



RF RANKS AMONG WORLD LEADERS

AFTER MORE THAN 40 YEARS OF IMPECCABLE PERFORMANCE



The history of Spain's Recreativos Franco (RF) group and its success is based on a succession of decades of appropriate corporate initiatives and decisions.

What began as a potential business for the manufacture and exploitation of slot machines is now an international group of companies.

Founded by Joaquín and Jesús Franco, the performance of this multinational is indisputably linked to the history of gaming in Europe and throughout the world.



Working session in the presidency Jesús and Joaquín Franco, Presidents of RF, finalise details with Antonio Gutiérrez, head of Industrial Division and with Manuel del Sol, head of the slot machine division for Casinos.



RF's central offices in Madrid

They started their business in the amusement industry in 1965, with the exploitation of slot machines. Ten years later, they incorporated Recreativos Franco, S.A., which began to manufacture the first machines with a proprietary trademark.

The creation of the company's international division in 1978 hailed the start of commercial operations in foreign markets: France, Sweden, The Netherlands, Norway, Russia, United Kingdom, Italy and the majority of South American countries.

At the same time, the Group continued its growth in the Spanish market and, in 1979, it achieved leadership in the manufacture of slot machines.



RF factory near Madrid





CODERE GROUP

Its business horizons were broadened in 1980 with the creation of CODERE by the Franco brothers and the Martínez Sampedro family, an amusement arcade management group.

At the present time, this company has more than 34,000 slot and AWP machines, 86 Bingo Halls, 39 Betting Shops, 2 Hippodromes and 6 Casinos, all of which are distributed among Spain, Italy, Argentina, Colombia, Chile, Panama, México, Peru and Uruguay

In Cali, Colombia, it manages one of the largest Casinos in Latin America, and in Lima, Peru, it exploits the Casino Miraflores.

It will start to manage four Casinos in Panama, probably in 2006, once the authorities have approved the agreement whereby the company will exchange 50 percent of the four Casinos managed to date in Chile, for one hundred percent of the shares of Panamanian Casinos operating under the Crown brand.

In recent years, it has become one of the best positioned firms in the Mexican gaming market, following the installation of electronic Bingo terminals, and it is seeking the concession of various Casinos if these are finally authorised by legislation in that country.



Casino Arlequín, Panamá



Bingo Hall San Miguel, Argentina



Bingo Hall Codere, México



Bingo Hall Canoe, Spain



ORENES GROUP

One year later, Compañía Orenes de Recreativos was incorporated by the Franco brothers and the Orenes family.

This is now one of Spain's leading operators in the sector, with 9,000 machines distributed among 4,000 premises. It has four Casinos in Croatia: Casino Miro in Dubrovnik, Casino Miro in Vodice, Casino Minera in Plovanija



View of the Casino Miro Dubrovnik, Croatia

Bingo Hall Orenes-Genoa, Italy



and Grand Casino Bül in Umag.

The Orenes Group owns five Casinos in Spain: Gran Casino Murcia, Gran Casino de Lanzarote, Gran Casino de Extremadura, Electra Rioja Gran Casino and Gran Casino Costa Meloneras.

Its investment policy, exhaustive quality control and service guarantee lead the Orenes Group to be sought internationally as an international partner for new business in the gaming sector.



Gran Casino Murcia, Spain



Bingo Hall Jaime I, Spain

THE GREAT INTERNATIONAL VENTURE

In 1982 RF began mass production of slot machines for the international Casinos market.

Recreativos Franco América was created in 1984, headquartered in Bogotá, Colombia, which is now the largest manufacturer of slot machines in South America, with a production of more than 7,000 units. The company is firmly established and enjoys indisputable repute in this area.

1986 was a highly significant year for RF, when it beat a historical record by manufacturing 70,000 machines of the same model, the famous "Baby".

In 1988 R. Franco started its activities in Russia, where it became the first manufacturer to join this demanding and competitive market.

In 2002 R. Franco USA was incorporated in the city of Phoenix. This decision had been included in the company's strategic plan to design and homologate its products in the United States.

The Group's constant expansion in international markets led RF to open a new plant in Buenos Aires in 2003, to meet the increasing South American market, where the company is obtaining excellent results.

That same year, an office was opened in Las Vegas to develop and design specific products for Casinos, from the very heart of the gaming industry.

A new milestone was attained in 2004 when the Group obtained the "Gara" authorisation in Italy, and became a licensee of the gaming monopoly in that country.

Accordingly, Rete Franco Italia was incorporated, which



The RF Factory in Bogotá



Factory in Buenos Aires

obtained spectacular results: at the end of that year RF had installed more than 10,000 slot machines interconnected at more than 6,000 points throughout Italy.

Last year, RF undertook a new phase of international expansion, in Central Europe on this occasion, and opened 3 electronic Casinos in Romania.

A perfect adaptation to the commercial, legal and idiosyncratic peculiarities of each international scenario, along with the capacity to stay abreast of future trends in leisure consumption, enabled this safe and steady expansion of the RF Group.

At present, there are more than 50 countries with offices or representations of any of the 200 firms that make up the R. Franco Group. Overall, they represent a complete offer of products and



Manuel Blesa, head of the Casinos division for the Iberian Peninsula

services that allows any new market requirement to be met successfully anywhere in the world.

The ultimate consequence of this Group development and growth process was the relocation of its central facilities in Madrid to a new building, also in Spain's capital, which is more modern and has all types of technological innovations.



Brothers Joaquín and Jesús Franco during the "40th Anniversary" gala dinner



The Franco family in full

40th ANNIVERSARY

To commemorate the fortieth anniversary of its presence in the gaming industry, RF held a gala dinner on 28 September last, at its central offices in Madrid, which was a great success.

The slogan for the event, which was attended by more than 500 special guests, was "A million thanks for 40 years of passion". This celebration coincided with the launch of machine "One million" manufactured by the Spanish multinational.

NEW PROJECTS: R+D

We cannot describe the successful performance of the company without referring to various factors.

RF's industrial manufacturing process is characterised by its flexibility and autonomy. On the one hand, this enables it be in ideal conditions at all times for immediate delivery of its models anywhere in the world, independently of the specific characteristics of each market. And on the other, to maintain an almost total autonomy from initial research and design procedures until final delivery of the product.

Another sign of identity of the R. Franco Group has always been the immediate incorporation of the latest available



Inside of an "Xpassion" series slot machine

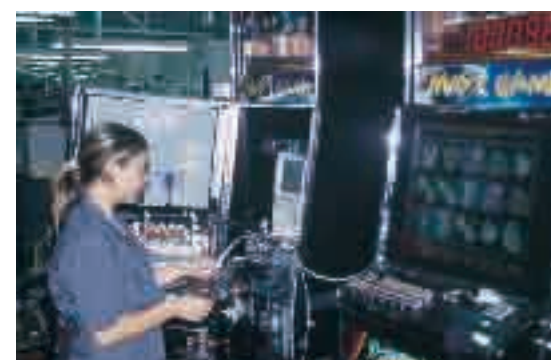


The R+D division is one of RF's priorities: Jesús Franco talks to the head of the department, M^o. José Gallardo and the engineer Mercedes Bravo

which the machines are inserted.

With its revolutionary designs, the R. Franco Group is continually transforming the slot machine market. The success of both its legendary models such as "Baby Fruits de Lujo" and "Santa Fe Mine" machines and its more recent creations using the new "Xpassion" system, stems from the imagination of their creators.

Today, countries such as, Croatia, Romania, Italy, Spain, United States, Argentina, Mexico, Colombia, Peru, Chile, Panama, Brazil, Uruguay and Paraguay, have slot machines produced at Recreativos Franco factories installed in their Casinos, electronic Casinos, Bingo Halls and Betting Shops.



All slot machines are meticulously checked before delivery to customers

THE KEY TO SUCCESS

The degree of satisfaction of operators, distributors and/or players is of utmost importance for RF. Accordingly, an opinion poll on each machine in operation is held regularly among customers. This information enables RF to renew gaming and betting systems for each slot machine depending on the specific needs of customers, thus ensuring a noteworthy improvement of the end product at all times. Finally, another factor that contributes towards the success of RF is its staff, made up of more than 4,000 persons, all of whom are highly qualified professionals, distributed among all continents.

Diversity and polyvalence within the same human group form the basis of the noteworthy organisational characteristic of the R. Franco Group. Today, its greatest capital is: an unending source of human richness, giving rise to ideas, projects, innovation, resources, know-how, service,... This modern corporate philosophy allows the R. Franco Group to look to the future with the conviction of knowing that it will be safe in any possible scenario.



Javier Carro, RF General Manager



The Casinos Group Miro in Croatia has RF slots machines

technological innovations in its games. To do this, the Group dedicates an enormous human and economic effort to its R+D department, which is a fundamental element in the production chain of the various models of slot machines. This department is acknowledged worldwide as one of the most advanced in the gaming sector. The sum of know-how and experience of its staff creates not only new patents but also technological solutions that multiply the efficacy of previous projects and IT applications that lead to new gaming offers and incentives. Similarly, this R+D department creates innovative and attractive designs for the furniture in



Factory in Arganda, Madrid



Bingo Hall in Logroño, Spain

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