

PRESS RELEASE

February 15, 2017



On February 9, 2017, the Federal Government of Argentina (the “State”) announced that it had decided to increase the rate of federal gaming taxes applicable to Casino de Buenos Aires (“CBA”) from 20% to 30% of win (income less prizes) (decree n° 95/2017). We estimate that the federal gaming tax increase would have a negative impact on our Ebitda of approximately €8.5 million per year. This federal gaming tax is in addition to the local tax that CBA commenced paying to the City of Buenos Aires in June 2016.

We and CBA do not accept the validity of the federal gaming tax increase announced by the State, particularly in view of CBA’s new requirement last year to begin also paying local tax to the City of Buenos Aires, and currently expect to challenge the State’s decision in the Argentinean courts and through foreign investment treaty procedures in legal proceedings outside of Argentina.

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