Fanama
righter 5.A U	Sobilica	100,007	800.001	Dirigalities, 3 A O	Cadiz, 1	lerrassa	Barcelona
Pol Management Corporation B V 31	Ciote	100 00%	400 00%	Cirsa international Gaming Corporation,	Emphasis Daulaned 20 Nam Hannes		ine.
Princesa 31, S.A.	Bingos	100.00%	100,00%	S.A.U. Global Bingo Corporation, S.A.U. v.Bingos	Princesa, 31	Madod	Madrid
				de Madrid Reunidos S.A.U			
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 1nd Els Bellots	Terrassa	Barcelona
Recreativos Arranz, S L U	Stots	100.00%	100,00%	Cirsa Slot Corporation, S.L.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Recreativos Del Istmo, S.A.	Casinos		20.00%	Cirsa International Gaming Corporation,	Calle 50 v 73 Este San Francisco	Panama City	Panama
Recreativos Rodes, S.A.U.	Slots	100 00%	100 00%	Genoer, S.A.U	German Bernarer 22 P.1. Eiche Paroue Ind	Elcha	Aleanto
Red de Brance Andaluces A F	Binone	%UU PS	54 00%	Varios	Madillo 26	Certifie	O Carlle
Dod do interconnection do Andelson C. 1.1	000	300.00	34.00%	Circa interactive Consequence C. 1.1	Malitino, 20	Sevilla	Sevilla
Ned de littercollexion de Andatucia o L o	979	100,00%	00.00	Chan bitterior Corporation of the	Marilio 26	Sevilla	Sevilla
Red de salones de Aragon, S.L.U	828	100.00%	100.00%	Cilsa Interactive Corporation, S.E.U.	Ctra De Castellar, 298	Terrassa	Barcelona
Romgar, S.L.	Bingos	100.00%	100,00%	Telma Enea, S.L. U	Cavetano del Toro 23	Cadiz	Cádiz
Sacres, S.A	Casmos	%00'66	%00'66	Cirsa International Gaming Corporation,	Tucuman 8	Buenos Aires	Argentina
Sadeju, S.L.U	Bingos	100,00%	100.00%	Telma Enea, S.L. U	Av Cavetano del Toro, 23 Bi	Cádız	Cadiz
Sala Versalles S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U. y Global	Bravo Murillo 309	Madrid	Madrid
				Bingo Stars S.A.U			
				SCB Carbe, S.A.U.			Dominican
SCB Almirante Dominicana S.R.L.	Casinos	100 00%	100,00%		Av A Lincoln, 403 La Julia	S Domingo	Republic
				SCB Cambe, S.A.U		S Domingo	Dominican
SCB Anil Dominicana, S.R.L.	Casinos	100.00%	100,00%		Av Maximo Gomez / Avda 27 Febrero	Guzman	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 Carrbe, S.A. U		Santo Domingo	Dominican
SCB Hispaniola Dominicana, S.R.L.	Casinos	100.00%	100.00%		Av A Lincoln /Correa y Cidron	Guzman	Republic
				SCB Canbe, S.A.U	Av George Washington, centro comercial	Santo Domingo	Dominican
SCB Malecon Dominicana, S.A.	Casinos	100,00%	100,00%		Malecon	Guzman	Republic
SCB Margarita, C.A.U	Casinos	100 00%	100.00%	Cirsa International Gaming Corporation,	Estado de Nueva Esparta (Porlamar)	Isla Margarita	Venezuela
20	Bingos	100.00%	100,00%	Bincamex, S.A. de CV	Bosque de Duraznos, 61 3B	Mexico Cily	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 Troylocs, S.L.	Slots	100.00%	100.00%	Cirsa Slot Corporation, S.L. U	Cfra De Castellar, 298	Terrassa	Barcelona
Sobima, S.A.U	Bingos	100,00%	100,00%	Infernational 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	Cádız	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	828	100,00%	100,00%	Red de Interconexion de Andalucia S.L.U.	33 Youldo-Dong, Yeongdeungpo-Gu	Seoul	Korea
lechloc, 5 L U	Siots	51,00%	,	Egadronic, S A	Gremio de Jaboneros, 3B Pol I. Son Castello	Palma de Mallorca	Mallorca

List of subsidiaries

List of subsidiaries Company	Activity	Percentage of ownership 2013	Percentage of ownership 2012	Investment holder	Business address	Crty	Province/Country
Tecnostar, S.A.U	Casinos	100.00%	100,00%	Cirsa International Gaming Corporation,	Rincon, 512	Montevideo	Urnquay
Tefle SAU	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	Cadız
Traylon S.A.	Casinos	25.00%	20 00%	Casino Buenos Aires, S.A. Y Compañía de	Avda Elvira Rawson de dellepiane, s/n	Buenos Aires	Argentina
Unidesa Argentina, S.A.	828	100,00%	100.00%	Universal de Desarrollos Electrónicos S A	Alsina, 1729	Buenos Arres	Argentina
Unidesa Colombia LTD	828	,	100 00%	Universal de Desarrollos Electronicos, S. A.	Calle 52, 46 34 p4	Medellin	Colombia
Unidesa Equipment, S.A.U	828	100,00%	100 00%	Universal de Desarrollos Electronicos, S. A.	241 Persimond Street	Johanessburg	South Africa
Unidesa Perú S A	828	100,00%	100,00%	Universal de Desarrollos Electronicos, S. A.	Avda Jose Pardo, 513 8	Firma	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.	828	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	Colombia
Yumbo San Fernando S.A.	Bingos	60.00%	%00'09	Bingames SAU y Global Bingo Corporation SAU	San Fernando, 48	Bogota DC Santander	Cantabria

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Alavera S.A. Casinos Andy Games, S.R.L. Slots AOG, S.r.I. Bingos Automáticos Laomai. S.L.U. Slots Automáticos Laomai. S.L.U. Slots Bindaires, S.A. B2B Bingo Electrónico de Euskadi, S.L. Bingos Bingo Electrónico de Euskadi, S.L. Bingos Bingos Bingos Andaluces, S.A. Bingos Bingos Bendorm, S.A. Bingos Bingos Bingos Bendorm, S.A. Bingos Bingos Bendorm, S.A. Bingos	50.00% 50.00% 50.00% 50.00% 50.00% 50.00% 50.00% 50.00% 33.33% 50.00% 50.00% 50.00% 50.00% 50.00% 50.00% 50.00% 50.00% 50.00% 50.00% 50.00% 50.00% 50.00%	Casino Buenos Aires S.A. Y Compañia de inversiones en Entretenimientos, S.A.	Av Elvira Rawson de Dellepiane, s/n		
r. S.L.U. eqos S.L eqos S.L e Euskadi, S.L S.A A A					
r. S.L.U. egos S.L egos S.L e Euskadi, S.L S.A A A			Darsena Sur	Buenos Aires	Argentina
SL De C V		Royal Games S.R.L. Circa International Games Constituted	Comune di Milano	Milan Silon (TV)	Italy
SL De C V			Via Galleo Galler, 20	Silea (1V)	<u> </u>
SL De C V					llaty
SL De C V			Rio Bamba 927, 14-E	Buenos Aires	Argentina
SL De C V			C/Sierra Telar, 40	Vator	Almería
			Pio III 13	Alcazar de San Juan	Ciudad Real
			Pinamar	Pinamar	Argentina
		// Come Sittle	Alenas 45	Maiaga	Małaga
			C/ Antonio Cabezon 89	Madrid	Madrid
		% Play To Win S.L.	l apo I adoda 216 colonia Modelo	Meyico City	O S
			Asuncion 3	Sevilla	Sevilla
			Plaza Doctor Fleming, s/n	Benidorm	Alicante
teneris de Evolutaciones Decreativas y de		Global Bingo Corporation,	Ruiz Morote 5	Alcazar de San Juan	Crudad Real
			C/ León y Castillo, 244 Pt 7 Dpto 703		
Surgery S. E. Bingos	50 00% 50.00%	9% Play To Win, S L	Edif Bellavista	Las Paimas G C	Gran Canaria
Casino la Tola. S.A. Casinos			C/Cotagoda, 1365,P186 5 61 508	Santa Fe-Kosario	Argentina
			מום מכן בים	2000	רטוופעפטים
CBA-CIESA, UTE	45.00% 45.00%		C/Rawson de Dellepiane s/n	Buenos Aires	Argentina
aca .	70000	Universal de Desarrollos Electronicos, S.A.	C/ Enrique Mariñas, 36 planta 5 local		
1 50		Clobal Manufactured Comprehen ST (1	1B Di Ele Bellote of del Bire 1	A Coruna Tarrenne	A Coruña
ntivas, S.A			Calle 50 v 73 Este San Francisco	Panama City	barama Panama
					!
Emjucasa, S.A.		SAU	Bacacay 2789 piso 5-20	Buenos Aires	Arqentina
Enjoy With Us, S L	20 00% 20 00%	1% Play To Win, S.Ł	C/ Antonio Cabezon, 89	Madrd	Madrid
explotaciones recreativas y					
			C/Antonio de Cabezón, 89	Madrid	Madrid
Contracting of the Contraction o		% Original risks of the	P.I. La Juaida, C/Sierra Telar 40	Viator	Almería
Slocingeriova, o R.L.	%00.00		Via Col Dino, 6 German Remacer 22 P.I. Fiche	Genova	Italy
Goldenplay. S L U Slots	20.00% 50.00%		Parque Ind	Elche	Alicante
			Via Zappellini 6	Busto Arsizio	Italy
	20 00% 50.00%		Via Casati Felice, 32	Milan	Italy
Suegos Sari Jose, S. A. Bingos	47,50% 50,00% 50,00% 50,00%	% Global Bingo Corporation, S.A.U	General Mas De Gaminde, 47 Bajos	Las Palmas G C	Gran Canaria
Recreatives			Asuncion, 3	Sevilla	Sevilla
de Juego, S A Bingos	20 00% 20 00%	% Play To Win, S L	C/Antonio de Cabezón, 89	Madrid	Madrid
ir, S.A Casino Buenos Aires,		;			
S.A. U.E. Casinos	33 30%	Magic Star, S.A.	C/Rawson de Dellepiane, s/n	Buenos Aires	Argentina
Majestic Food Services, S.A.U. Casinos	20,00% 50,00%	% Gaming & Services de Panamá, S.A U	Calle 50, Calle 73 Este	Panama City	Panama
Marchamatic Indalo, S L U Slots	20,00% 50,00%	1% Orlando Play S.A	C/Serra Telar 40	Viator	Almeria
Mediterranea de explotaciones recreativas y de iuego, S.t.	50 00% 50 00%	Play To Min O	وق مؤدوطون ما ميمولوان		7
			San José-Tibas San Juan 100m norte	Madrid	Madrid
			450 m oeste	Tibas	Costa Rica
Metronia Panama, S.A Bingos	20,00% 50.00%		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	%00.03	% Residencial Tibidabo. S.A	Gran Via de les Coris Catalanes 750 baios	Barcelona	Barcelona

List of joint-controlled companies		Percentage of ownership	Percentage of ownership				
Company	Activity	2013	2012	Investment holder	Business address	City	Province/Country
Montecarlo Andalucía, S.L.	Bingos	20.00%	\$00'09	Global Bingo Corporation S A U	Av Cruz del Campo, 49	Sevilla	Sevilla
Multicasino, S.A	Casinos	20.00%	%00'09	Gaming & Services de Panama SAU	Calle 50 Calle 73 Este	Panama City	Panama
New Laomar S L U	Slots	20,00%	20.00%	Orlando Play, S A	c/Sierra Telar 40	Viator	Almeria
Opa Services, S r I	Bingos	30,00%	30,00%	AOG.SrI	Torricella, 11	Rome	Italy
Operadora de Explotaciones Recreativas y	ú	3	č	i			
de Juedo, S.L.	Rindos	%00 DS	20 00%	Piay to win S.L.	Antonio Cabezon 89	Madrid	Madrid
Orlando Italia Sir I	Siots	%00'05	20.00%	Orlando Play S.A	Milano Fiori, Strada 2, Palazzo D4	Assago	Itaiy
Orlando Play, S.A.	Siots	20,00%	20.00%	Global Game Machine Corporation, S.A.U.	Sierra Telar, 40 P.1. La Juaida	Viator	Almeria
Play to Win, S.L.	Bingos	20.00%	%00'05	Global Bindo Corporation, S.A.U	Antonio Cabezón 89	Madrid	Madrid
Polispace, S.L.U	828	%00 05	%00'09	Binelec S.L.	Atenas 45 Gran Via de les Corts Catalanes 756	Málaga	Málaga
Posbintra S.A	Bingos	20 00%	20.00%	Global Bingo Corporation S A U	bajos	Barcelona	Barcelona
Recreativos Bigar, S.L.	Slots	%00 05	%00'09	Cirsa Slot Corporation, S.L.U	Paseo Ubarburu, 37	San Sebastián	Guipuzcoa
Recreativos Jeroni Orfila S L	Slots	ı	%00.09	Cirsa Slot Corporation, S.L.U	C/Emili Darder Balle, 4	Palma de Mallorca	Baleares
Recreativos Manchegos, S L	Stots	%00'05	20 00%	Global Amusement Partners Corporation,	C/Pto III, 13	Alcazar de San Juan	Cludad Real
Recreativos Octomar Levante, S L U	Slofs	%00'05	20,00%	Orlando Play S A	Ctra De Castellar, 298	Terrassa	Barcelona
Recreativos Panaemi, S.L.U.	Siots	20,00%	20,00%	Orlando Play, S A	c/ German Bernacer, 22 P I Elche	Murcia	Murcia
Recreativos Pozuelo, S L	Siots	%00'09	20.00%	Global Amusement Partners Corporation	C/Costanilla del Olivar, 2	Pozuelo de Aiarcón	Madrid
Red de Juegos v Apuestas de Madrid, S A	Bingos	40'00%	40.00%	Several	C/Evaristo San Miquel, 2 Gran Via de les Corts Catalanes, 756	Madrid	Madrid
Residencial Tibidabo S.A.	Bingos	20,00%	20,00%	Global Bingo Corporation, S.A.U	baios	Barcelona	Barcelona
Royalbet, S.R.L.	Siots	47.50%	47,50%	Royal Games, S.R.L.	Via Rismondo, 4	Pavia	Italy
Royal Games, S.R.L.	Slots	20.00%	%00'09	Cirsa Italia, S.A U	Via F. Rismondo, nº 4	Pavia	Italy
Sala Valencia, S.A.	Bingos	20.00%	%00'09	Global Bingo Corporation S.A U	Cuenca, 20	Valencia	Valencia
Serdisga 2000, S. L.	828	%00'09	%00'09	Global Manufacturing Corporation, S.L.U.	Av Finisterre 283	La Coruña	La Coruna
Servitronic Andalucía, S. L.	828	%00'05	%00'09	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	taly:
Silver Cup Gaming, Inc	Casinos	%00'09	20,00%	Cirsa Panamá SAU	Este	Panama City Sant Cugat Del	Panama
Sportium Apostes Catalunya SAU	Slots	20.00%		Sportium Apuestas Deportivas S A	C/ Sena, 2	Vailes	Barcelona
Sportium Apuestas Aragon, S.L.U. Sportium Apuestas Castilla La Mancha,	Slots	20'00%	%00.05	Sportium Apuestas Deportivas S.A.	C/ Jaime Ferrán, 5	Zaragoza Sant Cugat Del	Zaraqoza
SLU	Slots	20,00%	1	Sportium Apuestas Deportivas, S A	C/ Sena 2	Valles	Barcelona
Sportium Apuestas Deportivas, S.A.	Slots	20.00%	20.00%	Cirsa Slot Corporation, S.Ł.U	C/Santa M⁴ Maqdalena, 10-12	Madrid El Grove Jelo de la	Madrid
Sportium Apuestas Galicia S.L.U	Slots	20.00%	%00 09	Sportium Apuestas Deportivas, S A	C/ Dan Pedro, s/n	Tota	Pontevedra
Sportium Apuestas Levante, SAU	Slots	20.00%	%00'09	Sportium Apuestas Deportivas, S A	Complejo Hotelero Monte Picayo	Pucol	Valencia
Sportium Apuestas Navarra S A.U	Stats	%00'09	20.00%	Sportium Apuestas Deportivas, S.A.	Avda Barañain 27 1º A	Pamplona	Navarra
Telebin, S.A.U	Bingos	47,50%	47.50%	Juegos San José S A	General Mas De Gaminde 47 Bajos	Las Paímas G C	Gran Canaria
Tirreno Games, SRL	Siots	%00'05	20 00%	Cirsa Italia, S.A.U	Via Orosei, s/n	Navacchio (Cascina)	Italy
Vasca de Explotaciones y de Juego, S.L.	Bingos	20'00%	20.00%	Play To Win, S.L.	C/Antonio de Cabezón, 89	Madrid	Madrid

Province/Country		e.	e e	ı.
Province	Asturias	Barcelona	Barcelona	Madrid
Crty	Gyón Madrid	Barcelona	Terrassa	Madrid
Business address	Nava, 8 Blasco de Garay 70 - 1° B	Via Laretana, 51	Otra Relinars 345 Otra Relinars 345	Rafael Salgado, 193°
Investment holder	Global Casino Technology Corporation, S.A.U. Universal de Desarrollos Electronicos, S.A.	International Bingo Technology, S.A.U	Global Amusement Partners Corporation	Several
Percentage of ownership 2012	40,00%	20 60%	32 00%	35.23%
Percentage of ownership 2013	40 00%	20,60%	32,00%	35,23%
Activity	Casinos	Bingos	Slots	Structure
List of associates Company	Casino de Astunas, S.A. Compañía Europea de Salones Recreativos. S.L.	Gironina de Bingos, S.L.	Recreativos Trece, S.L.	Figuras y Servicios Financieros, SGR





Audit Report

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





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.

II ERNST & YOUNG



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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

CONTENTS

Consolidated Financial Statements

- Consolidated statement of financial position at December 31, 2012 and 2011
- Consolidated statement of comprehensive income for the years ended December 31, 2012 and 2011
- Consolidated statement of changes in equity for the years ended December 31, 2012 and 2011
- Consolidated statement of cash flows for the years ended December 31, 2012 and 2011
- Notes to the consolidated financial statements for the year ended December 31, 2012

Consolidated Management Report

Appendix Consolidation perimeter at December 31, 2012 and 2011

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

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) (241,887) Net operating revenues 3.1 1,350,036 1,257,182 Consumptions (81,616) (86,737) Personnel 20.1 (242,247) (244,806) External supplies and services 20.2 (266,419) (245,192) Gaming taxes (437,743) (410,466) Depreciation, amortization and impairment 5,6 and 7 (153,374) (149,551) Change in trade provisions (6,171) (5,511) (5,611) (6,171) (5,511) Financial income 12,050 11,085 (17,260) (17,565) (19,525) Change in financial provisions (88,6) (39,5) (395) (395) (395) (395) (395) (396) (395) (396) (395) (43,704) (44,685) (43,	(Thousands of euros)			Notes	2012	2011
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) (241,887) Net operating revenues 3.1 1,350,036 1,257,182 Consumptions (81,616) (86,737) Personnel 20.1 (24,247) (24,806) External supplies and services 20.2 (266,419) (24,102) Gaming taxes (437,743) (410,466) (24,102) Depreciation, amortization and impairment 5, 6 and 7 (193,374) (149,551) Change in trade provisions (6,171) (5,511) (5,511) Financial income 102,506 (107,651) (5,511) Financial provisions (102,506) (107,651) (5,651) Financial provisions (5,85) (395) (395) Share of the associates profit 8.1 15.3 66 Foreign exchange results 20.3 (6,333) (5,231) Results on s	Gaming income				1.679.668	1.583.602
Total operating revenues						
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) (410,466) Depreciation, amortization and impairment 5,6 and 7 (153,374) (419,551) Change in trade provisions (6,171) (5,511) (5,511) (5,511) Financial income 12,505 11,085 (102,606) (107,521) Change in financial provisions (585) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (396) (297) (5,159) (297) (5,159) (-				
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) (410,466) Depreciation, amortization and impairment 5, 6 and 7 (153,374) (419,551) Change in trade provisions (6,171) (5,511) (5,511) (5,511) Financial income (102,606) (107,521) (102,606) (107,521) Change in financial provisions (585) (395) (395) (385) (395) Share of the associates' profit 8.1 153 66 66 67 (27,665) (395) (395) (395) (395) (395) (395) (396) (396) (396) (397) (5,159) (6,159) (6,231) (6,231) (6,231) (6,231) (6,231) (79 (5,159) (79 (5,159)	Bingo prizes				(241,284)	(247,715)
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) (5,511) Financial income 12,505 11,085 11,085 Financial provisions (102,606) (107,521) (108,606) (107,521) Change in financial provisions (585) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) (395) <t< td=""><td>Variable rent</td><td></td><td></td><td></td><td>(226,313)</td><td>(241,897)</td></t<>	Variable rent				(226,313)	(241,897)
Personnel 20.1 (242,247) (224,806) External supplies and services 20.2 (266,419) (245,192) Gaming taxes (437,743) (410,466) Depreciation, amortization and impairment 5, 6 and 7 (153,374) (149,551) Change in trade provisions (6,171) (5,511) 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 (55,159) 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) (17,760) (27,665) Total comprehensive loss for the year (17,760) (27,665) Total comprehensive loss for the year (8,148) (44,585) Fortal comprehensive income (loss) attributable to: </td <td>Net operating revenues</td> <td></td> <td></td> <td>3.1</td> <td>1,350,036</td> <td>1,257,182</td>	Net operating revenues			3.1	1,350,036	1,257,182
External supplies and services 20.2 (266,419) (245,192) Gaming taxes (437,743) (149,451) 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 (8,148) (44,585) Total comprehensive loss for the year 13.4 9,443 8,501 </td <td>Consumptions</td> <td></td> <td></td> <td></td> <td>(81,616)</td> <td>(86,737)</td>	Consumptions				(81,616)	(86,737)
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) (17,760) (27,665) Translation differences (17,760) (27,665) Other comprehensive loss for the year (8,148) (44,585) Total comprehensive loss for the year (8,148) (44,585) Total comprehensive income (loss) attributable to: (16,528) (50,128)	Personnel			20.1	(242, 247)	(224,806)
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Change in trade provisions (6,171) (5,511) Financial income 12,505 11,085 Change in financial provisions (102,606) (107,521) Change in financial provisions (588) (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) (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 Non-controlling interests 13.4 9,443 8,501 Total comprehensive income (loss) attributable to: Equity holders of the parent Non-controlling interests 13.4 8,380		pairment		5, 6 and 7	(153,374)	(149,551)
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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 (5,169) 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 Non-controlling interests 13.4 9,443 8,501 Total comprehensive income (loss) attributable to: Equity holders of the parent Non-controlling interests (16,528) (50,128) Non-controlling interests 13.4 8,380 5,543	Financial costs				(102,606)	(107,521)
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 Non-controlling interests 13.4 9,443 8,501 Total comprehensive income (loss) attributable to: Equity holders of the parent Non-controlling interests (16,528) (50,128) Non-controlling interests 13.4 8,380 5,543	Change in financial provisions					(395)
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 Ioss 9,612 (16,920) (16,920) (17,760) (27,665) (17,760) (27,665) (17,760) (27,665) (17,760) (27,665) (17,760) (27,665) (17,760) (27,665) (17,760) (27,665) (17,760) (27,665) (17,760) (27,665) (17,760) (27,665) (17,760) (27,665) (17,760) (27,665) (17,760) (27,665) (17,760) (27,665) (17,760) (27,665) (17,760) (27,665) (17,760) (27,665) (17,760) (27,665) (17,760) (27,665) (17,760) (27,665) (17,760) (27,665) (17,760) (27,665) (17,760) (27,665) (17,760) (27,665) (17,760) (27,665) (17,760) (27,665) (17,760) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665) (27,665				8.1		66
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) (17,760) (27,665) Translation differences (17,760) (27,665) Other comprehensive loss for the year (8,148) (44,585) Total comprehensive loss for the year (8,148) (44,585) Net profit (loss) attributable to: Equity holders of the parent Non-controlling interests 13.4 9,443 8,501 Total comprehensive income (loss) attributable to: Equity holders of the parent Non-controlling interests (16,528) (50,128) Non-controlling interests 13.4 8,380 5,543				20.3	(6,333)	(6,231)
Profit before income tax 18.2 (56,067) (43,704) Income tax expense 18.2 (56,067) (43,704) Net loss 9,612 (16,920) Other comprehensive income (loss)		urrent assets			,	
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 Non-controlling interests 13.4 9,443 8,501 Total comprehensive income (loss) attributable to: Equity holders of the parent Non-controlling interests (16,528) (50,128) Non-controlling interests 13.4 8,380 5,543					65,679	
Net loss 9,612 (16,920) Other comprehensive income (loss) Translation differences (17,760) (27,665) Other comprehensive loss for the year (8,148) (44,585) Total comprehensive loss for the year (8,148) (44,585) Net profit (loss) attributable to: Equity holders of the parent Non-controlling interests 13.4 9,612 (16,920) Total comprehensive income (loss) attributable to: Equity holders of the parent Non-controlling interests (16,528) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50,128) (50	Income tax expense			18.2	(56,067)	(43,704)
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 Non-controlling interests 13.4 9,443 8,501 Total comprehensive income (loss) attributable to: Equity holders of the parent Non-controlling interests (16,528) (50,128) Non-controlling interests 13.4 8,380 5,543					9,612	(16,920)
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 Non-controlling interests 169 (25,421) Non-controlling interests 13.4 9,443 8,501 Total comprehensive income (loss) attributable to: Equity holders of the parent Non-controlling interests (16,528) (50,128) Non-controlling interests 13.4 8,380 5,543	,	oss)			// 	(22.22)
Total comprehensive loss for the year (8,148) (44,585) Net profit (loss) attributable to:						
Net profit (loss) attributable to: Equity holders of the parent Non-controlling interests 13.4 9,443 8,501 Total comprehensive income (loss) attributable to: Equity holders of the parent Non-controlling interests (16,528) (50,128) Non-controlling interests 13.4 8,380 5,543	Other comprehensive loss for the	ne year			(17,760)	(27,665)
Equity holders of the parent Non-controlling interests 13.4 9,443 8,501 9,612 (16,920)	Total comprehensive loss for th	e year	1469	\$98 <u>1</u> 5	(8,148)	(44,585)
Non-controlling interests 13.4 9,443 8,501 9,612 (16,920) Total comprehensive income (loss) attributable to: Equity holders of the parent Non-controlling interests (16,528) (50,128) Non-controlling interests 13.4 8,380 5,543	Net profit (loss) attributable to:					
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						
Total comprehensive income (loss) attributable to: Equity holders of the parent (16,528) (50,128) Non-controlling interests 13.4 8,380 5,543		Non-controlling interests		13.4		
Equity holders of the parent (16,528) (50,128) Non-controlling interests 13.4 8,380 5,543	7.0% (9,612	(16,920)
Non-controlling interests 13.4 8,380 5,543	Total comprehensive income (lo	ss) attributable to:				
Non-controlling interests 13.4 8,380 5,543		Equity holders of the parent			(16.528)	(50.128)
				13.4	, , , , , , , , , , , , , , , , , , ,	
			4 -	10.7	(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)	h				(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	<u>6,419</u>
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			(1,111,001)
Repayment of bonds		(014,410)	(239,485)
Issue of bonds	14	_	285.700
Acquisition / Sale of own bonds	14	5.118	(4,200)
Finance leases	14	(10,846)	(12,332)
nterest paid		(93,681)	, , ,
Funds from loans from Nortia Business Corporation, S.L.			(96,301)
Other		(9,900)	22,200
		(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			•
Cash and cash equivalents at January 1		(3,900) 66.655	(548) 65,160
Note that the second of the se	40	\$.pr &J	
Cash and cash equivalents at December 31	12	55,234	66,655

Cirsa Gaming Corporation Group Notes to the consolidated statements for the year ended December 31,2012

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 Galici	a, S.L.	1,000	-
	1.53	1,000	

Sale of companies

(Thousands of euros)	". 1m. ₂	Page 1	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	S.L.		1,108	361
Nay I		 3.20	1,939	2,062

· Changes in the percentage of ownership

		\$ Consc	lidation me	thod	Percei	ntage	"des.
		2012		2011	December 1, 2012	At Decen 31, 2	
Macrojuegos, S. Juegomátic, S.A UTE CBA-Ciesa	.(*)	Full Full Proportions	Fu Fu al Pro		51.0% 65.0% 45.0%	75.	00% 00% 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:

(Thousand	ds of euros)		Changes in non-controlling interests	Changes in accumulated results
Macrojue; Juegomát	gos, S.A. tic, S.A. (*)		210 197	- 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.

<u>2011</u>

Acquisition of companies

(Thousands of euros)	% voting rights	Consolidation method	Total assets included in the consolidated statement of financial position at December 31,	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	100%	Full		
Recreativas, S.L.			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	25%	Proportional		•
Juego, S.L.			701	108
Bingo Electrónico de Euskadi, S.L.	25%	Proportional	75	
Enjoy with us, S.L.	50%	Proportional	289	45
	180.		16,778	9,668

Note 4 includes information on business combinations of the year.

• Creation of companies

	Total assets included in the consolidated statement of	Operating revenues included in the 2011 consolidated
(Thousands of euros)	financial position at December 31, 2011	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

				alitics.			Total assets included in the consolidated statement of	in the 2010 consolidated
(Thousands of euros) <u></u>	4	5500		\$	\$44	financial position at December 31, 2010	statement of comprehensive income
Restaval, S.A.							176	429
Festilandia, S.L.							330	485
Ghist, S.R.L.							7	6
3	- 40	892					513	920

· Changes in the percentage of ownership

	Consolic	lation method	Perce	entage
	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:

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 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)		\$4. ·	-34	不停	<u> </u>	``	.d.> 2012	2011
Revenue							17	1,413
EBITDA							(23)	411
Profit (loss) in the net moneta	ry pos	ition*					(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.

(Thousands of euros)	Slots	B2B	Casinos	Bingo	On-line	Eliminations and other	Total
Assets by segment Non-current assets assigned Non-current assets not assigned Current assets assigned	206,315	67,814 - 38.645	486,611	116,243	3,191	54,684 80,878 (115.784)	934,858 80,878 324,919
Total assets	320,339	106,459	738,343	150,995	4,741	19,778	1,340,655
<u>Liabilities by segment</u> Liabilities assigned Liabilities not assigned	(271,780)	(80,308)	(491,561)	(188,511)	(7,469)	(261,619) (45,294)	(1,281,248) (45,294)
Total liabilities	(271,780)	(60,308)	(491,561)	(188,511)	(1,469)	(306,913)	1,326,542
Revenue Sales to external customers Sales inter-segment	497,125 1,437	58,112 45,377	559,624 1,765	229,006 1,941	1,881	4,288 (50,520)	1,350,036
Total net operating revenue	498,562	103,489	561,389	230,947	1,881	(46,232)	1,350,036
Profit for the year EBITDA (*) Financial income	93,318	22,279	203,738 27.588	25,918 462	(5,429)	(17,813) (26,435)	322,011 12.505
Financial costs	(18,429)	(7,293)	(35,761)	(65,310)	(64)	(25,749)	(102,606)
Profit before income tax Income tax expense Net profit from continuing constations	13,467 (16,163) (696)	(12,777) (12,777) (5,701	(32,368)	3,175	(3,963) 1,404 (4,261)	(40, 197) 662 (47 535)	55,067) 9,647
Not profit from community operations	(000)	5		(0.10,01)	(1)27(1)	(000'11)	1
Non-monetary expenses Depreciation, amortization and impairment Changes in trade provisions	(56,217) (3,564)	(4,181) (773)	(69,787) (1,531)	(28,971) (303)	(176)	5,958	(153,374) (6,171)
Other significant expenses Personnel External supplies and services Gaming taxes	(46,841) (69,296) (250,130)	(18,934) (21,352) (1,128)	(113,850) (123,698) (107,343)	(44,137) (72,292) (78,503)	(1,075) (5,684) (550)	(17,410) 25,903 (89)	(242,247) (266,419) (437,743)
Other information by segments Investment in non-current assets Investments in associates	34,261 665	2,346 668	82,940 772	22,316	2,909	47 944	144,819 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.

(Thousands of euros)	Slots	B2B	Casinos	Bingo	Eliminations and other	Total
Assets by segment	746 967	100 714	565 257	115 381	(46.423)	981 896
Non-current assets not assigned	1 00 00	1 00	- 0	, , ,	90,936	90,936
Current assets assigned	121,850	24,128	075,002	31,277	(110,300)	310,017
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 Total liabilities	(292,485)	(50,055)	(519,036)	(194,903)	(45,970) (297,549)	(45,970) (1,354,028)
Revenue Sales to external customers	474,488	56,651 49,539	488,809	239,609	(2,374)	1,257,182
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	2,038	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)	(E)		(5,511)
Other significant expenses	(46 191)	(19 426)	(98.252)	(48.876)	(12 (161)	(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)	(887)	(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	809	809	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

<u> 2011</u>

(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	no.	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		% 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. Entidad Gestora del bingo Siglo	December 2012	100%	410	410	-	
XXI, S.L.U.	December 2012	100%	3	3	-	
4 24 2			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)					42		Fair value recognized on acquisition	Carrying value
Property, plant and equip	ment						63	63
Goodwill							-	-
Intangible assets							1,311	-
Other non-current assets							103	103
Current assets							122	122
Liabilities (including gene	rated defe	rred taxes)					(434)	(41)
	Ř	¥5:	195	Jak.	4	2.	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:

		· · · · · · · · · · · · · · · · · · ·	(The	ousands 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. Bumex Land S.L.	April 2011 October 2011	100% 15,3%	7 432	7 432	-
. 3	v / 🖗		19,787	19,787	All Sa Tork

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 eu	ros)	10.58 / 10.58			- 10 m	1994 1	Fair value recognized on acquisition	Carrying value	
Property, plant and	l equipm	ent					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	g genera	ated defe	rred tax	(es)			(1,295)	(958)	
(4) (4) (4) (4) (4) (4) (4) (4) (4) (4)	7/4		ay' j			-37	19,787	11,508	78

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)	187	With	. SER.	376	27		880	Ą	2012	2011
Bingos Slots Casinos Other									78,136 59,413 76,769 2,018	85,977 63,733 74,193 3,478
	1975- I	W. %	k. Sy	4976		2-			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)	饗		28	100	70	SÃ.	2012	2011
Balance at January 1 Impairment losses Net exchange differen Sale of companies	ices arising	g during th	e peri	od			227,381 (14,013) 3,540 (572)	241,070 (15,279) 1,590
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
11100001100001		- 5-7144-1010	Бюрооцю	100000	una outor	01, 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

	January 1,			* *	Translation differences	December
(Thousands of euros)	2011	Additions	Disposals	Transfers	and other	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

	restlered Green				Translation	ent sin
(Thousands of euros)	January 1, 2012	Additions	Disposals	Transfers	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	-	w	(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:

10		2012		- 37	2011	b .
(Thousands of euros)	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			2.012	2.212		2.040
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	Ì 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)	. X	MAX.	1600	l.	Ť.		 2012	2011
Balance at January 1							2,896	2,830
Investment in associate's	s profit	t					153	151
Investment in associate's	s losse	es					-	(85)
Balance at December 3	11 🛊				<u></u>	\$45	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	s of euros)	T, A	1000		çaşê)	£Å.		2012	2011
			interest rate		J:	-1 -4 50/		43,381	42,754
Lona-term b	romissorv i	notes from	the sale of r	eaustate d	さいこうりょう	กลเรษ			
interest rat	•			car otato, c	2130001110	a at o /	,	3,619	3,619
	e		, ,,,,	cui otato, c	2130001110	a at o n	,	3,619 25,206	3,619 23,323

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)	- 1	<u>\$</u>	# <u></u>	1, 5	2012	2011
Loans granted to a joint ventu						
expressed in US dollars and months) and mature in 2015		ist at an ann	uai rate (of Libbi (Six	7,399	10,451
Current accounts with jointly-o	controlled busin	ness and as	sociates		7,196	12,631
Other					2,343	3,414
	<u> </u>				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)	78		 `	44	SW-4	'n	2012	2011
Within one year								7,196	12,631
Between one an								586	853
Between two an								7,985	853
								,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	000
								586	11,305
Between three a Between four ar	and four year	's						•	

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)		with the	463	2. m.	<i>37</i>	2012	2011
Mortgage loan in Venezuelan cui deferred collection of the sale o Margarita, Venezuela, where a	f a building in 200: casino operated b	2 to the owne y the Group v	er company was located.	of a hotel in Isl . No explicit	a		
interests are accrued; therefore	a discount rate of	9.27% has b	een applied			-	1,311
Mortgage loan in US dollars to a casino operated by the Group is	company that owr located. It earns	ns a hotel in I an annual int	Dominican Rerest of 7.25	Republic where 5%.	а	1,155	1,332
Loan to the minority shareholder accrues a variable interest rate	of a Spanish oper that will be review	ating compar ed annually (ny of the Gro 2012: 0%, 2	oup. This loan (011: 1.89%)		11,180	15,106
Non-trade loan with annual varial interest and therefore a 5% disc			does not yie	eld any explicit		2,219	3,866
Loans to the minority shareholde	r of a Colombian o	company at a	n interest ra	te of 4.5%.		4,050	_
Loans granted in USD to a form rate, and with a tangible security.		a Mexican o	company at	an 8.75% inte	erest	1,664	
Deferred collection of the sale coperation of a bingo hall.	of a minority intere	est in a Spar	nish compar	ny engaged in	the	1,194	
Other						18,261	15,555
	sin Sp					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 eu	iros)	4 8	38	N N	2012	2011
Between one and t	two years				17,030	23,972
Between two and t	hree years				4,173	5,024
Between three and					4,885	3,578
Between four and t	five years				8,573	2,022
More than five year					5,062	2,574
<u> </u>				74.5 a.	39,723	37,170

Trade and other receivables

This caption is broken down as follows:

(Thousands of euros			*#j-4	· ~		- 類談	2012	2011
Trade receivables							39,857	37,805
Impairment losses							(24,776)	(24,654)
Other related parties							5,773	3,581
Receivables from Publ	ic admir	nistrations					34,691	37,572
Other receivables							137,158	120,357
Nortia Business Corpo	ration, S	S.L. – Pror	nissory n	otes from sal	e of assets		532	603
	\$ <u>5.</u>	(See 1977)	2400				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)	<u> </u>	N.S.	Vijs	ч	 44	2012	2011
Balance at January 1 Net allowance Charge for the year						24,654 5,459 (5,337)	28,154 6,794 (10,294)
Balance at December 31	65				 	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 cashgenerating 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:

				4		Data affect equity i		
(Thousands of euros)	<u>898</u>	Ž.	<u>§</u> \$.	,Šą	 **	2012	2011	SE SE
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)	all ordinates	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
	<u> </u>	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)	後属で	J. M. med.	7.5	N/\$15	3/1/20	'a	2012	2011
Balance at January 1 Additions Write-off							2,280 59 (228)	2,796 1,092 (1,608)
Balance at December 31	l			/s/	ĝo a		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 euro	s)	- 2	\ po	kg.	 \$ 14		14 x		2012	- SA-1	2011
Cash Current accounts Deposits									13,900 40,981 353		13,836 51,992 827
	b.A.	.2%	26%.	\$	\$X	<u> </u>	· Seg	1. P. 1.	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:

	100		150	<u> </u>			,887		2012	2011
H Mr.	tia Busir ernánde Manuel asury sh	ez and Lao He	his fan	nily	ompany belo	onging to	Mr. Man	uel Lao	52.43% 46.65% 0.92%	52.43% 46.65% 0.92%
8%.	- 400	660		-S	: F			, in the second	100.00%	~ 100.0 <mark>0%</mark>

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:

			Amount in s financial		Participation in results		
(Thousands of euros)			 2012	2011	2012	2011	
Division Casinos Slots			65,009 476	66,072 5,157	12,689 (3,246)	8,078 423	
		S	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	Ü		(1,063)	(2,958)
Additions for acquisition / creation of cor (from proportional to full) or changes it	mpanies, changes in on the % of ownership	consolidation methods in companies		
	an madhad			607
consolidated under the full consolidat	ion method		407	687
	ion method		407 (14,531)	687 (5,460)

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

With a second se	- 100	2012			2011	er F
	Non-		2	Non-	7 48.5	Ġŝ
(Thousands of euros)	current	Current	Total	current	Current	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:

	<u>\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\</u>	** **********************************		 يعتبين	2012	2011
l lease agr	s				5.08% 5.24% 4.82%	5.87% 4.85% 5.83%

The annual maturity date of these liabilities is as follows:

(Thousands of euros)	7200	Š	<u> </u>	- 7-	 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
	3		\$ W		 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:

	-7.		3086	2012		2011				
(Thousan	ds of euros)		Non- current	Current	Total	Non- current	Current	Total		
Public adn Bills payat Sundry cre			1,622 164 36,552	84,547 3,194 105,282	86,169 3,358 141,834	2,981 834 54,816	88,076 2,586 131,429	91,057 3,420 186,245		
e.	469	\$.	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)	**		1	200	<u> </u>	2012	2011
Obligations in relation to emp Tax assessments appealed to Other	þ					12,242 1,082 6,614	6,264 957 7,012
Balance at December 31		-		<u> </u>	N. J. J. S.	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)		A TOTAL	2000		<u> </u>				2012	2011
Balance at January 1									14,233	17,007
Allowances Provisions applied Reclassifications to paya	ıbles –	Emplo	yee ben	efits pa	ayable				6,893 (1,188) -	3,331 (1,965) (4,140)
Balance at December 3	1 ,					WP'	4.00	2000	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)	200	\$-	ibeti (2012	2011
Current Deferred for (increase) de Deferred for temporary di			wards capitalize	d		46,685 26,875 (17,493)	40,499 (5,672) 8,877
38			12	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	4300	 56,067	43,704

The breakdown of current income tax payable is as follows:

(Thousands of euros)	2004					2012	2011
Current income tax Withholdings and payme	ents on ac	count				46,685 (14,979)	40,499 (2,458)
:	1 346-5	1886	4	<u> </u>		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)		1	2012	2011
Assets				
Tax loss carryforwards from the tax group whose pa	rent is Cirsa Gaming C	ornoration	21,363	42,168
Tax loss carryforwards from the tax group whose pa	rent is Orlando Play S	A	652	354
Tax loss carryforwards from other group companies	.o to onando i lay, o.		763	7,131
Deductions pending application from the tax groups			2,838	,
Deductible temporary differences:			2,030	2,838
Impaired receivables			7.500	7.50
Impaired securities portfolio			7,568	7,581
			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	6,848
	8 <u> </u>		80,878	90,93
Liabilities				
Taxable temporary differences:				
Reinvestment of profit from sale of non-current	assets		-	(663)
Initial statement of non-current assets at fair va			(5,991)	(6,596)
Provision for maximum gaming prizes			(7,041)	(8,615)
Difference between tax depreciation and accou	nting depreciation		(6,044)	(6,825
Non-accounting impairment for tax purposes	ming depression		(17,433)	(11,452
Margin write-offs			•	*
Business combinations			(2,740) (2,163)	(2,859)
			\	(6,874)
Other				
Other			(3,882)	(2,086

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)	5		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	
	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:

(Thou	usand	s of eu	iros)	\$2				- W-	**	j\$	-//	with the second	 2012	2011
		e and	five yea	ars									64,670 269,027 74,669	62,249 258,957 69,357
,3 <u>8</u> 61			\$ ⁵	-	18 §	Ş	\$\frac{1}{2}	84(Z) -	6.7°		S _a	¥	 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:

2 4	2,	 2	012	201	1
(Thousands of euros)	\$ \$	Minimum payments	Present value of payments	Minimum payments	Present value of payments
Within one year Between one and five years		14,054 27,169	11,233 17,306	11,689 29,969	9,364 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

(The	ousands	of euros)	- M. 4.	, 5%	24586 24586	<u> </u>	2012	2011
Soci	ges and si ial securit mnities er personi	y	nses					179,895 43,584 7,315 11,453	167,598 40,459 6,106 10,643
7	54£							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:

200	741						2012		389	2011	-3/88/h/
<u>-</u>		***	<u> 2000.</u>	1985 <u>-</u>		Men	Women	Total	Men	Women	Total
Executives Techniciar Administra	is, prod			s staff		313 5,576 887	75 4,386 701	388 9,962 1,588	324 5,677 895	74 4,491 835	398 10,168 1,730
18				,	2).	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)	1	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)	į.		-3.52X.1	*	nS\$		÷	2012	2011
Income Expenses								2,369 (8,702)	5,570 (11,801)
		(3.	1		;: «	1000		(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)	,	790	r W	10 M	£	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)			E.	*	:	45	2012	2011
Directors Salaries							1,152	1,505
Senior executives Salaries							4,800	4,800
	~~~	*		<i>*</i>			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. Casino Nueva Andalucía Marbella, S.A.U.	96.37%	Joint-Administrator Chairman
Esther Lao Gorina	Nortia Business Corporation, S.L.	1.10%	Joint-Administrator
Manuel Lao Gorina	Global Bingo Corporation, S.A. Global Casino Technology Corporation, S.A. Cirsa Interactive Corporation, S.L. Cirsa Servicios Corporativos, S.L.U. Cirsa Intenational Gaming Corporation, S.A. Global Manufacturing Corporation, S.L.U. Cirsa Slot Corporation, S.L.	- - - - -	Chairman / CEO Chairman Chairman Chairman Chairman Chairman / CEO Chairman
	Nortia Business Corporation, S.L. Opesa Internacional, S.A. Casino Cirsa Valencia, S.A.U. Casino La Toja, S.A. Casino Nueva Andalucía Marbella, S.A.U. Cirsa Capital Luxembourg, S.A. Cirsa Digital, S.A.U.	1.10% - - - - -	Joint-Administrator Chairman Chairman Deputy chairman Board member Board member Chairman
	Cirsa Digital, S.A.O.  Cirsa Funding Luxembourg, S.A.U.  Integración Inmobiliaria World de México, S.A.  de C.V.  Universal de Desarrollos Electrónicos, S.A.	-	Board member Board member 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:

(Thousands of euros)	Fixed interest rate	012 Floating interest rate	Fixed interest rate	711 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:

	Ale Ha	20	12	20	11
(Thousands of euros)		Fixed interest rate	Floating interest rate	Fixed interest rate	Floating interest rate
Nortia Business Corporation, S.I		72,206	-	69,696	_
Loans to jointly-controlled busine	ess 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 dep	osits	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

	ž –	- 29	350	7	400	Æ						Thousand	ls of euro	)S
Variation		-				. 18	4,8	iZ.	5	W	 1,0	2012	2011	- 1844 - 1844
+ 10% + 5% - 5% - 10%												(2,803) (1,468) 1,623 3,426		

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

	547	J-855	Š.	\$4 \$4		ij.	j.	<b>#</b>		vŠ.	Thousan	ds of euros
Variation _	·		<u>\$</u>	 _	- (4) 		\$	.00	<i>y)</i>	*	2012	₂ 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:

\ &				Ø 124			payments out: ce sheet date	standing
\$. -			r Š		20	12	20	11
<b>#</b>	1750			28.8	 Amount	%	Amount	%
Withi	in maximum le	gal payment i	period (*)		282,710	88,59%	200,334	93,69%
Othe	r		, ,		36,418	11,41%	13,496	6,31%
Tota	l payments in	the year	Š		 319,128	100,00%	213,830	100,00%
Weig	thted average	payment perio	od exceeded	l (days)	53		62	
	rdue payment		2000000	ate	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		Percentage of ownership	Percentage of ownership				
Company	Activity	2012	2011	Investment holder	Business address	City	Province/Country
Administradores De Personal En Entretenimiento SA de CV	Ripcos	100 00%	100 00%	Bincamey S. A. de C.V.	Recarie de Direzpos 61 38	Méwino D. F.	México
Ajar, S.A.	Bingos	75,00%	75,00%	Global Bingo Corporation, S.A.U.	Av. Muñoz Varqas, 18	Huelva	Huelva
Automáticos Stolo XXI S.I. (1	Operacional	65.00%	75 00%	Juegomatic, S.A.	Martillo 26	Cervilla	Sevilla
Baquei Inversiones, S.L.U.	Operacional		100,00%	Cirsa Stot 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%	S.A.U.	Cantú, 9 - 601. Colonia Nueva Anzures	Mexico D.F.	México
Bincano, S.A.	Binges	%00.09	%00.09	Global Bingo Corporation, S.A.U.	Ficano, 30-32	Bilbao	Vizcava
Bingames, S.A.U	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U.	Consell de Cent, 106-108	Barcelona	Barcelona
Bingaser, A.L.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	Malaga	Malaga
Binred Madrid, S.A.	Bingos	100.00%	100,00%	Novojuegos, S.A. Y Sala Versalles, S.A.	C/ Bravo Murilo, 309	Madrid	Madrid
bob Codes Desoding S.A. Do C.V.	Sognia	100,000	200.000	Global prings Colporation, 3.5.0.	Booms do Puesson 64.3 h Booms   person	Minao Minao	Vizcava
Cafeteria Miami, S.A.U.	Casinos	100.00%	100,00%	Gaming Services S.A.C.	Av 1 a Marina 1725	San Minuel (Lima)	Perí
Capitan Haya 7, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U. y Global	Capitán Haya, 7	Madrid	Madrid
Caeino Bilenos Aires S.A.	Casinos	100 00%	100 00%	Cirsa International Gaming Corporation,	Avda Fluira Rawson de Delleniana e/o	Brigade Aires O.F.	Amontina
Casino Cirsa Valencia, S.A.U.	Casinos	100,00%	100,00%	S.A.O. v Cestion be Juedo Integral. S.A.D. Global Casino Technology Corporation,	Centro de Interés Turístico Nacional. Monte	Puçol	Valencia
Casino Nueva Andelincia Marhalla S. A. C.	Caeinge	100 00%	100 00%	S.A.O. Global Casino Technology Comoration	ricayo Ctra Cadiy-Malaga Km 180	Mortroffe	Melone
Casinos de Juego Cirsa Chile Limitada	Casinos	100.00%	100.00%	Sociedad Inversiones Cirsa Chile Ltda.	Comuna de las Condes	Santiago de Chile	Chile
				Cirsa International Gaming Corporation,			
Cirsaecuador, S.A.	Casinos	100,00%	100,00%	S.A.U. Cirsa Gamina Comoration, S.A.	Inglaterra E3263 y Ava. Amazonas	Quito	Ecuador
Cirsa Amusement Corporation, S.L.U.	Operacional	100,00%	100,00%		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	%00'02	%00`02	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 Casmos de Juego de Chile, S.A.	Comuna de Antofagasta	Antofaqasta	Chile
Cirsa Casino de Calama, S.A.U.	Casinos	54,80%	54.80%	Circa Casinos de Juego de Chile, S.A.	Comuna de Calama	Calama	Chife
Circa Casino de Copiado, S.A.	Casinos	54,80%	24.80%	Circa Casinos de Juego de Circa, o.A.	Comuna de Copiapo	Copiapo	Chie
Cirsa Casino de Rancadua, S.A.	Casinos	54 80%	54.80%	Cirsa Casinos de Juego de Chile, S.A.	Continue de Pancagua	Rancadia	Chile 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 Bío Bio, S.A.U.	Casinos	54,80%	54.80%	Cirsa Casinos de Juego de Chile, S.A.	Comuna de Hualpén	Hualpėn	Chile
Cirsa Casinos de Juego de Chile, S.A.	Casinos	54,80%	54,80%	Casinos de Juego Círsa Chife 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%	Circa Coming Community S.A.	Estado de Nueva Esparta (Porlamar)	Isla Margarita	Venezuela
Circa International Gaming Comoration S.A.1.	Casinos	100.00%	100.00%	Cirsa Gamina Compration, S.A.	Conseil de Cent, 105-108 Cra Castellar 208	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 Comoration, 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.	Casinos	100.00%	100,00%	Cirsa International Gaming Corporation,	D. Marino. Nueva Esparta. Porlamar	Isla Margarita	Venezuela
Cirsacom, S.K.L.U. Club Privado De Fumadores Nuestro Espacio	On Line Bingos	100.00%	100,00%	Cirsa Italia, S.A.U. Bingos de Madrid Reunidos, S.A.U.	Centro Direzionale Milanoflori, Strada 2 Avda, Moratalaz, 42 baios	Assago	Italia 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		Percentage of ownership	Percentage of ownership				
Сомрапу	Activity	2012	2011	investment holder	Business address	City	Province/Country
				Global Casino Technology Corporation,			
Complejo notelero Monte Picayo, S.A.U.	Casinos	800,003	%00'001	S.A.U. Cirsa Slot Corporation, S.L.U.	Complejo notelero Monie Picayo	Sagunto	Vaiencia
Electrónicos Radisa, S.L.U.	Operacional	100,00%	100.00%	; ; ; ; ; ; ; ; ; ; ; ; ; ; ; ; ; ; ;	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. Aquilar, s/n	Madrid	Madrid
Entidad Gestora del Bingo Siglo XXI, S.L.U.	828	100,00%		Cirsa Interactive Corporation, S.L.	Sena, n° 2	Valles	Barcelona
V 0	0	700 006	100 008	Global Bingo Corporation, S.A.U. y Global	90 20000000	Model	400
religius, o.A.	SOSIIIO	600,001	800,000	Cirsa International Gaming Corporation,	רפו טרפוו וג', אס	DIDDIN	Madild
Gaming & Services de Panamá. S.A.U.	Casinos	100,00%	100,00%	S.A.U.	Calle 50 y 73 Este San Francisco	Ciudad de Panamá	Panamá
Gaming & Servíces, S.A.C.	Casinos	100.00%	100,00%	Cirsa International Gaming Corporation,	Av. Grau, 1006	Lima	Perú
Gema, S.r.I.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
Gestion del Juego Integral, S.A.U.	Casinos	100.00%	100.00%	Clisa Interactive Corporation, S.L.	C/de la Resina, 22-24, Puerta 8-9	Madrid	Madrid
Gestion Integral De Maguinas Recreativas, S.L.		100,00%	100.00%	Cimp Gaming Compression & A	Permina Sevillano, 5-7	Magrid	Madrid
Clobal Amusement Partners Corporation, 5.A.O.	Operacional	100.00%	100,00%	Circa Garning Compression S.A.	Cita: Castellar, 286	Barrelona	Barcelona
Global Binco Madrid S A 1	Bingos	300,001	100,00%	Cirsa Gamina Comoration S.A.	Fermina Savillano 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 ř 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.	628 Opportunat	100,00%	100,00%	Circa Slot Comoration S. L.	Conseil de Cent, 105-108	Madrid	Barcelona
Graenlai S A 11	Bingo	100.00%	100,00%	Roman, S.A.U.	Av Generalist 6	Sta Coloma	Barcelona
Hispania Investment, S.A.U.	Estructura	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Cira, 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 Inmobiliaría World de Mexico, S.A.				Promociones e Inversiones de Guerrero,			
De C.V.	Bingos	100.00%	100.00%	S.A.	Bosque de Ciruelos, 186	Mexico D.F.	México
International Bions Tondondon (DA)	Bingo	100 00%	100 00%	Global Bingo Corporation, S.A.U	Di i Marca 1903	Torrosso	Gacleon
International Gamino Manufacturing S.L.U.	B2B	100.00%	100 00%	Cirsa Casino Corporation, S.L.U.	Copsell de Cent 105-108	Barcelona	Barcelona
Inversiones Interactivas, S.A.	Casinos	70,00%	70,00%	Orbis Development, S.A.U.	Av. Obarrio, 57	Ciudad de Panamá	Panama
Inversiones Recreativas de Occidente, C.A.	Casinos	67,50%	67,50%	S.A.U.	Calle 77, Edif. Bingo	Maracaibo	Venezuela
		200	200	Cirsa Internacional Gaming Corporation,	200 - 1 - 1 - 1 - 1 - 1		
Investment & Securities, 5.A.	Casinos	100.00%	100.00%	S.A.U. Casino Bilanos Aires, S.A.	Cita. Castellar, 296	Ruessa Aires	Barcelona
Jesafi, S.A.U.	Casinos	100.00%	100.00%	Compleio Hotelero Monte Picavo, S.A.U.	Compleio Hofelero Monte Picavo	Sagunto	Valencia
Juegomatic, S. A.	Operacional	%00%9	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	%00'02	%00'02	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.	Sobula	100,00%	100,00%	Singames, S.A.O.	Gran Passeig de Konda, 87	Lieida Madrid	LLeida Madrid
Luckiplay, S.A.	Bingos	100,00%	100,00%	de Madrid Reunidos SA (1	Luchana, 23		
Mabel 96, S.L.U.	Operacional	100,00%	,	Global Game Machine Corporation, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Madridge de Conjuine nom el Binno C 1 1	Bingos	51,00%	100,00%	International Bingo Technology, S.A.U.	Dionisio Guardiola, 34	Albacete	Albacete
Mandota Codtal Entratanímicotos O A	Casinos	51.00%	51 00%	Global bringo Corporation, S.A.C.	O de tuto el ministra 318 comina C	Mandoza	Argentina
Monazar Star, S.L.U.	Operacional	300.15	100,00%	Cirsa Slot Corporation, S.L.U.	Fermína Sevillano, 5-7	Madrid	Madrid
ST CEST CONTRACTOR	-		200	II V O registrate O o transferonce	Continued till Loamshift Co.	4	( ) ( ) ( ) ( ) ( ) ( ) ( ) ( ) ( ) ( )
Novojuegos, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U. y Global	22 Kichmord Hill (Kalmines) Bravo Murillo, 95	Madrid	Madrid
Nyalam, S.A.	Casinos	100,00%	100,00%	Cirsa International Garning Corporation,	Adolfo Alsina, 01729 Piso PB	<b>Buenos Aires</b>	Arqentina
O'Donnell Juegos, S.A.	Singos	100,00%	100,00%	de Madrid Reunidos, S.A.U.	O'Donnell, 21 y 23	Madrid	Madrid

liet of errheidiariae							
		Percentage	Percentage				
Сотрапу	Activity	of ownership 2012	of ownership 2011	Investment holder	Business address	City	Province/Country
Red de salones de Aragón, S.L.U.	828	100,00%	100,00%	Cirsa Interactive Corporation, S.L.	Ctra. De Castellar, 298	Тептавза	Barcelona
Oporto Juegos, S.A.U.	Bingos	100,00%	100,00%	Ciodal o Loss Grass, C.D.	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	Panama
Playcat, S.A.U.	Bingos	100,00%	100.00%	Bingames, S.A.U.	Cádiz, 1	Terrassa	Barcelona
Pof Management Corporation, B.V. U.	Operacional	100,00%	100,00%	Cirsa International Gaming Corporation,	Emancipatie Boulevard 29 New Haven e-Zone	Curação	Holandesas
Princesa 31, S.A. Promociones e Inversiones de Guerrero. S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U. y Bingos	Princesa, 31	Madrid	Madrid
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.	Operacional	100,00%	100.00%	Global Game Machine Corporation, S.A.	Martillo, 26	Sevilla	Sevilla
				Globał Bingo Corporation, S.A.U.			
Push Games, S.L.U.	Bingos	100,00%	100,00%		Consell de Cent, 106-108	Barcelona	Barcelona
Recreativos Acapuíco MRA, S.L.U. Recreativos Arranz S.L.U.	Operacional	100 00%	100,00%	Cirsa Slot Corporation, S.L.U.	Pinto, 9	Parla	Madrid
Recreativos Ove. S.L.U.	Operacional	200,00	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.	Eiche	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.	828	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	%00`66	%00'66	Cirsa International Gaming Corporation,	Tucuman, 8	<b>Buenos Aires</b>	Argentina
Sadeju, S.L.U.	Bingos	100,00%	100.00%	Romgar, S.A.U.	Av. Cayetano del Toro, 23 Bi.	Cádiz	Cádiz
Sala Versalles, S.A.	Bingos	100,00%	100,00%	Gobal Bingo Corporation, S.A.U. y Global	Bravo Munilo, 309	Madrid	Madrid
SCB Amiliante Dominicana, S.K.L	Casinos	100.00%	100.00%	SCB Carde S.A.O.	Av. A. Lincoln , 403, La Julia	S. Domingo	R. Dominicana
SOD ANI DOLLINECALA, S.N.L.	CASHIOS	%00.00±	%00'00I	Circa International Samino Compration	Av. Maximo Gomez / Avda, 2/ Febrero	Guzman	K. Dominicana
SCB del Caribe, S.A.U.	Casinos	100,00%	100.00%	S.A.U.	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	R. Dominicana
SCB Matecon 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
Sobresones A A	Soligos	100,00%	100,00%	recitational buildo recilitology, 5. A.C.	Av. Velazquez 91-93	Malaga	Malaga
Sociedad de Inversiones Circa Obite Limitada	Casinos	100,00%	100,00%	Circa International Saming Composition	Av. Alida Morean de Justo, 1950, 17, olic 102	Buenos Aires	Argentina
Sodemar S.L.U.	Bingos	100 00%	100.00%	Romaer S.A.U.	Sacramento 16 diplicado	Cadin	Calle Cysic
Sternal Bay Venezuela, C.A.	B28	100,00%	100,00%	Cirsa Interactive Corporation, S.L.	Avda. Fco. de Miranda	Caracas	Venezuela
Techlotto Co., Ltd.U.	828	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	Uruquay
leffe, J.A.U.	Sobusa	%00'00t	100,00%	International Bingo Technology, S.A.U Global Bingo Corporation, S.A.U.	Tenor Fleta, 57	Zaragoza Jerez de la	Zaragoza
Telma Enea, S.L.U.	Bingos	100,00%	100,00%		Sevilla, 10-14	Frontera	Cádiz
Slot Games Online, S.L. antes Troylocs, S.L.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.L.U.	Ctra, De Castellar, 298	Terrassa	Barcelona
Unidesa Argentina, S.A.	828	100.00%	100,00%	Universal de Desarrollos Electrónicos, S. A.	Alsina, 1729	Buenos Aires	Argentina
Unidesa Colombia, L.I.D.	828	100,00%	100,00%	Universal de Desarrollos Electronicos, S. A.	Calle 52, 46 34 p4	Medellin	Colombia
Unidesa Perú S.A.O.	828 828	100,00%	100.00%	Universal de Desarrollos Electronicos, 5, A.	241 Persimond Sireet	Johanessburg	Sudafrica
Uniplay, S.L.U.	Operacional	100.00%	100,00%		Fermina Sevillano, 5-7	Madrid	Madrid
Universal de Desarrollos Electrónicos, S. A.	82B	100.00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra, Casteltar, 298	Terrassa	Barcelona
Verneda 90, S.A.U.	Bingos	100.00%	100,00%	International Bingo Technology, S.A.U.	Guipuzcoa, 70	Barcelona	Barcelona
Yumbo San Fernando, S.A.	Bingos	%00.09 60.00%	%00.09 60.00%	investments & Securities, S.A.U. Bingames, S.A.U. y Global Bingo	Avda.19 de Noviembre, 122-64 San Fernando, 48	Bogota DC Santander	Colombia 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	20,00%	20,00%	Sacres, S.A.	Av. Elvira Rawson de Dellepiane, s/n, Dársena Sur	Buenos Aires	Argentina
Ancon Entertainment C.A.	Society	20 OO%	50.00%	Cirsa International Gaming Corporation,	Calle 50 v 73 Este Can Empired	ويورون وير يرديدين	, and a
And Company of	Casmos	20,00	36.50%	0.7.0.	Calle 30 y /3 Este 3all Flattisto	Mad or rallatile	ranalia
Andy Games, S.K.L.	Operacional	72,50%	%06,52	Koyal Games, S.K.L. Cirsa International Gaming Corporation,	Comune di Milano Via Galieo Galilei, 20	Milan	Italia
A0G, S.r.f.	Bingos	%00'09	%00'09	S.A.U. y Gema Srl, U. Cirsa International Gamina Corporation		Silea (TV)	Italia
Ariv, S.A.	828	%00'09	20,00%	S.A.U.	Rio Bamba, 927, 14-E	<b>Buenos Aires</b>	Argentina
Automáticos Laomar, S.L.U.	Operacional	20.00%	%00'05	Orlando Play, S.A.	C/Sierra Telar, 40	Viator	Almería
Automáticos Manchegos, S.L.	Operacional	50,00%	\$0,00%	Global Amusement Partners Corporation,	Pío III, 13	Alcazar de San Juan	Ciudad Real
Binbaires, S.A.	Casinos	33,33%	33,33%	Cirsa International Gaming Corporation,	Constitución 299	Pinamar	Argentina
Bings Amics S.L.	Bingos	50.00%	50.00%	Universal de Desarrollos Efectronicos, 5.A.	Atenas, 45 Pz Ferreto 55 A	Mestre	Malaga
Bingo Electrónico de Euskadi, S.L.	Bingos	25,00%	25,00%	Play to Win, S.L.	C/ Antonio Cabezon, 89	Madrid	Madrid
Bingo Efectrônico de México, S.L. De C.V.	Bingos	80,00%	20,00%	Play To Win, S.L.	Lago Ladoga, 216 Colonia Modelo	Ciudad de México	México
Bingos Andaluces, S.A.	Bingos	20,00%	20,00%	Global Bingo Corporation, S.A.U.	Asunción, 3	Sevilla	Sevilla
Bingos Benidorm, S.A.	Bingos	20,00%	50.00%	Global Bingo Corporation, S.A.U.	Plaza Doctor Fleming, s/n	Benidorm	Alicante
Binsavo, S. A.	Bingos	20.00%	20,00%	Global Bingo Corporation, S.A.U.	Ruiz Morole, 5	Alcazar de San Juan	Ciudad Real
Juego, S.L.	Bingos	20.00%	,	Play To Win. S.L.	Creen y casulo, 244 FL/ Dptc. 703 Edif. Bellavista	Las Palmas G.C.	Gran Canaria
Casino de Rosario, S.A.	Casinos	50,00%	%00'09	Casino Buenos Aires, S.A.	C/Córdoba, 1365, Piso 5 of, 508	Santa Fé-Rosario	Argentina
Casino la Toja, S.A.	Casinos	20,00%	20,00%	Global Casino Technology Corporation,	Isla de La Toja	El Grove	Pontevedra
CBA-CIESA, UTE	Casinos	45,00%	20.00%	Compañía De Inversiones En Entretenimientos, S.A. Y Casino Buenos	Avda. Elvira Rawson de Dellepiane, s/n	Buenos Aires	Argentina
Cludeen, S.L.	828	80.00%		Universal de Desarrollos Electrónicos: S.A.	C/Rua das Hedras. 4 2° K	O Milladorio, Ames	A Coruña
Comdibal 2000, S. L.	828	20.00%	50.00%	Global Manufacturing Corporation, S.L.U.	Pi Els Bellots, of del Aire, 1	Terrassa	Barcelona
Competiciones Deportivas, S.A.	Casinos	20,00%	\$0.00%	Gaming & Services de Panamá, S.A.U.	Calle 50 y 73 Este San Francisco	Panamá	Panamá
Electrónicos Trujilianos, S.L.	Operacional	20,00%	%00'05	Global Amusement Partners Corporation, Circa International Gamino Corporation	Avda. Guadalupe, 14	Trujillo	Cáceres
Emiucasa, S.A.	Casinos	20,00%	%00'09	s.A.U.	Bacacay, 2789 piso 5-20	Buenos Aires	Argentina
Enjoy With Us, S.L. Extremeña de explotaciones recreativas u	Bingos	%00'05	20.00%	Play To Win, S.L.	C/ Antonio Cabezon, 89	Madrid	Madrid
de juego. S.L.	Bingos	20.00%	20.00%	Play To Win S.L.	C/Antonio de Cabezón, 89	Madrid	Madrid
Flamingo Euromatic-100, S.L.U.	Operacional	50.00%	20,00%	Orlando Pfay, S.A.	P.I. La Juaida, C/Sierra Tetar, 40	Viator	Almería
Giochigenova, S.R.L.	Operacional	20,00%	%00'05	Cirsa Italia, S.A.U.	Via Col Dino, 6	Genova	Italia
Goldenplay, S.L.U.	Operacional	20.00%	20.00%	Orlando Play S.A.	German bernacer, 22 P.I. Elone Paroue Ind	Fiche	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	20.00%	20,00%	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%	%00'05 20'00%	Ancon Entertainment, S.A.	Calle 50 y 73 Este San Francisco	Ciudad de Panamá	Panamá
La Cafeteria del Bingo, S.L.	Bingos			Global Bingo Corporation, S.A.U.	Asunción, 3	Sevilla	Sevilla
Madrileña de Explotaciones Recreativas y	Bingo	20008	50.00%	O CHAIR	Claritorio de Cabarán 80	A design	7000
Majordio Good Sondano O A L	SOLUTION	30,00	8,00,00	Comittee Continue Continue Continue	CAMONO DE CADEZON, 09	Widalia	Made
wajesiic rood services, s.A.O.	800000	50,00%		Caming & Services de Panama, S.A.O.	Calle 50, Calle 73 Este	Ciudad de Panama	ranama
Marchamatic Indalo, S.L.U. Mediterranea de Explotaciones	Operacional	%00'09	%00.09	Orlando Plav. S.A.	C/Sierra Telar, 40	Viator	Almería
Recreativas y de Juego, S.L. Metronia CR, S.A.	Bingos Bingos	%00°05	%00°05	Play To Win, S.L. Play To Win, S.L.	C/Antonio de Cabezón, 89 450 m oeste	Madrid Tibas	Madrid Costa Rica
Metronia Panama, S.A.	Bingos	%00`0\$	20,00%	Play To Win, S.L.	Av. Balboa Edif.Bay Hall Plaza	Ciudad de Panamá	Panamá

List of joint-controlled companies		Defrection	operation				
Company	Activity	of ownership 2012	of ownership 2011	Investment holder	Business address	Cit	Province/Country
antes Agricación De Evolutaciones	Ringos	25,00%	25 00%	Contract Andalicia	C. Bastrillo 4	Coulls	Countle
Molino S XYI C A II	Birgos	50,00%	50,00%	Desidencial Tikidaho o A	C) Kaskino, 4	Darrelan	Derolla
Montocodo Ondolicón O	o ingo	20,00	8/00'00	Cirto Disco Constitution CA 11	Value	Daicelona	Dalcelona Davin-
A STATE OF THE STA	Spino	8,00,00	20,00	Global Billing Colporation, 5.7.0.	Av. Cluz del Calipo, 49	Several a	Sevilla
Muticasino, J.A.	Casmos	20,00%	%na`ne	Gaming & Services de Panama, S.A.U.	Calle 50, Calle 73 Este	Ciudad de Panama	Panama
New Laomar, S.L.U.	Operaciona)	20,00%	%00'09	Orlando Play, S.A.	c/Sierra Telar, 40	Viator	Almeria
La Septions Ser	Ringos	30,00%	30,00%	120 00 0	Torricella 11	Domo	folia
Opa Celvices, Calar	SON INC.	2000	,000	7.0.00, 0.0.1.	TOTINGENA, 11	NOTING.	ralia
de Juego, S.L.	Singos	20,00%	20.00%	Play To Win, S.L.	Antonio Cabezon, 89	Madrid	Madrid
Orlando Italia, S.r.J.	Operacional	20.00%	%00'09	Orlando Play, S.A.	Milano Fiori, Strada 2, Palazzo D4	Assago	ítalia
Orlando Piay, S.A.	Operacional	%00'09	%00'05	Global Game Machine Corporation, S.A.U.	Sieлa Telar, 40 Р.І. La Juaida	Viator	Almería
Play to Win, S.L.	Bingos	%00'09	%00.03	Globał Bingo Corporation, S.A.U.	Antonio Cabezón, 89	Madrid	Madrid
Polispace, S.L.U.	828	20,00%	20,00%	Binelec, S.L.	Atenas, 45	Málaga	Málaga
Posbintra, S.A.	Singos	20,00%	20,00%	Global Bingo Corporation, S.A.U.	Mallorca, 270	Barcelona	Barcelona
Recreativos Bigar, S.L.	Operacional	20,00%	20,00%	Cirsa Slot Corporation, S.L.U.	Paseo Ubarburu, 37	San Sebastián	Guipúzcoa
Recreativos Del Istmo, S.A.	Casinos	%00'09	20,00%	Cirsa International Gaming Corporation,	Calle 50 y 73 Este San Francisco	Ciudad de Panamá	Panamá
Recreativos Jeroni Orfila, S.L.	Operacional	%00'09	20,00%	Cirsa Slot Corporation, S.L.U.	C/Emili Darder Batle, 4	Palma de Mallorca	Baleares
Recreativos Manchegos, S.L.	Operacional	20,00%	\$0.00%	Global Amusement Partners Corporation,	C/Pio III, 13	Alcazar de San Juan	Ciudad Real
Recreativos Ociomar Levante, S.L.U.	Operacional	%00.03	%00`09	Orlando Play, S.A. Orlando Play, S.A.	Ctra. De Castellar, 298	Terrassa	Barcelona
Recreativos Panaemi, S.L.U.	Operacional	20,00%	20,00%		C/German Bernacer, 22 P.I. Elche	Murcia	Muccia
Recreativos Pozuelo, S.L.	Operacional	20,00%	20,00%	Global Amusement Partners Corporation,	C/Costanilla del Olivar 2	Pozuelo de Alarcón	Madrid
Red de Juegos v Apuestas de Madrid, S.A.	Bindos	40.00%	40.00%	Varios	C/Evaristo San Miguel 2	Madrid	Madrid
Residencial Tibidaho S.A.	Bindos	20 00%	20 00%	Global Bingo Corporation S A 11	haine	Barcelona	Rarcelona
Rovalhet S.R.I.	Oneracional	47 50%	47 50%	Royal Games S.R.1	Via Diemondo A	Darija	Halia Halia
Dove Games CD !	Operacional	2000	%)OC'14	Circo Italia O A 11	Via National 4	ravia Deni	l'alla
Auyal Galles, S.A.L.	Operacional D.	20,00%	20,00%	Cirsa Italia, S.A.U.	VIA F. KISMORdo, nº 4	Pavia	Italia
Sala Valencia, S.A.	Sobula	%00'0c	%00.00	Global Bingo Corporation, S.A.U.	Cuenca, 20	Valencia	Valencia
Serdisga 2000, S. L.	828	%00'05	20,00%	Global Manufacturing Corporation, S.L.U.	Av. Finisterre, 283	La Coruña	La Coruña
Servitronic Andalucia, S. L.	828	%00'09	%00'09	Global Manufacturing Corporation, S.L.U. Royal Games, S.R.Ł.	Pol. Aeropuerto Sector A-2, P1, N4	Sevilla	Sevilla
SGR, S.R.L.	Operacional	25,00%	25,00%		Via Bravanti, 7	Piacenza	Italia
					Edif.Cirsa Calle 50 y 73,San Francisco		
Silver Cup Gaming, Inc.	Casinos	%00'09	%00'09	Cirsa Panamá, S.A.U.	Este	Ciudad de Panamá	Panamá
Sportium Apuestas Aragon, S.L.U.	Operacional	%00'09	%00'09	Sportium Apuestas Deportivas, S.A.	C/ Jaime Ferrán, 5	Zaragoza	Zaragoza
Sporting Appearant Denoglyses S.A.	Operacional	50 00%	%00 US	Slot Comoration S. 1.1	C/Santa Ma Mandalana 10.13	Madera	Madeil
Sportium Apprestas Galicia, S.L.U.	Operacional	\$0.00% \$0.00%	,	Sportium Applestas Deportivas, S.A.	C/Don Pedro s/n	Toia	Pontevedra
Sportium Aguestas Levante S.A.U.	Operacional	20 00%	50 00%	Sporting Appearance Deporting S.A.	Compleio Hotelero Monte Dicavo	Ploud	Valencia
Sportium Apuestas Navarra, S.A.U.	Operacional	20,00%	20.00%	Sportium Apprestas Deportivas, S.A.	Avda, Barañain, 27 1° A	Pamplona	Navarra
Tejebin, S.A.U.	Bingos	47.50%	47.50%	Juegos San José, S.A.	General Mas De Gaminde, 47 Baios	Las Palmas G.C.	Gran Canaria
Tirreno Games, SRL	Operacional	%00'09	20,00%	Cirsa Italia, S.A.U.	Via Orosei, s/n	Navacchio (Cascina)	Italia
Traylon, S.A.	Casinos	20,00%	20,00%	Casino Buenos Aires, S.A.	Avda. Elvira Rawson de Dellepiane	Buenos Aires	Argentina
Vasca de Explotaciones y de Juego, S.L.	Bingos	%00'09	20,00%	Płay To Win, S.L.	C/Antonio de Cabezón, 89	Madrid	Madrid

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