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Madrid, 21 de octubre de 2016

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### **HECHO RELEVANTE**

En referencia con el Hecho Relevante nº 243869 publicado hoy relativo al lanzamiento de una emisión de bonos, se emite este hecho relevante en el que se adjunta la presentación “Presentación para Road Show”

# Codere Bond Deal Road Show

October 2016



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Chief Financial Officer

**Angel Corzo**



Deputy CFO

**Oscar Iglesias**

# 1. Proposed Bond Refinancing

# Proposed Bond Refinancing

## Sources & Uses and Pro-Forma Capital Structure

Figures in EUR mm, except where noted otherwise.

Approach to security to replicate restructuring scheme, providing strong downside protection to bondholder (secured; double Luxco)

### Sources & Uses

| Sources of Funds                   | €m         | Uses of Funds                           | €m         |
|------------------------------------|------------|---|------------|
| Cash from Balance Sheet            | €123       | Refinance Existing Notes <sup>(1)</sup> | €865       |
| SSRCF (EUR 95 mm)                  | -          | Rollover Other Debt <sup>(2)</sup>      | 89         |
| New Senior Secured Notes (€/\$)    | 775        | Est. Fees and Expenses                  | 33         |
| Rollover Other Debt <sup>(2)</sup> | 89         |   |            |
| <b>Total</b>                       | <b>987</b> | <b>Total</b>                            | <b>987</b> |

### Pro-Forma Capital Structure

| Pro Forma Capitalization                                      | Maturity | Amount (EURm) | % Cap       | xTotal Adj. EBITDA      |
|---|----------|---------------|-------------|-------------------------|
| SSRCF (EUR 95 mm)   | 5 Years  | -             |             |                         |
| New SSN (€/\$)  | 5 Years  | 775           | 90%         | 3.0x                    |
| Other Debt <sup>(2)</sup>                                     |          | 89            | 10%         | 0.3x                    |
| <b>Total Debt</b>   |          | <b>864</b>    | <b>100%</b> | <b>3.3x</b>             |
| Cash <sup>(3)</sup>   |          | (198)         | (23%)       | (0.8)x                  |
| <b>Net Financial Debt <sup>(4)</sup></b>                      |          | <b>666</b>    |             | <b>2.6x</b>             |
|   |          |               |             | <b>LTM ended Jun-16</b> |
| Total Adj. EBITDA <sup>(5)</sup>                              |          |               |             | 259                     |
| Maintenance Capital Expenditures <sup>(6)</sup>               |          |               |             | 68                      |
| PF Interest Expense <sup>(7)</sup>                            |          |               |             | 61                      |
| Total Adj. EBITDA / PF Interest Expense                       |          |               |             | 4.2x                    |
| (Total Adj. EBITDA - Maintenance CapEx) / PF Interest Expense |          |               |             | 3.1x                    |

(1) Existing bonds including principal and accrued interest as of 30 June 2016.

(2) Includes debt at OpCos including capital leases.

(3) As adjusted figure pro forma for €123 mm used for refinancing of existing bonds and funding of the transaction fees and expenses.

(4) Excludes 50% of HRU net debt of €7.2mm. Leverage metrics would remain unchanged if included.

(5) Total adjusted EBITDA defined as EBITDA converted using the securities arbitrage implied rate for the Argentine Peso to the EUR or USD, plus 50% of the EBITDA reported by our Uruguayan joint venture HRU (€9.5mm) and excluding all extraordinary non-recurring items. "Securities arbitrage implied rate" refers to the implicit rate of exchange obtained from blue chip arbitrage transactions into Argentine sovereign securities.

(6) Figures reflect Company consolidated maintenance capex plus 50% of HRU (unconsolidated joint venture accounted for under equity method) maintenance capex of €2.7mm.

(7) Pro forma interest expense is adjusted to give effect to the Offering and the use of proceeds therefrom as if it had occurred on 1 July 2015. Includes expected interest expense on new notes, OpCo debt and 50% HRU debt.

# Proposed Bond Refinancing

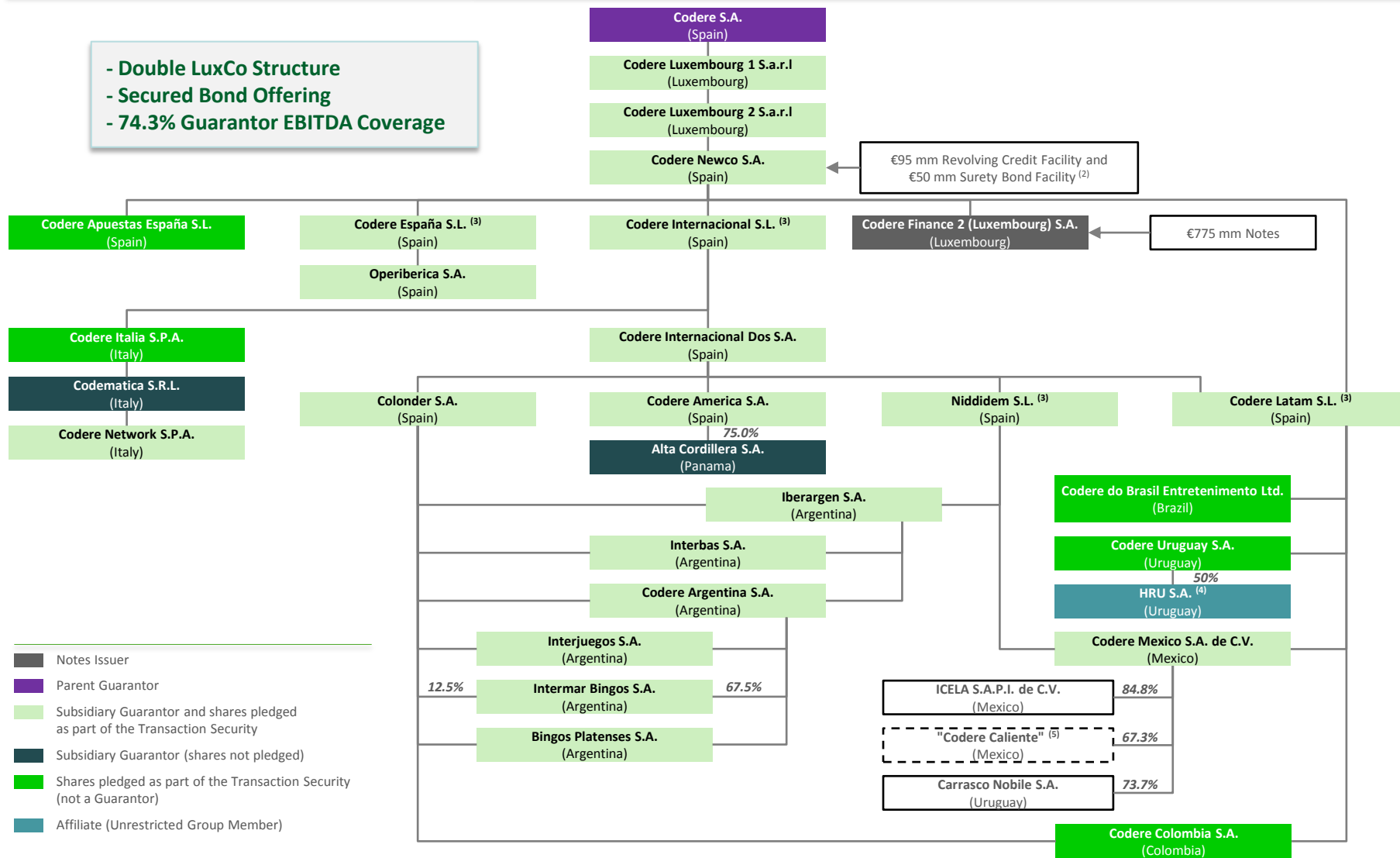
## Summary of Terms

|  |   |
|--|---|
| <b>Issuer</b>  | Codere Finance 2 (Luxembourg)   |
| <b>Issue Size</b>                                      | Approx. €775 mm equivalent Senior Secured Notes   |
| <b>Currency</b>  | EUR and USD   |
| <b>Guarantees</b>                                      | Guaranteed by Codere, S.A. and certain subsidiaries (74.3% guarantor EBITDA coverage)   |
| <b>Security</b>  | Secured on a first priority basis by all of the shares of the Issuer, certain Guarantors and other subsidiaries   |
| <b>Ranking</b>   | Pari passu with all other senior secured indebtedness of the Issuer and, if applicable, certain other future debt that are secured by the same collateral (subject to certain conditions); however, in the event of enforcement, Super Senior Revolving Credit Facility, Surety Bond Facilities and certain Hedging Obligations will receive proceeds in priority |
| <b>Tenor / Redemption</b>                              | 5NC2; 50% of coupon, 25% of coupon, par   |
| <b>Covenants</b>                                       | Customary high yield covenants, including, but not limited to, limitations on: Additional Indebtedness, Restricted Payments, Liens, Asset Sales, and Transactions with Affiliates   |
| <b>Change of Control</b>                               | Investor put at 101%  |
| <b>Distribution</b>                                    | 144A / Reg S (without registration rights)  |
| <b>Expected Issue Ratings</b>                          | B2 / B  |
| <b>Global Coordinator and Sole Physical Bookrunner</b> | Bank of America Merrill Lynch   |



# Proposed Bond Refinancing

## Organisational Structure Chart<sup>(1)</sup>



- Notes Issuer
- Parent Guarantor
- Subsidiary Guarantor and shares pledged as part of the Transaction Security
- Subsidiary Guarantor (shares not pledged)
- Shares pledged as part of the Transaction Security (not a Guarantor)
- Affiliate (Unrestricted Group Member)

(1) Shareholding structure reflects 100% direct or indirect ownership, except where noted otherwise.  
 (2) The Revolving Credit and Surety Bond Facilities will rank super senior. We expect to enter into the Revolving Credit Facility on or about the closing date of this Offering and the Surety Bonds Facility sometime following the closing date of this Offering.  
 (3) Entity in process of conversion from S.L. to S.A.  
 (4) HRU S.A., an unconsolidated joint venture in which the Company has a 50% equity interest, is accounted for under the equity method.  
 (5) The Company's joint venture with Caliente, is conducted through three separate intermediate holdcos (Grupo Inverjuego S.A.P.I. de C.V., Grupo Caliente S.A.P.I. de C.V. and Jomaharho S.A.P.I. de C.V., in each of which Codere Mexico S.A. de C.V. has a 67.3% equity interest).

## 2. Introduction to Codere



# Codere is a Leading International Gaming Company

## Geographical Footprint

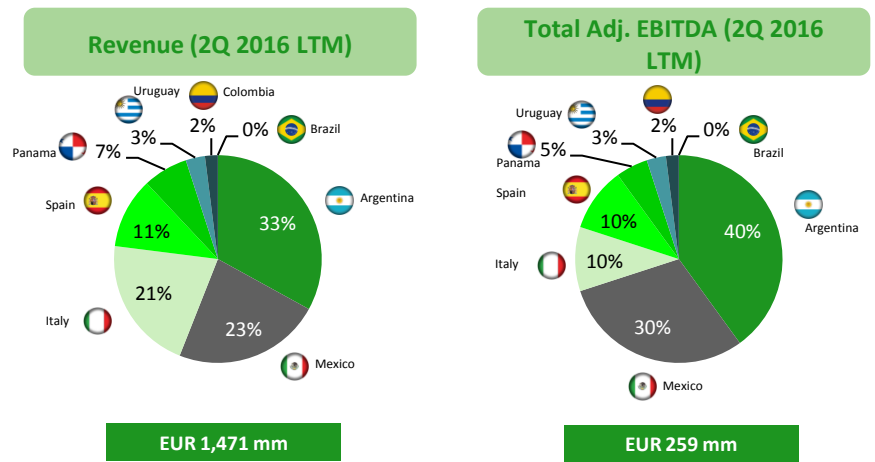
Codere is a leading international gaming operator with approximately **55,000** slot machines, **30,000** bingo seats and **3,500** sports betting terminals in Latin America, Spain and Italy, across various gaming venues, including **145** gaming halls, **600** arcades, **10,000** bars, **150** sports betting shops and **4** horse racetracks<sup>(7)</sup>.



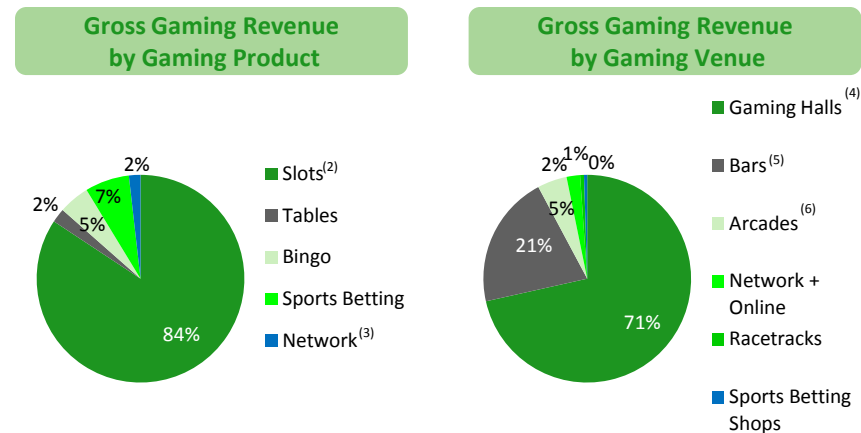
- Gaming hall operator in the Province of Buenos Aires
- Gaming hall operator in Mexico
- Casino operator in Panama
- Gaming hall operator in Uruguay
- Gaming hall operator in Italy
- AWP operator in Spain

|                               | Argentina | Mexico | Panama | Colombia | Uruguay | Brazil | Italy | Spain | Total  |
|-------------------------------|-----------|--------|--------|----------|---------|--------|-------|-------|--------|
| Venue                         |           |        |        |          |         |        |       |       |        |
| Gaming Halls                  | 14        | 91     | 12     | 10       | 6       | -      | 11    | 1     | 145    |
| Bars                          | -         | -      | -      | -        | -       | -      | 2,375 | 7,992 | 10,367 |
| Arcades                       | -         | -      | -      | 177      | -       | -      | -     | 431   | 608    |
| Racetracks                    | -         | 1      | 1      | -        | 2       | -      | -     | -     | 4      |
| Sports Betting Shops          | -         | 85     | 8      | -        | 26      | 5      | -     | 26    | 150    |
| Product                       |           |        |        |          |         |        |       |       |        |
| Slots                         | 6,951     | 19,322 | 3,009  | 5,510    | 2,244   | -      | 8,997 | 9,224 | 55,257 |
| Table Seats                   | -         | 1,914  | 528    | 264      | 144     | -      | -     | -     | 2,850  |
| Bingo Seats                   | 11,810    | 11,126 | -      | 850      | -       | -      | 5,142 | 605   | 29,533 |
| Sports Betting <sup>(8)</sup> | -         | 85     | 8      | -        | -       | 5      | -     | 3,449 | 3,547  |

## Geographic Mix (2Q 2016 LTM) <sup>(1)</sup>



## Business Mix (2Q 2016 LTM)



(1) Figures reflect total revenue (defined as reported revenue converted using the securities arbitrage implied rate for the Argentine Peso, plus 50% of the revenue reported by our Uruguayan joint venture HRU) and total adjusted EBITDA (defined as EBITDA converted using the securities arbitrage implied rate for the Argentine Peso, plus 50% of the EBITDA reported by our Uruguayan joint venture HRU and excluding all extraordinary non-recurring items). For illustrative purposes it is considered only positive percentages.  
 (2) Includes gross gaming revenue from AWP, VLTs, electronic bingo terminals and all other gaming machines; excludes gross gaming revenue from 3rd party operated slots.  
 (3) Reflects gross gaming revenue (ie. connection fees and AAMS canon) from all slots connected to Codere network (ie. both Codere and 3rd party operated).  
 (4) Includes gross gaming revenue from all gaming venues with > 50 slot machines.  
 (5) Includes gross gaming revenue from bars, restaurants, tobacco shops and other retail locations with < 5 slot machines and/or self service sports betting terminals (i.e. SSTs).  
 (6) Includes gross gaming revenue from all gaming venues with between 5 and 50 (inclusive) slot machines.  
 (7) Includes racetracks in HRU (unconsolidated joint venture accounted for under equity method).  
 (8) Figure for Spain reflects self-service terminals (SSTs); in other market figures reflect number of sports books/betting shops.

## Key Strategic Pillars of the Company

### 1 FOCUS ON OUR REGIONAL MODEL OF GAMING

- ✓ Regional business based on large, repeat customer base and small ticket spend
- ✓ First mover advantage in newly deregulating markets
- ✓ Diversified business portfolio to hedge against regulatory and geography risk
- ✓ Aim to increase exposure to Spain, Italy and Mexico

### 2 CONTINUE TO BE PROFESSIONAL PARTNER OF GAMING AUTHORITIES

- ✓ Supporting governments in Codere's markets to deploy regulation that meets highest international standards for gaming activities, compliance and effective contribution to public budgets
- ✓ Technology expertise to meet interconnection and compliance requirements and to operate platform based games (e.g. sports betting)

### 3 PIONEER IN MARKET INNOVATION

- ✓ Competitive advantage built on big data analysis of customer behaviour (CRM) leveraging our know-how, leadership, market positions and international exposure
- ✓ Development of unique omnichannel offer to Codere's customer base leveraging our loyalty programs and proprietary online and sports betting platforms
- ✓ As these markets regulate and legalise online, we will lead the online expansion

### 4 MARKET CONSOLIDATION

- ✓ Leadership position in core markets
- ✓ Competitive advantage and improved operational margins to foster efficient consolidation of players struggling with increased industry complexity, especially in Mexico, Spain and Italy
- ✓ Opportunistic and value-driven approach to investments in market leadership positions in the regions where we operate

### 5 CAPITAL EFFICIENCY AND FINANCIAL DISCIPLINE

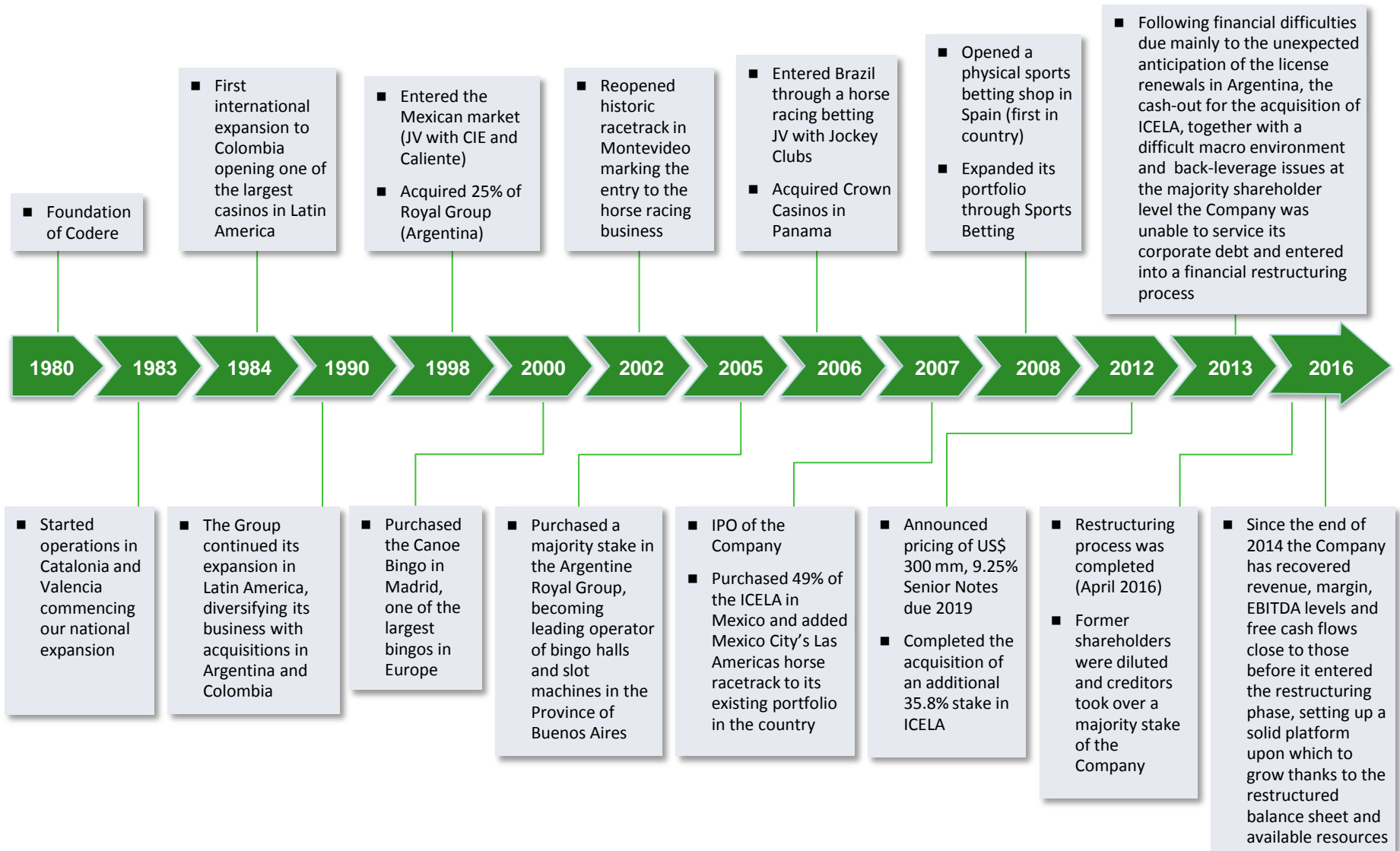
- ✓ After Performance Enhancement Program, continuous efforts and initiatives to contain costs, generate further efficiencies, foster cross-fertilization of best practises and leverage scale and existing capabilities
- ✓ Focus on hall and slot renewals
- ✓ Rigorous, disciplined process to evaluate growth, investment opportunities based on strict hard currency hurdle rates directly supervised by new BoD
- ✓ Successful integration of acquisitions and value creation through JV
- ✓ Aim to maintain healthy net leverage between 2.0x – 3.0x

### 6 MAXIMIZE FREE CASHFLOW

- ✓ Low average maintenance capex, focused on: (1) Slots renovation to keep our portfolio updated and (2) Licenses renewal
- ✓ Selective expansion strategy, mainly focused on add-ons in existing markets with significant synergies potential, entirely pre-funded

**Codere has a resilient and diversified business model, solid liquidity position with significant organic and inorganic growth opportunities whilst maintaining a prudent capital structure**

# A Long History of Developing Gaming Businesses Across Markets

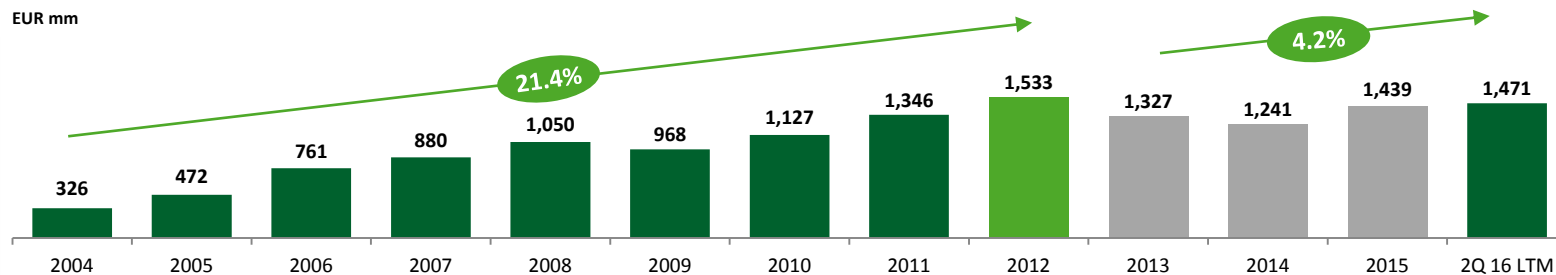


# Long Term Performance Shows Sustainable Organic Growth

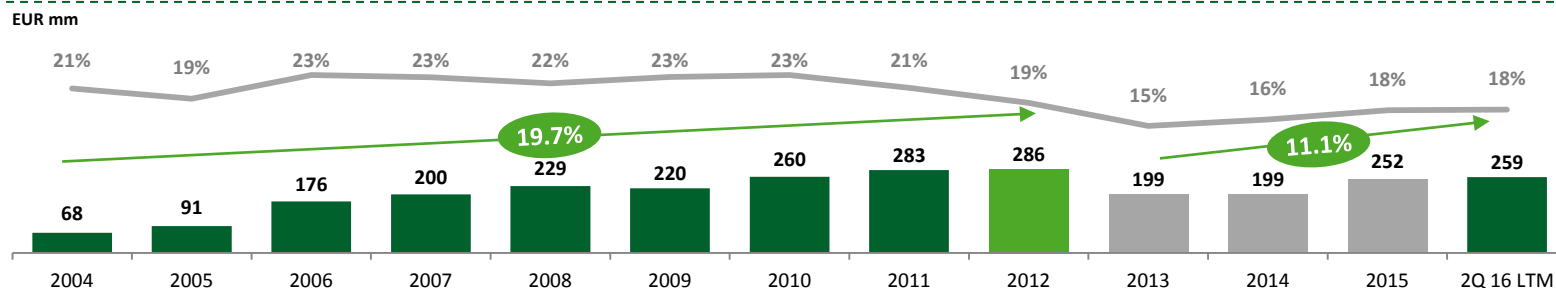
- Highly defensive business, centered in strong regulated markets and high barriers to entry
- Low cash flow volatility and “sticky” customer base and low marketing expenditure due to superior locations

## Total Revenue, Total Adj. EBITDA and NFD/Total Adj. EBITDA

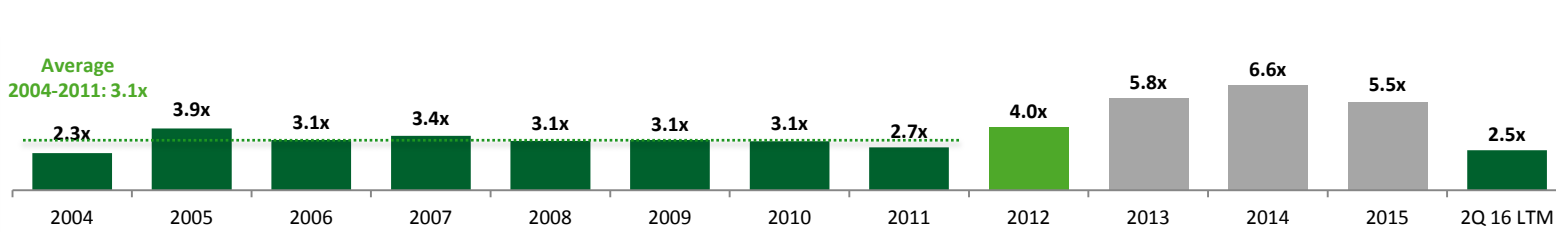
**Total Revenue<sup>(1)</sup>**



**Total Adj. EBITDA and Margin<sup>(2)</sup>**



**Consolidated NFD<sup>(3)</sup>/Total Adj. EBITDA**



■ Impacted by license renewal in Argentina and acquisition of ICELA   ■ 2013-2015 Restructuring process

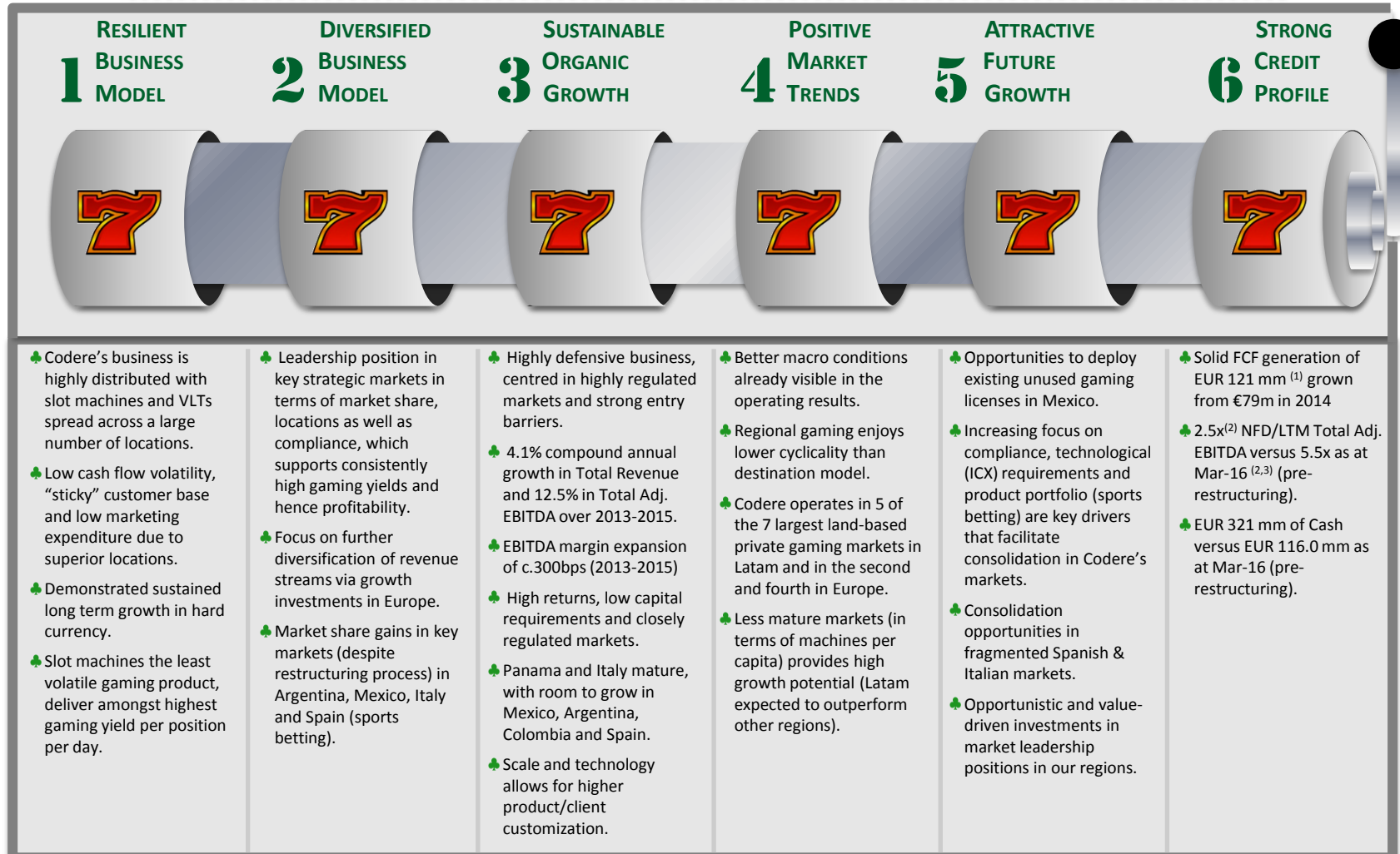
In application of the IFRS 11 standard, there is a change in the method of consolidation used for HRU in Uruguay as at 2013 onwards being reported under the equity method instead of the proportional method followed for 2004-2013 periods. For consistency and comparison purposes, 2014, 2015 and 2Q 2016 LTM have been adjusted using the proportional method and thus 50% of HRU's revenues and EBITDA have been included.

- (1) Figures reflect Total Revenue is defined as revenue reported in Codere's audited accounts and Codere's Annual Report. For the 2011-2Q2016 LTM periods, Total Revenue and EBITDA for Argentina are converted using the securities arbitrage implied rate to EUR. Additionally, for 2013 onwards, Total Revenue is adjusted adding 50% of the revenue reported by HRU.
- (2) Total Adjusted EBITDA is defined as operating profit/(loss) plus asset impairment charges, profit/(loss) on retirement or disposal of assets, change in trade provisions and depreciation and amortization. EBITDA for Argentina is converted using the securities arbitrage implied rate for the Argentine Peso to EUR. Additionally, for 2013 onwards EBITDA figures are restated to include 50% of the EBITDA reported by HRU. Total Adj. EBITDA margin defined as Total Adj. EBITDA divided by Total Revenue.
- (3) Net Financial Debt defined as total debt including capital leases minus cash and cash equivalents.

### 3. Key Credit Highlights

# Summary of Credit Highlights

## Key Credit Highlights



Note: Balance sheet figures as at June 30, 2016 and operating figures reflect last twelve months through June 30, 2016. Unless noted otherwise, figures reflect Company consolidated figures plus 50% of HRU (unconsolidated joint venture accounted for under the equity method) and ARS @ securities arbitrage implied rate.

(1) Figure reflects consolidated figures; total adjusted EBITDA less corporate income taxes paid less increases in net working capital less total capital expenditures.

(2) Gross debt of EUR 964 mm, cash of EUR 324 mm and 2Q 2016 LTM Total Adj. EBITDA of EUR 259 mm; figures include 50% of HRU debt (EUR 10.1 mm), cash (EUR 3.0 mm), and LTM Adjusted EBITDA (EUR 9.5 mm), as per NSPN Issuance Agreement.

(3) This compares to peak net leverage ratio of 6.8x in 3Q-14 and is one full turn of EBITDA below the 3.6x as at Sep-12, the day prior to implementation of the smoking ban in Argentina.

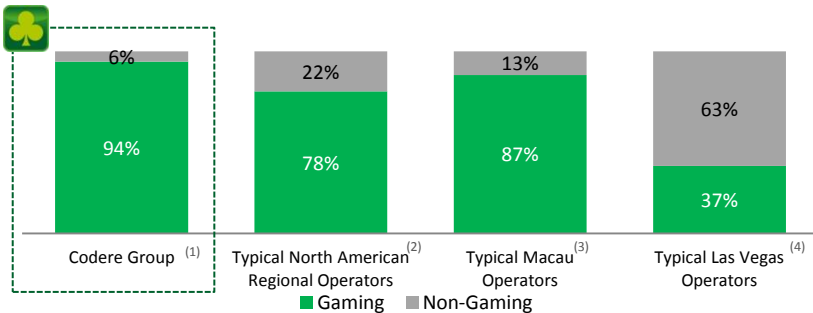


# 1 – Resilient Business Model

- Codere’s business is highly distributed with slot machines and VLTs spread across a large number of locations
- Panama and Italy mature, with room to grow in Mexico, Argentina, Colombia and Spain
- Slot machines deliver amongst highest gaming yield per position per day

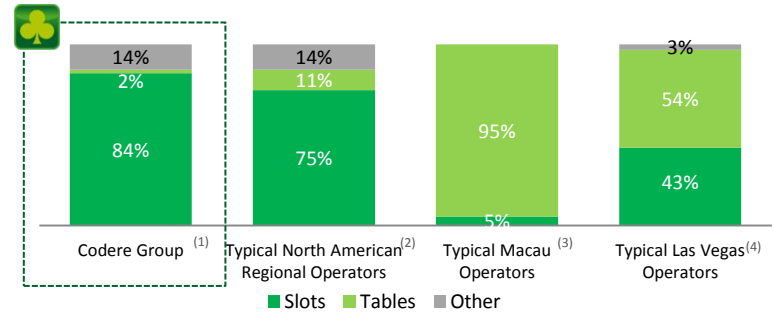
## Gaming versus Non-Gaming Revenue Mix

Resilient gaming revenue mix vs. other business models.



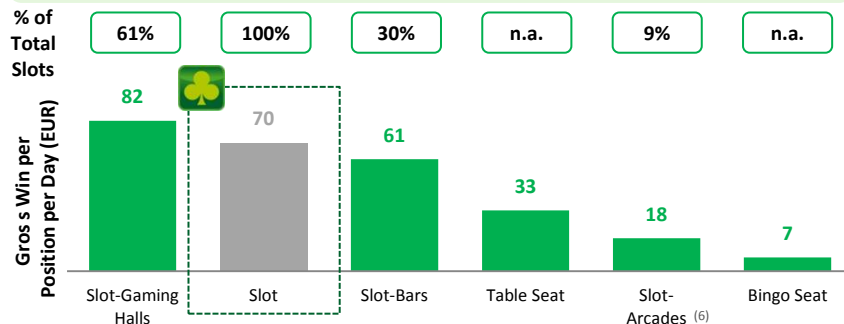
## Gaming Revenue Mix

Resilient slot machines product mix vs. other business models.



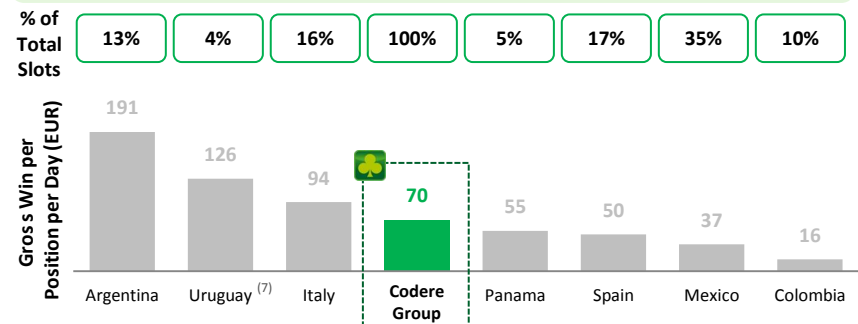
## Codere Group Gaming Yields <sup>(5)</sup>

Highly attractive slot and gaming hall yields delivering high returns.



## Codere Group Gaming Yields – Slots <sup>(5)</sup>

Diversified regional model with unique leadership positions.

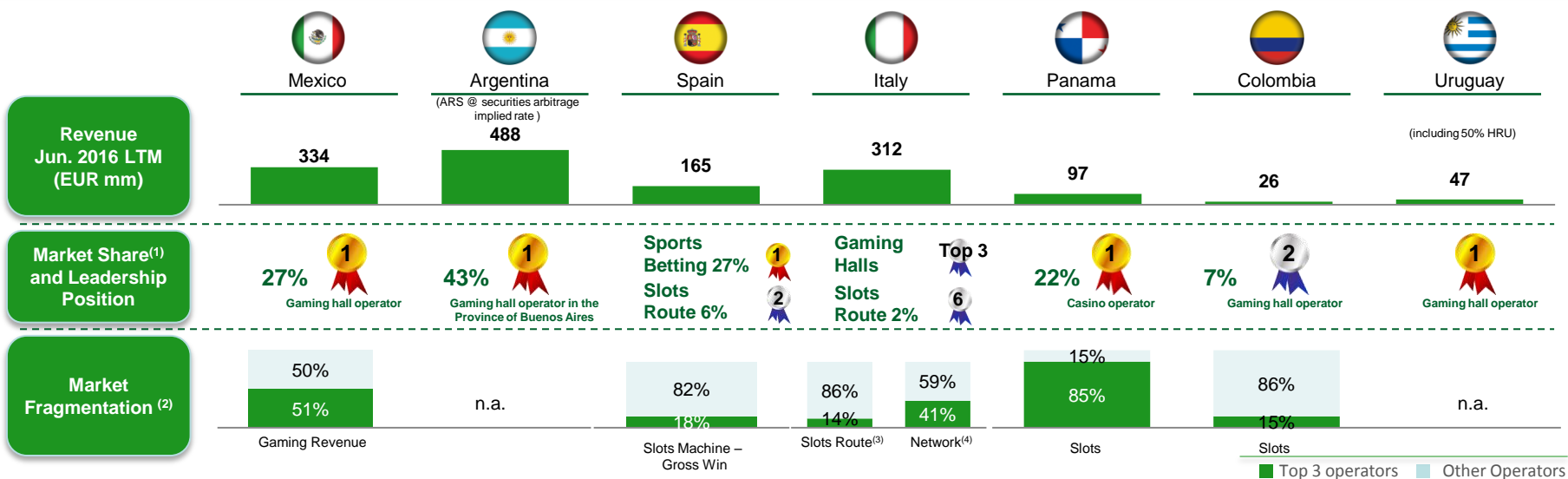


(1) Source: Codere 1H-16 actual results.  
 (2) Source: Based on the average of 2015 reported figures by listed North American regional operators.  
 (3) Source: University Center for Gaming Research and Gambling & Risk Taking IC “ Macau Casino Gaming Industry”.  
 (4) Source: HVS, “Las Vegas Casino & Hotel Market Outlook 2015 – Nevada Gaming Control Board”

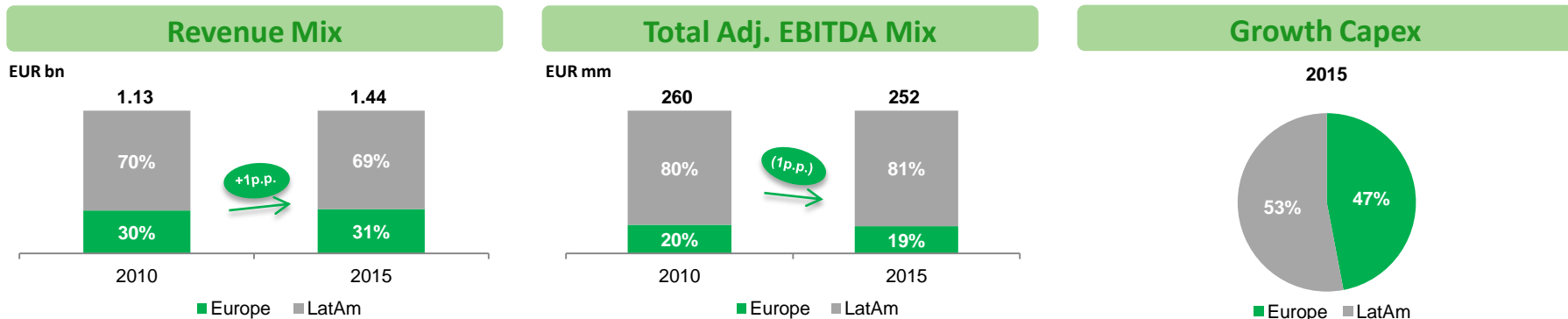
(5) Figures reflect 1H-16 gross win and average positions (analysis assume 6 positions per table).  
 (6) Slots in Arcades only present in Colombia.  
 (7) Includes both HRU and Carrasco Nobile.

## 2 – Diversified Business Model with Market Leadership and Focus on European Growth

- Leadership position in key strategic markets in terms of market share, locations as well as compliance, which supports consistently high gaming yields and enhances profitability
- Focus on further diversification of revenue streams via growth investments in Europe
- Market share gains in key markets (despite restructuring process) in Argentina, Mexico, Italy and Spain (sports betting)



### Geographical Revenue, Total Adj. EBITDA and Capex Mix<sup>(5)</sup>



(1) Market shares calculated as follows: (i) Mexico: by gaming revenue (source: SEGOB); (ii) Argentina: by slot net win (source: Codere estimates); (iii) Spain: by gaming revenue for Sports Betting (source: Codere estimates) and by slot machine gross win for slot route operators (source: DGOJ 2015 Annual Report); (iv) Italy: Slots Route market share is based on the number of connected AWP in the Italian slot route system (source: Codere estimates); (v) Panama: by slot machines gross win (source: Junta de Control de Juegos); (vi) Colombia: by installed slot machines (source: ColJuegos).  
 (2) Figures calculated with market shares of top 3 operators. For Colombia, Spain and Panama represent top 2 market shares available only.  
 (3) For Italy Slots Route, market is measured as number connected AWP in the Italian slot route system (source: Codere estimates).  
 (4) For Italy Network, market fragmentation is calculated based on AWP amounts wagered (source: MAG consulting).  
 (5) Figures reflect Total Revenue defined as revenue reported in Codere's audited accounts and Codere's Annual Report. For 2015, Total Revenue and Total Adjusted EBITDA for Argentina are converted using the securities arbitrage implied rate to EUR. Additionally, Total Revenue is adjusted adding 50% of the revenue reported by HRU. Total Adjusted EBITDA is defined as operating profit/(loss) plus asset impairment charges, profit/(loss) on retirement or disposal of assets, change in trade provisions and depreciation and amortization. EBITDA for Argentina is converted using the securities arbitrage implied rate for the Argentine Peso to EUR. Additionally, EBITDA figure for 2015 is restated to include 50% of the EBITDA reported by HRU.

## 2 – Diversified Business Model with Market Leadership and Focus on European Growth

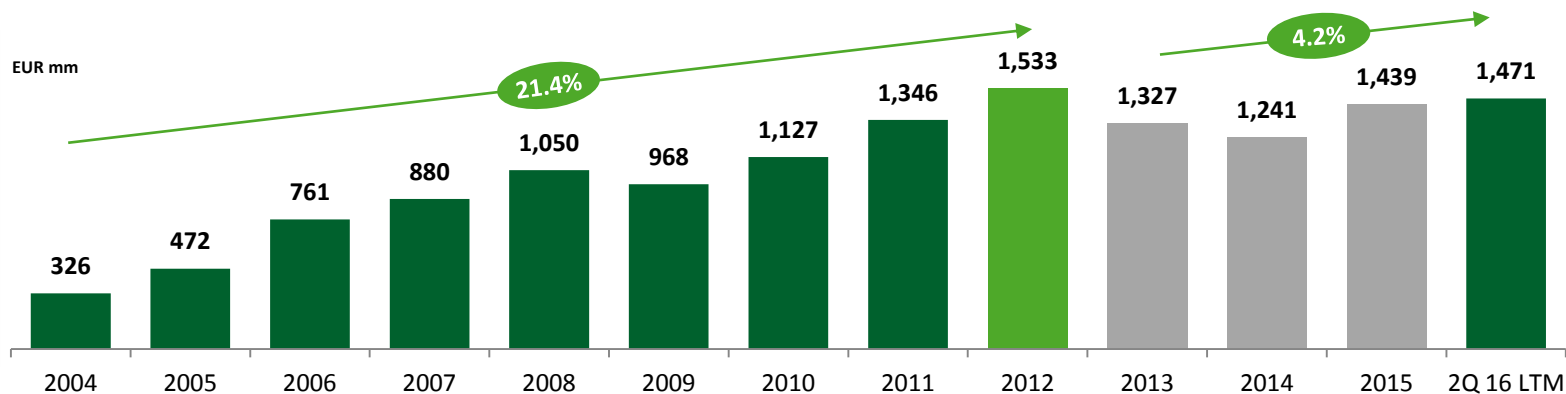
▪Leadership position in key strategic markets in terms of market share, locations as well as compliance, which supports consistently high gaming yields and enhances profitability

▪Focus on further diversification of revenue streams via growth investments in Europe

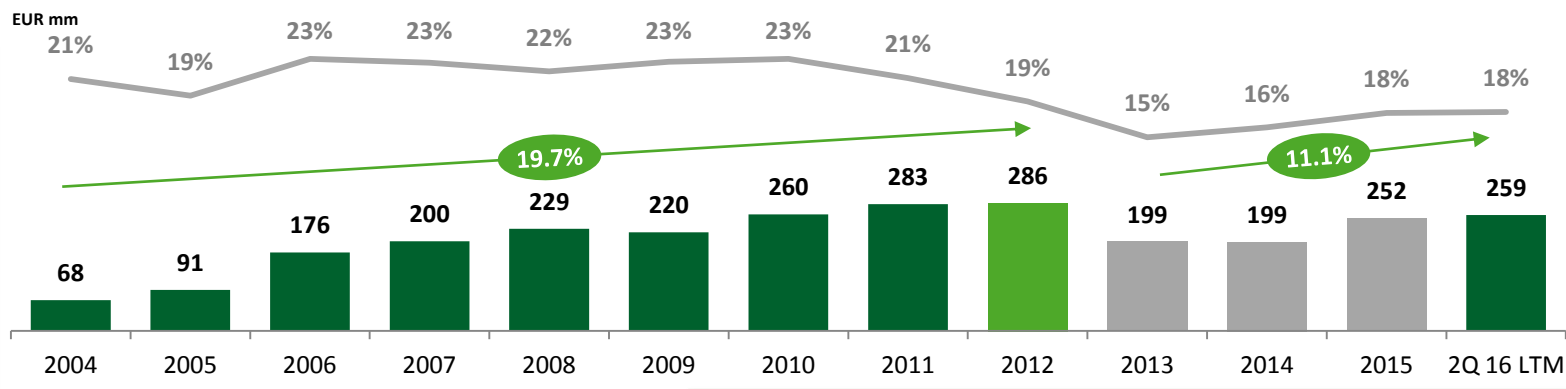
▪Market share gains in key markets (despite restructuring process) in Argentina, Mexico, Italy and Spain (sports betting)

### Total Revenue and Total Adj. EBITDA

**Total Revenue<sup>(1)</sup>**



**Total Adj. EBITDA and Margin<sup>(2)</sup>**



■ Impacted by license renewal in Argentina and acquisition of ICELA ■ 2013-2015 Restructuring process

In application of the IFRS 11 standard, there is a change in the method of consolidation used for HRU in Uruguay as at 2013 onwards being reported under the equity method instead of the proportional method followed for 2004-2013 periods. For consistency and comparison purposes, 2014, 2015 and 2Q 2016 LTM have been adjusted using the proportional method and thus 50% of HRU's revenues and EBITDA have been included.

(1) Figures reflect Total Revenue is defined as revenue reported in Codere's audited accounts and Codere's Annual Report. For the 2011-2Q2016 LTM periods, Total Revenue and EBITDA for Argentina are converted using the securities arbitrage implied rate to EUR. Additionally, for 2013 onwards, Total Revenue is adjusted adding 50% of the revenue reported by HRU.

(2) Total Adjusted EBITDA is defined as operating profit/(loss) plus asset impairment charges, profit/(loss) on retirement or disposal of assets, change in trade provisions and depreciation and amortization. EBITDA for Argentina is converted using the securities arbitrage implied rate for the Argentine Peso to EUR. Additionally, for 2013 onwards EBITDA figures are restated to include 50% of the EBITDA reported by HRU. Total Adj. EBITDA margin defined as Total Adj. EBITDA divided by Total Revenue.

# 4 – Positive Market Trends: Expected Macro Tailwinds Continue to Drive Growth

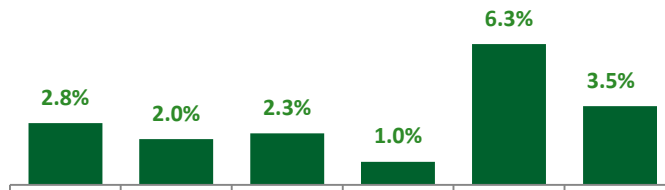
▪ Better macro conditions already visible in the operating results.

## Codere's Markets Expected 2015-2020 CAGR <sup>(1)</sup>

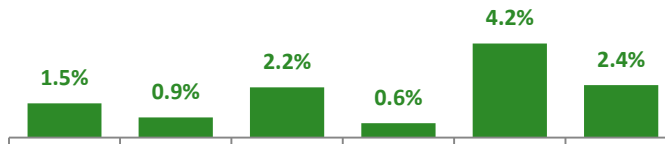
### Codere Key Markets



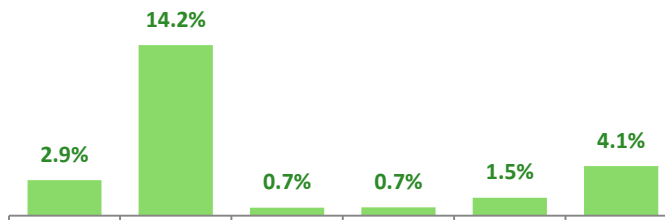
GDP (Real)<sup>(5)</sup>



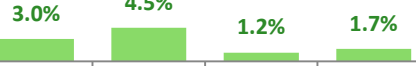
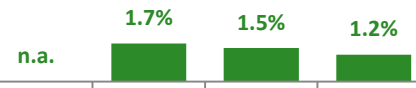
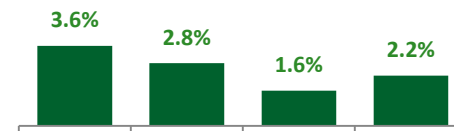
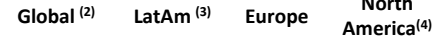
GDP per Capita (Real)<sup>(6)</sup>



Average Inflation<sup>(7)</sup>



### Global Regions



- Positive GDP forecast for all Codere key markets
- LatAm growing faster than North America and Euro Area
- Panama with highest GDP growth
- Argentina with highest inflation among relevant countries
- Spain is expected to be the fastest growing economy in Europe

(1) Source: IMF.

(2) Global represents average of all countries as per IMF.

(3) Average of Argentina, Colombia, Brazil, Panama, Mexico and Uruguay.

(4) Figures reflect US and Canada.

(5) For regions, calculated based on sum of total GDP of countries included in respective group.

(6) For regions, calculated based on sum of per capita GDP of countries included in respective group.

(7) For regions, calculated as average inflation between 2015-2020 of countries included in respective group.

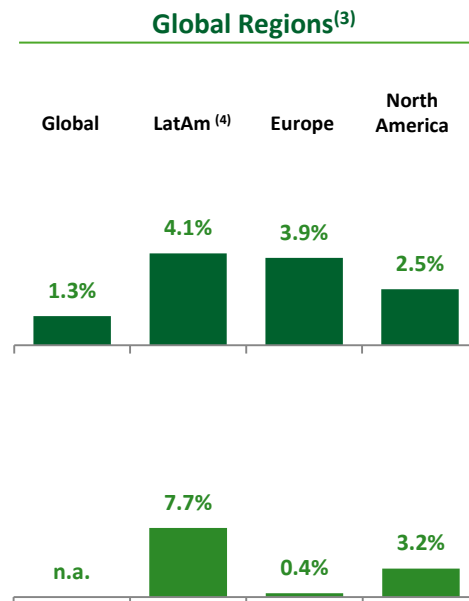
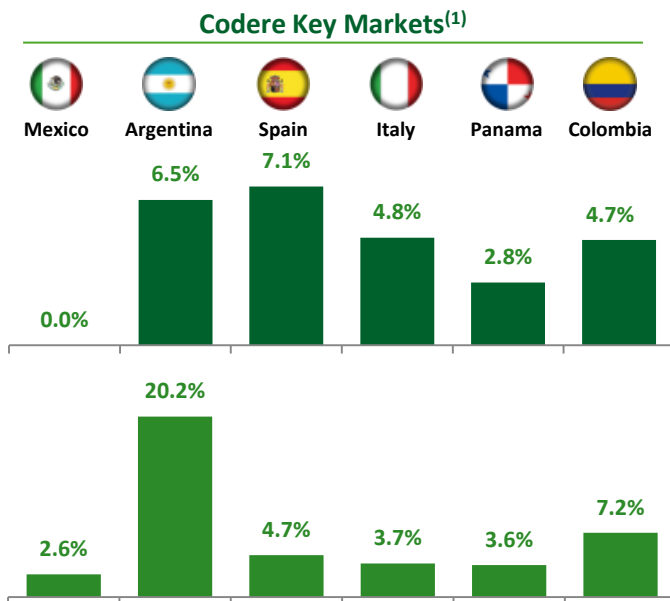
## 4 – Positive Market Trends: Uniquely Positioned in High Growth Gaming Markets

▪Codere operates in 5 of the 7 largest land-based private gaming markets in Latam and in the second and fourth in Europe

### Codere's Markets Expected 2015-2020 CAGR

Gross Gaming Revenue <sup>(2)</sup>

Slots Revenue <sup>(3)</sup>



- Strong slots revenue growth bedrock for LatAm gross gaming revenue expansion
- Growth for Spain / Italy well above European average, with Spain showing highly attractive growth

### Disruptive Market Trends

Europe

- Spain: Sports betting regulation and machines interconnection pilots
- Italy: Network interconnection / migration to junior VLTs

LatAm

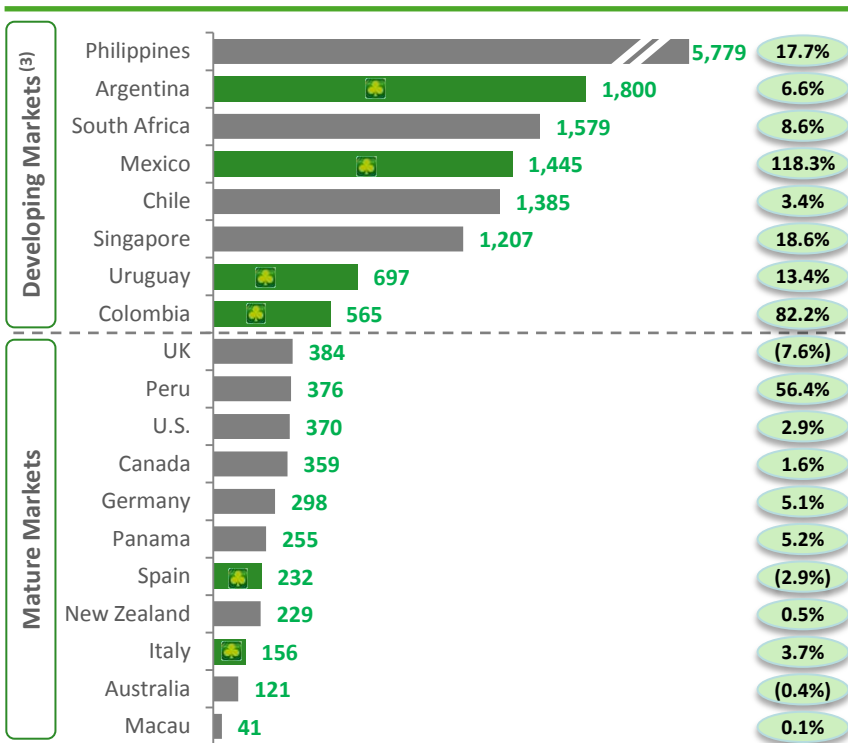
- Argentina: Tightening of regulatory controls and compliance obligations
- Chile: 100% player identification / increased compliance requirements / tax discipline
- Colombia: Mandatory slot interconnection / regulation of sports betting

(1) Source: GBGC (Global Betting & Gambling Consultants) Key Markets Gambling Data and Codere estimates; 2020 figures based on projected exchange rates evolution.  
 (2) Figures reflect land-based private gaming; excludes public lotteries, online (onshore and offshore) and social gaming.  
 (3) Source: GBGC (Global Betting & Gambling Consultants) Key Markets Gambling Data and Codere Estimates; 2020 figures based on 2015 exchange rates.  
 (4) Figures include Argentina, Colombia, Panama and Mexico.

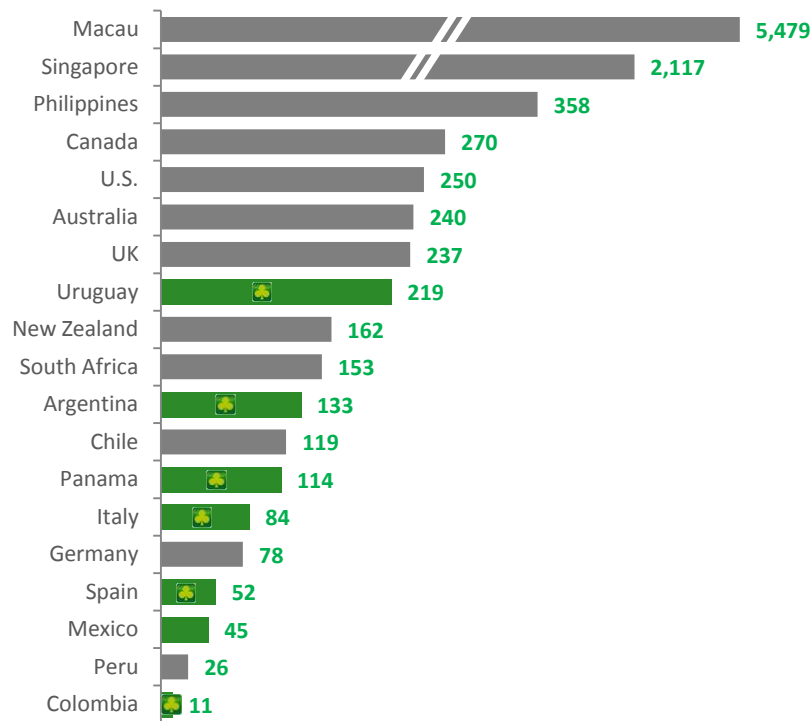
## 4 – Positive Market Trends: Favourable Gaming Supply and Yields

▪ Less mature markets (in terms of machines per capita) provides high growth potential (Latam expected to outperform other regions).

### 2015 Market Penetration (1,2)



### 2015 Gaming Yields (Gross Win per Machine per Day) (USD) (4,5)



Persons per Gaming Machine (#)
  Persons per Gaming Machine (#) in countries with Codere's presence
  CAGR 2010-2015 (%)

(1) Source: GTA (World Count of Gaming Machines 2015) and Spring Capital for markets where Codere operates.  
 (2) Includes legally installed amusement with prize (AWP) machines, video lottery terminals (VLT), electronic bingo terminals and all other gaming machines including, in certain jurisdictions, electronic table games (positions).  
 (3) For illustrative purposes, we consider markets with more than 500 persons per gaming machine as developing.  
 (4) Source: GTA (World Count of Gaming Machines 2015) and Spring Capital for markets where Codere operates.  
 (5) Includes legally installed amusement with prize (AWP) machines, video lottery terminals (VLT), electronic bingo terminals and all other gaming machines including, in certain jurisdictions, electronic table games (positions).

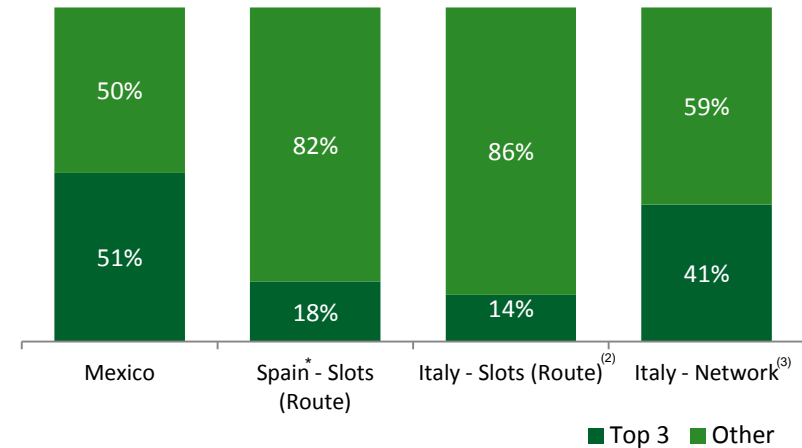
## 5 – Substantial Growth Opportunities

- Consolidation opportunities in fragmented Spanish & Italian markets.
- Opportunities to deploy existing unused gaming licenses in Mexico.
- Increasing focus on compliance, technological (ICX) requirements and product portfolio (sports betting) are key drivers that facilitate consolidation in Codere’s markets.
- Opportunistic and value-driven investments in market leadership positions in our regions.

### Growth Initiatives

- 
  - Consolidation of the local market:
    - Gaming hall acquisitions
    - Launch of online business and expansion of sports betting
    - Acquisition strategy
- 
  - Deployment of sports betting business
  - Consolidation of the local market:
    - Buy and build (route operators)
    - Acquisition of arcades
- 
  - Consolidation of the local market:
    - Buy and build (route operators)
    - Gaming hall acquisitions
    - Launch of sports betting business
- 
  - New gaming hall development
  - Acquisition of minority stake and review of portfolio and locations
- 
  - Organic Growth Opportunities:
    - Launch of sports betting route business
    - Expansion of traditional arcade business
- 
  - Acquisition of joint venture partner stake

### Market Fragmentation<sup>(1)</sup> - Selected Countries



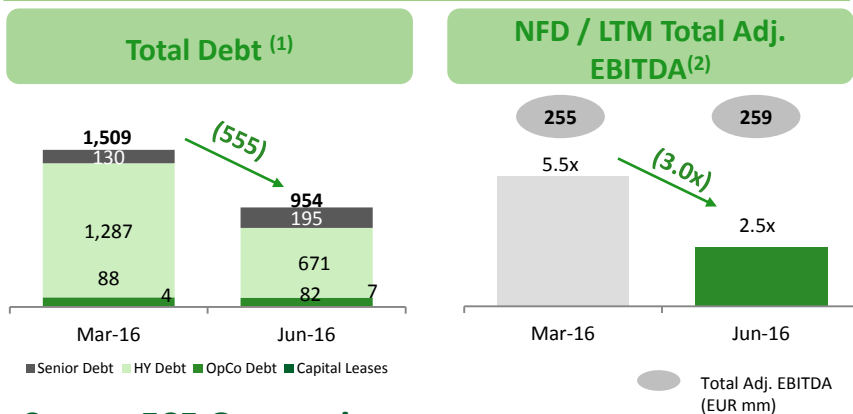
\* Spain sports betting is also highly fragmented representing an attractive opportunity for growth

(1) Top 3 operators calculated with market share calculated as follows: (i) Mexico: by gaming revenue (source: SEGOB); (ii) Spain: by slot machine gross win for Slots Route (source: DGOJ 2015 Annual Report); (iii) Italy: by number of connected AWP amounts wagered (source: Codere estimates) and by network concessionaire (source: MAG Consulting). For Spain only two main operators available for slots route.  
 (2) For Italy Slots Route, market is measured as number connected AWP's in the Italian slot route system (source: Codere estimates).  
 (3) For Italy Network, market fragmentation is calculated based on AWP amounts wagered (source: MAG consulting).

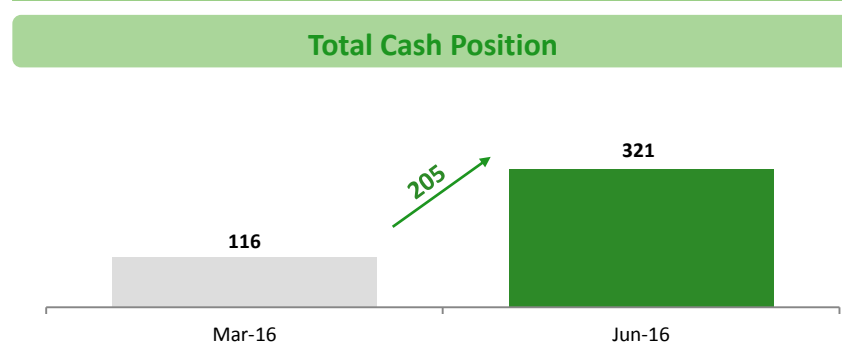
# 6 – Strong Credit Profile

- Significant free cash flow generation and solid liquidity position
- 2.5x NFD/LTM Total Adj. EBITDA and expect to remain between 2.0 – 3.0x NFD/Total Adj. EBITDA

## Sharp Leverage Reduction...

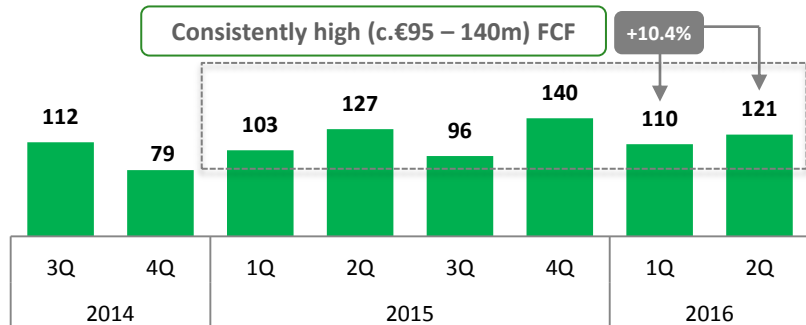


## ...and Sound Liquidity Position



## Strong FCF Generation...

### LTM Consolidated Unlevered FCF (EUR mm - ARS @ securities arbitrage implied rate) (3)



## ...with Low Capex Requirements

- Low average maintenance capex, focused on:
  - Slots renovation
  - License renewals
- Selective expansion strategy, mainly focused on add-ons in existing markets with significant synergies potential, entirely pre-funded

(1) Defined as current and non-current issued notes plus current and non-current debt owed to financial entities, including capital leases.

(2) Total adjusted EBITDA defined as EBITDA converted using the securities arbitrage implied rate for the Argentine Peso to the EUR or USD, plus 50% of the EBITDA reported by our Uruguayan joint venture HRU and excluding all extraordinary non-recurring items.

(3) Consolidated free cash flow, as defined herein, reflects consolidated total adjusted EBITDA less i) corporate income taxes paid, ii) total capital expenditures and iii) increases in net working capital.



## 4. The Improved New Codere vs. Old Codere



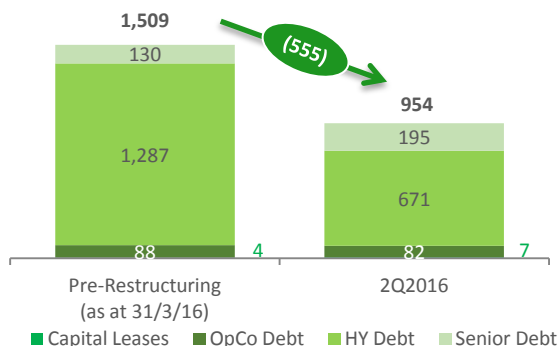
# The Improved New Codere vs. Old Codere

## New Codere vs Old Codere

1

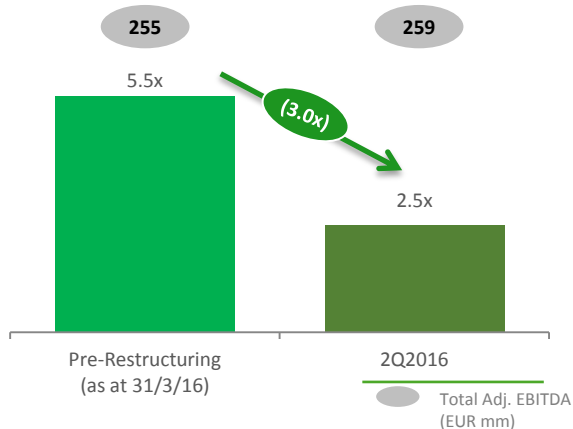
### Significant Deleveraging

Total Debt <sup>(1)</sup> (Consolidated)



### Leverage Ratio

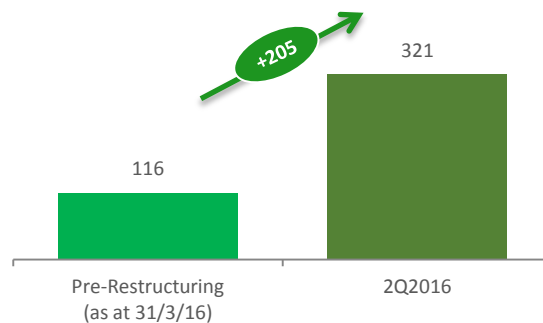
(Net Debt/LTM Total Adjusted EBITDA) <sup>(3)</sup>



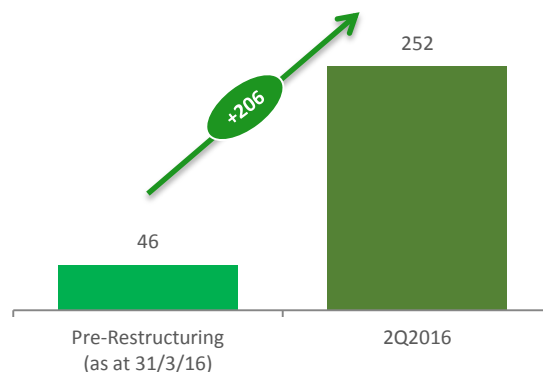
2

### Significantly Improved Liquidity

Cash (Consolidated)



Liquidity (Consolidated) <sup>(4)</sup>



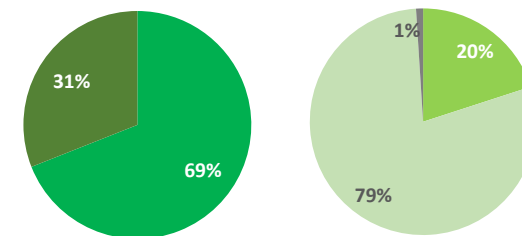
3

### Strengthened Corporate Governance

Shareholder Base

Pre-Restructuring

Post-Restructuring



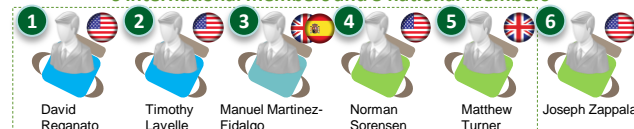
- Martínez Sampedro Family
- Other Shareholders
- Key Executives<sup>(2)</sup>
- Legacy Bondholders
- Others

### Board of Directors

Renewed Board with 6 new members out of 9 total members, reinforcing corporate governance

#### New Board Members

6 international members and 3 national members



- Family
- Silver Point
- Independent
- Appointed by Abrams / Contrarian
- New Board Members

(1) Defined as current and non-current issued notes plus current and non-current debt owed to financial entities, including capital leases.

(2) Jose Antonio Martínez Sampedro and Javier Martínez Sampedro.

(3) Figures reflect ARS @securities arbitrage implied rate.

(4) Figures reflect cash pro forma post-restructuring less the minimum operating cash (at business units and corporate).

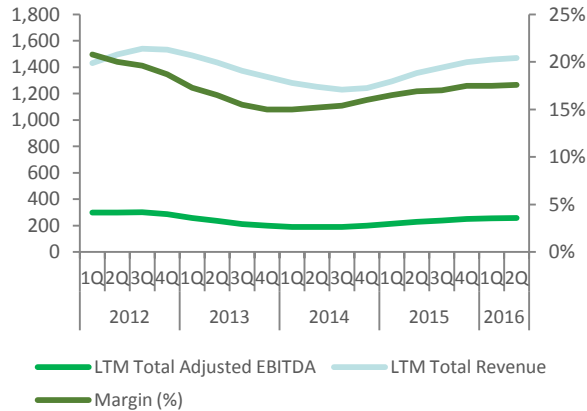
# The Improved New Codere vs. Old Codere

## New Codere vs Old Codere (Cont'd)

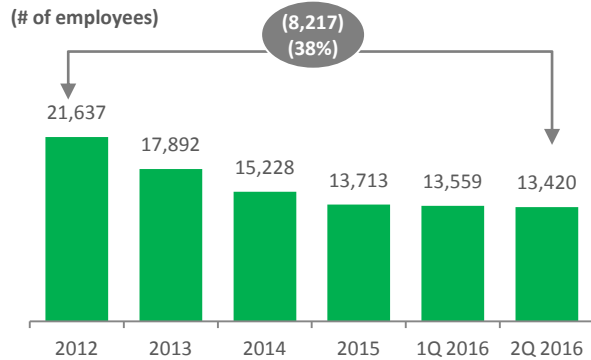
4

### Strong Operating Momentum

Historical LTM Total Revenue, Total Adjusted EBITDA and Total Adjusted EBITDA Margin<sup>(1)</sup>



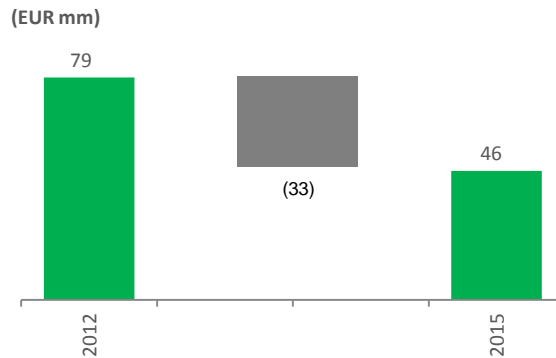
### Headcount (EoP – Group)



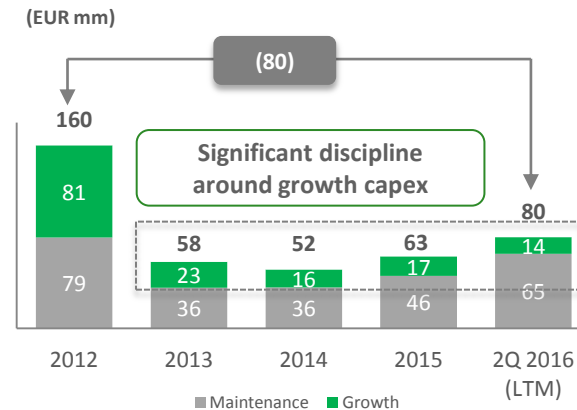
5

### Financial Discipline and Capital Efficiency

Maintenance Capex – Group<sup>(2)</sup>



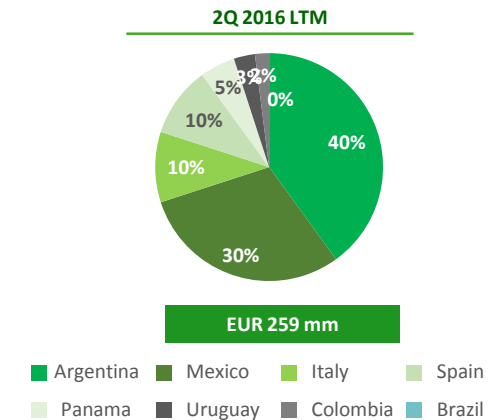
### Capex Split – Group<sup>(4)</sup>



6

### Enhanced Strategic Plan Focused on Diversification and Margins Improvement

Total Adjusted EBITDA Breakdown by Geography<sup>(3)</sup>



### Total Adj. EBITDA Margin (%)



(1) Figures reflect Total revenue (defined as reported revenue converted using the securities arbitrage implied rate for the Argentine Peso to the EUR or USD, plus 50% of the revenue reported by our Uruguayan joint venture HRU) and total adjusted EBITDA (defined as EBITDA converted using the securities arbitrage implied rate for the Argentine Peso to the EUR or USD, plus 50% of the EBITDA reported by our Uruguayan joint venture HRU and excluding all extraordinary non-recurring items). Total Adj. EBITDA margin defined as Total Adj. EBITDA divided by Total revenue.

(2) Figures reflect Company consolidated maintenance capex.

(3) Only considering EBITDA for positive generating units.

(4) Figures reflect Company consolidated total capex. 2012 maintenance capex figure excludes EUR 93 mm related with licenses renewal in Argentina. 2012 growth capex figure excludes EUR 158 mm related with ICELA acquisition in Mexico.

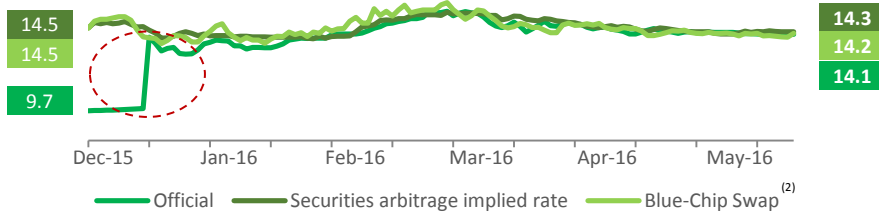
# The Improved New Codere vs. Old Codere

## New Codere vs Old Codere (Cont'd)

7

### Argentina Shifting to Market Friendly Policies

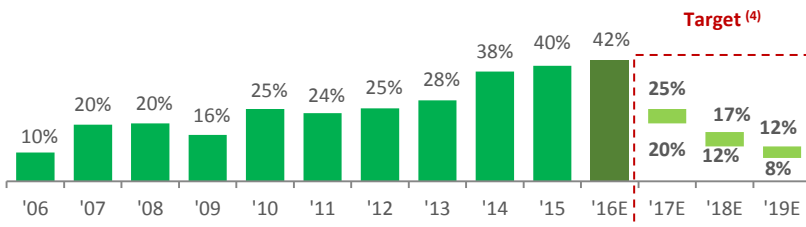
FX (AR\$/US\$) <sup>(1)</sup>



### Fiscal Deficit (% of GDP) <sup>(3)</sup>



### CPI (YoY Variation) <sup>(4)</sup>



(1) Source: Factiva, Ambito Financiero and Puente Hermanos.  
 (2) Implicit exchange rate calculated as the price of Tenaris ADS (in US) vs. common shares.  
 (3) Source: Argentina Ministry of Finance.  
 (4) Source: Econviews for historical figures, Ministry of Finance for target (Ministerio de Hacienda y Finanzas Publicas – Programa Fiscal y Metas de Inflacion).  
 (5) Codere only act as provider of services in Brazil (Jockey Clubs).

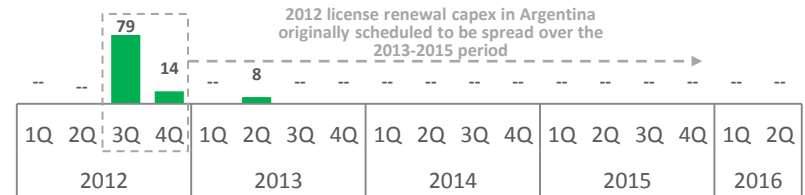
8

### Reduced License Renewal Risk

Limited Number of Licenses Maturing in the Short Term

- Codere today owns all licenses it operates or is a contracted party explicitly included in the gaming license<sup>(5)</sup>
- Codere's licenses enjoy long-term maturities with vast majority of licenses maturing after 2020 and long-term maturity of Argentine licenses: 2021-2031
- Successful recent renewal of key licenses across the Group
- Total budget for license renewals for next 5 years is approx. €40 – 45m

Licenses Renewal Capex (EUR mm, ARS @ securities arbitrage implied rate):



### Regulatory Certainty on Renewal Processes

- License renewal is a highly regulated process:
  - Automatic renewal in most of the jurisdictions as long as regulatory requirements are fulfilled
- No recent issues in license renewals in those geographies in which Codere operates
- Progressive upgrade of gaming regulatory standards in jurisdictions in which Codere operates (licenses, compliance)
- Limited expected capex for license renewals (€40-45m for 2017-2021) as compared to the €101m for the five year period from 2012 to 2016.

## 5. Operational and Financial Review



# Operational and Financial Review

## Historical Financial Performance Summary

### Summary P&L (EUR mm) <sup>(1)</sup>

| Country                                    | 2013         | 2014         | 2015         | 2016         | CAGR       |
|--|--------------|--------------|--------------|--------------|------------|
|  | FY           | FY           | FY           | Q2LTM        | 13-16      |
| Mexico                                     | 382          | 342          | 355          | 334          | (5%)       |
| Argentina                                  | 585          | 489          | 682          | 610          | 2%         |
| Spain                                      | 152          | 150          | 156          | 183          | 8%         |
| Italy                                      | 259          | 264          | 284          | 293          | 5%         |
| Panama                                     | 90           | 89           | 103          | 97           | 3%         |
| Colombia                                   | 34           | 31           | 29           | 26           | (11%)      |
| Uruguay CN                                 | 16           | 18           | 28           | 21           | 10%        |
| Brazil                                     | 3            | 3            | 2            | 2            | (15%)      |
| <b>Operating Revenues</b>                  | <b>1,521</b> | <b>1,386</b> | <b>1,640</b> | <b>1,566</b> | <b>1%</b>  |
| - ARS at Securities Arbitrage Implied Rate | (219)        | (168)        | (227)        | (124)        | (21%)      |
| + 50% HRU                                  | 25           | 24           | 27           | 26           | 2%         |
| <b>Total Revenues</b>                      | <b>1,326</b> | <b>1,241</b> | <b>1,439</b> | <b>1,469</b> | <b>4%</b>  |
| <b>EBITDA</b>                              | <b>198</b>   | <b>164</b>   | <b>255</b>   | <b>202</b>   | <b>1%</b>  |
| - ARS at Securities Arbitrage Implied Rate | (42)         | (33)         | (49)         | (27)         | (15%)      |
| + 50% HRU                                  | 8            | 8            | 9            | 10           | 8%         |
| - Non Recurring Expenses                   | (35)         | (60)         | (37)         | (75)         | 36%        |
| <b>Total Adjusted EBITDA</b>               | <b>199</b>   | <b>199</b>   | <b>252</b>   | <b>259</b>   | <b>11%</b> |
| <i>Total Adjusted EBITDA Margin</i>        | <i>15%</i>   | <i>16%</i>   | <i>18%</i>   | <i>18%</i>   |            |

### Summary Cash Flow (EUR mm) <sup>(1)</sup>

|  | 2013       | 2014       | 2015       | 2016       | CAGR       |
|--|------------|------------|------------|------------|------------|
|  | FY         | FY         | FY         | Q2LTM      | 13-16      |
| <b>Total Adjusted EBITDA</b>                 | <b>199</b> | <b>199</b> | <b>252</b> | <b>259</b> | <b>11%</b> |
| (-) Uruguay JV Adjustment                    | (8)        | (8)        | (9)        | (10)       | 8%         |
| <b>Total Adjusted EBITDA - Ex Uruguay JV</b> | <b>191</b> | <b>191</b> | <b>243</b> | <b>249</b> | <b>11%</b> |
| (-) CIT Paid                                 | (32)       | (25)       | (33)       | (44)       | 13%        |
| (-) Maintenance Capex                        | (36)       | (36)       | (46)       | (65)       | 28%        |
| (-) Growth Capex                             | (23)       | (16)       | (17)       | (14)       | (17%)      |
| (-) Increase in NWC                          | (1)        | (36)       | (7)        | (5)        | 101%       |
| <b>FCF Available to Service OpCo Debt</b>    | <b>101</b> | <b>79</b>  | <b>140</b> | <b>121</b> | <i>n.m</i> |

### Comments

- **Decrease in revenues in 2013 and 2014** driven by smoking ban in **Argentina**, Mexican closures in **Monterrey**.
- **Revenue growth since 2015** driven by improved **CRM**, revenue management initiatives (e.g. hold optimization techniques) and **selective product renewal / growth capex**, among others.
- **Margin compression between 2012 and 2014** due to higher gaming taxes in several jurisdictions and smoking ban in Argentina.
- **Margin expansion since 2015** due to implementation of the **Global Performance Enhancement Program (PEP)** (partially offset by negative FX evolution).
  - Total reduction in operating expenses (excluding gaming taxes) of EUR 69 mm between 2013 and 2015 (on a constant currency basis)
  - PEP particularly focused in Mexico and Argentina with similar program being now implemented in Panama and Colombia.

(1) Figures reflect Total revenue (defined as reported revenue converted using the securities arbitrage implied rate for the Argentine Peso to the EUR or USD, plus 50% of the revenue reported by our Uruguayan joint venture HRU) and total adjusted EBITDA (defined as EBITDA converted using the securities arbitrage implied rate for the Argentine Peso to the EUR or USD, plus 50% of the EBITDA reported by our Uruguayan joint venture HRU and excluding all extraordinary non-recurring items). Total Adj. EBITDA margin defined as Total Adj. EBITDA divided by Total revenue.

## Implemented Initiatives to Drive Revenue and EBITDA

### Revenue Initiatives

#### 1 CRM

- CRM, Marketing and Business Intelligence capabilities built over these last years
- Limited investment required
- Contribution to positive gains in terms of player numbers, market share and customer loyalty metrics (especially in Mexico)

#### 2 REVENUE MANAGEMENT INITIATIVES

- Different revenue management initiatives to efficiently maximize leverage of demand
- Among others measures: optimization techniques for hold in various geographies, winner's fee in Mexico, management of denominations (Argentina), very selective hall expansions across different geographies, etc.

#### 3 SELECTIVE PRODUCT RENEWAL

- Selective product renewal policies in a context of applied resources below sustainable maintenance levels
- Leveraging all available technologies (slots, kits, server based products, etc.)
- Opportunistic use of operational leases agreements and market economic cycles
  - e.g. accelerating product renewal in Spain as the macroeconomic environment recovers, to maximize return on investment
- Taking advantage of volume and technology to evaluate product performance

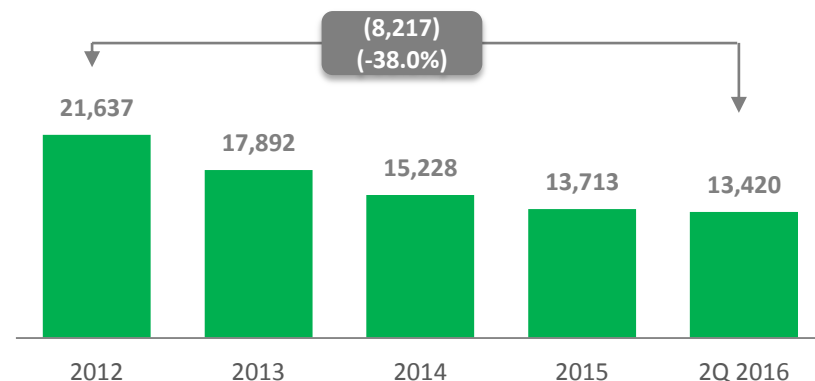
#### 4 SELECTIVE GROWTH CAPEX

- Codere has pursued selective growth opportunities, prioritizing short term payback investments
- e.g. acquisition of AWP operators in Italy, greenfield halls in Mexico, hall expansions in Argentina or sports betting deployment in Spain

### Cost Savings Initiatives

- Key cost initiative implemented by Codere's management team is the Global Performance Enhancement Program (PEP)
- Total reduction in operating expenses (excluding gaming taxes) of EUR 69 mm between 2013 and 2015 (on a constant currency basis)
- Successful implementation of the PEP partially offset by negative FX evolution
- PEP particularly focused in Mexico and Argentina:
  - Mexico: Operational restructuring and cost reduction program initiated in 2013.
    - Staff layoffs, reductions in operations and headquarters, reductions in slot product costs and other major procurement costs
    - Cost savings of c.EUR 32 mm achieved
    - Additional operating improvements from 2016 onwards expected to be broadly revenue managed (c. 85%)
  - Argentina: Major cost reduction initiative in 2013
    - Cost savings of c. EUR 24 mm achieved
- Similar rationalisation program to be implemented in Panama and Colombia

#### Headcount (# - EoP) – Group <sup>(1)</sup>

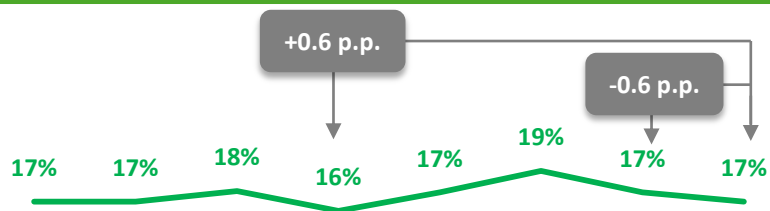


Codere has successfully implemented its **Global Performance Enhancement Program (PEP)**

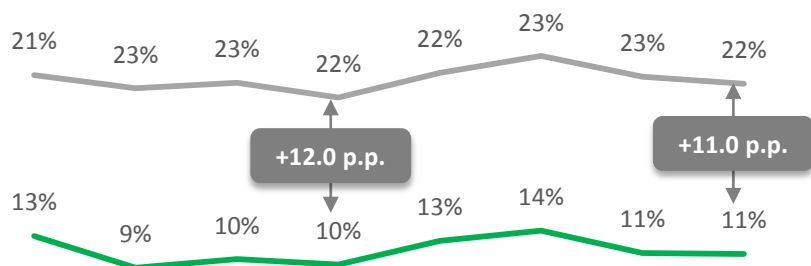
(1) 2012 figures reflect actual headcount as at January 31, 2013.

# Total Adjusted EBITDA Margin (ARS @ securities arbitrage implied rate) <sup>(1)</sup>

## Quarter



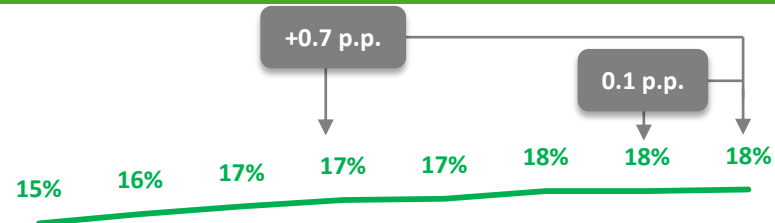
|      |    |      |    |    |    |      |    |
|------|----|------|----|----|----|------|----|
| 3Q   | 4Q | 1Q   | 2Q | 3Q | 4Q | 1Q   | 2Q |
| 2014 |    | 2015 |    |    |    | 2016 |    |



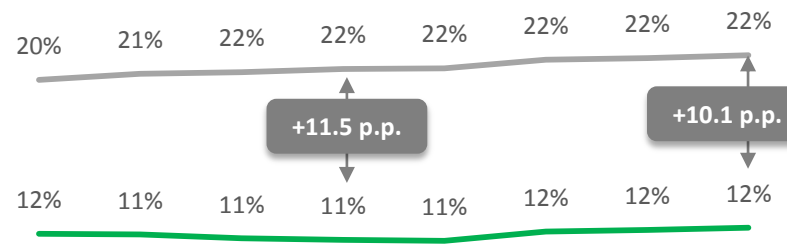
|      |    |      |    |    |    |      |    |
|------|----|------|----|----|----|------|----|
| 3Q   | 4Q | 1Q   | 2Q | 3Q | 4Q | 1Q   | 2Q |
| 2014 |    | 2015 |    |    |    | 2016 |    |

— Margin-Europe — Margin-Latam

## LTM



|      |    |      |    |    |    |      |    |
|------|----|------|----|----|----|------|----|
| 3Q   | 4Q | 1Q   | 2Q | 3Q | 4Q | 1Q   | 2Q |
| 2014 |    | 2015 |    |    |    | 2016 |    |



|      |    |      |    |    |    |      |    |
|------|----|------|----|----|----|------|----|
| 3Q   | 4Q | 1Q   | 2Q | 3Q | 4Q | 1Q   | 2Q |
| 2014 |    | 2015 |    |    |    | 2016 |    |

— Margin-Europe — Margin-Latam

Margin in Latam well above margin in Europe

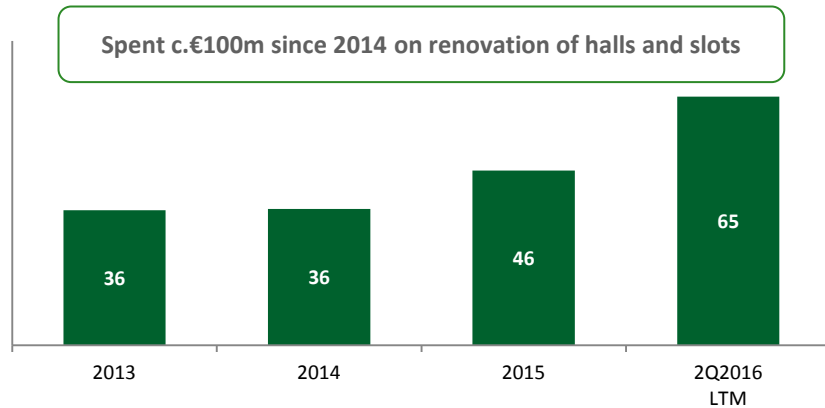
(1) Total Adj. EBITDA margin defined as Total Adj. EBITDA (defined as EBITDA converted using the securities arbitrage implied rate for the Argentine Peso to the EUR or USD, plus 50% of the EBITDA reported by our Uruguayan joint venture HRU and excluding all extraordinary non-recurring items) divided by Total revenue (defined as reported revenue converted using the securities arbitrage implied rate for the Argentine Peso to the EUR or USD, plus 50% of the revenue reported by our Uruguayan joint venture HRU)



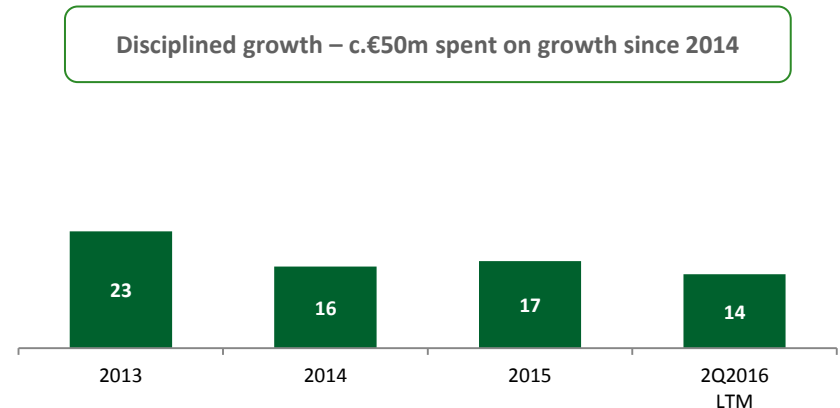
# Operational and Financial Review

## Capital Expenditures (Capex)

### Maintenance Capex (EUR mm)



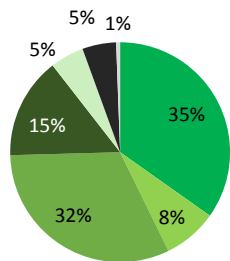
### Growth Capex (EUR mm)



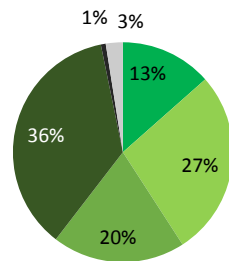
### Capex Mix

#### By Country

##### Maintenance Capex (2Q 2016 LTM)



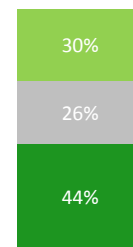
##### Growth Capex (2Q 2016 LTM)



■ Mexico ■ Argentina ■ Spain ■ Italy ■ Panama ■ Uruguay ■ Colombia ■ Brazil ■ HQ

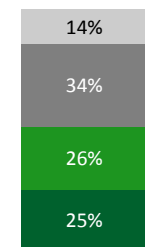
#### By Nature

##### Maintenance Capex (2Q 2016 LTM)



■ Slots Renovation  
■ Gaming Halls Renovation  
■ Other

##### Growth Capex (2Q 2016 LTM)



■ Slots Expansion  
■ Gaming Halls Expansion  
■ Acquisitions  
■ Other

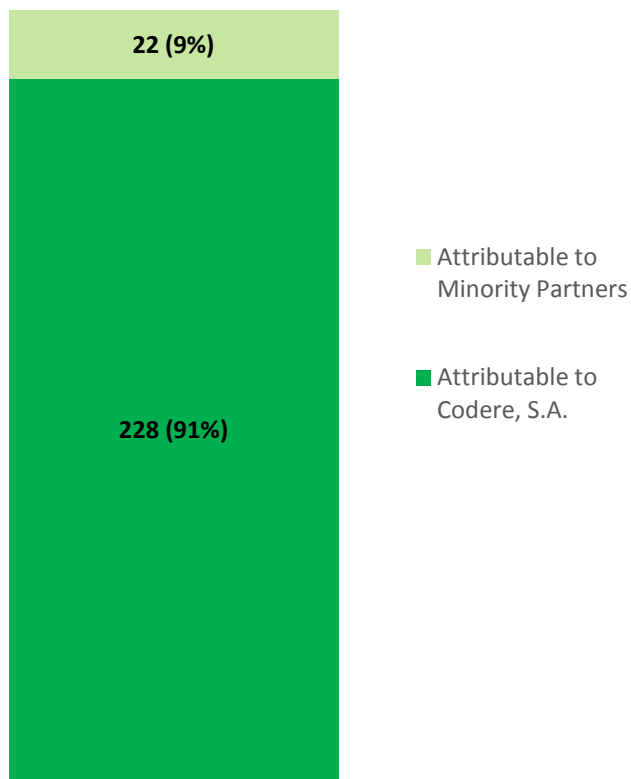
Note: Unless otherwise stated, figures reflect Company consolidated Capex excluding 50% of HRU (unconsolidated joint venture accounted for under equity method) Capex.

## Minority Partner Interests in Consolidated Subsidiaries <sup>(1)</sup>

### Attributable LTM EBITDA (EUR mm) <sup>(2)</sup>

### Comments

EUR 250 mm<sup>(3)</sup>



- Approx. 91% of Codere's EBITDA is attributable to the Group, with only 9% of EBITDA being attributable to minority partners
- Historically, Codere has been focused on reducing the minority leakage through acquisition of minorities
- Higher proportion of EBITDA which is attributable to Codere, S.A. provides high visibility of the cash flows and strong credit support to corporate debt structure

(1) Analysis assumes 100% Codere ownership of Codere Caliente (Mexican) and Carrasco Nobile (Uruguayan) businesses but does not include €9.5mm EBITDA from 50% of HRU (unconsolidated joint venture accounted for under equity method).

(2) Figure reflects consolidated adjusted (i.e. excluding all non-recurring items) EBITDA for the last twelve months through June 30, 2016.

(3) Total adjusted EBITDA excluding 50% of HRU (of c. €9.0m).

# Operational and Financial Review

## Overview of Non-Recurring Expenses

### Non-Recurring Items

|                                     | 2013          | 2014          | 2015          | 2016          |
|-------------------------------------|---------------|---------------|---------------|---------------|
|                                     | FY            | FY            | FY            | Q2LTM         |
| <i>Tax</i>                          | (7.0)         | 0.6           | -             | (1.3)         |
| <i>Personnel Restructuring</i>      | (7.6)         | (12.6)        | (10.8)        | (17.9)        |
| <i>Corte dei Conti</i>              | -             | (24.5)        | -             | -             |
| <i>Financial Restructuring</i>      | (12.6)        | (25.2)        | (25.5)        | (53.6)        |
| <i>Others<sup>(1)</sup></i>         | (7.5)         | 1.5           | (0.9)         | (2.5)         |
| <b>Total Non-Recurring Expenses</b> | <b>(34.7)</b> | <b>(60.2)</b> | <b>(37.2)</b> | <b>(75.3)</b> |

### Comments

- Tax figures includes i) settlement of gaming taxes in Colombia and Mexico in 2013, along with related advisor fees, and ii) provision for gaming taxes in Uruguay (Carrasco Nobile) in 2016.
- The headcount of the company has been reduced from 21,637 in 2012 to 13,420 in June 2016 despite gaming capacity increases throughout that period.
- Figure for Corte dei Conti (Italian Court of Auditors) reflects a final settlement by Codere Network in the amount of €34.5 mm plus €1.9 mm in legal costs (€36.4 mm in total), net of a €11.9 mm provision booked in 2012.
- Financial restructuring expenses relate to professional fees and other expenses incurred in connection with the financial restructuring completed on April 29, 2016.

The company considers that, in comparison to our competitors, it has achieved an operational competitive advantage in most of our markets and, though continuous operational efficiencies will be pursued, no significant operational restructuring is expected in the coming years

(1) Includes administrative penalty in 2013 in Carrasco Nobile, non-recurring expenses mainly related to fees and other expenses associated to the restructuring process, and foreign exchange hedge contracted in 2012 that matured in 2013.

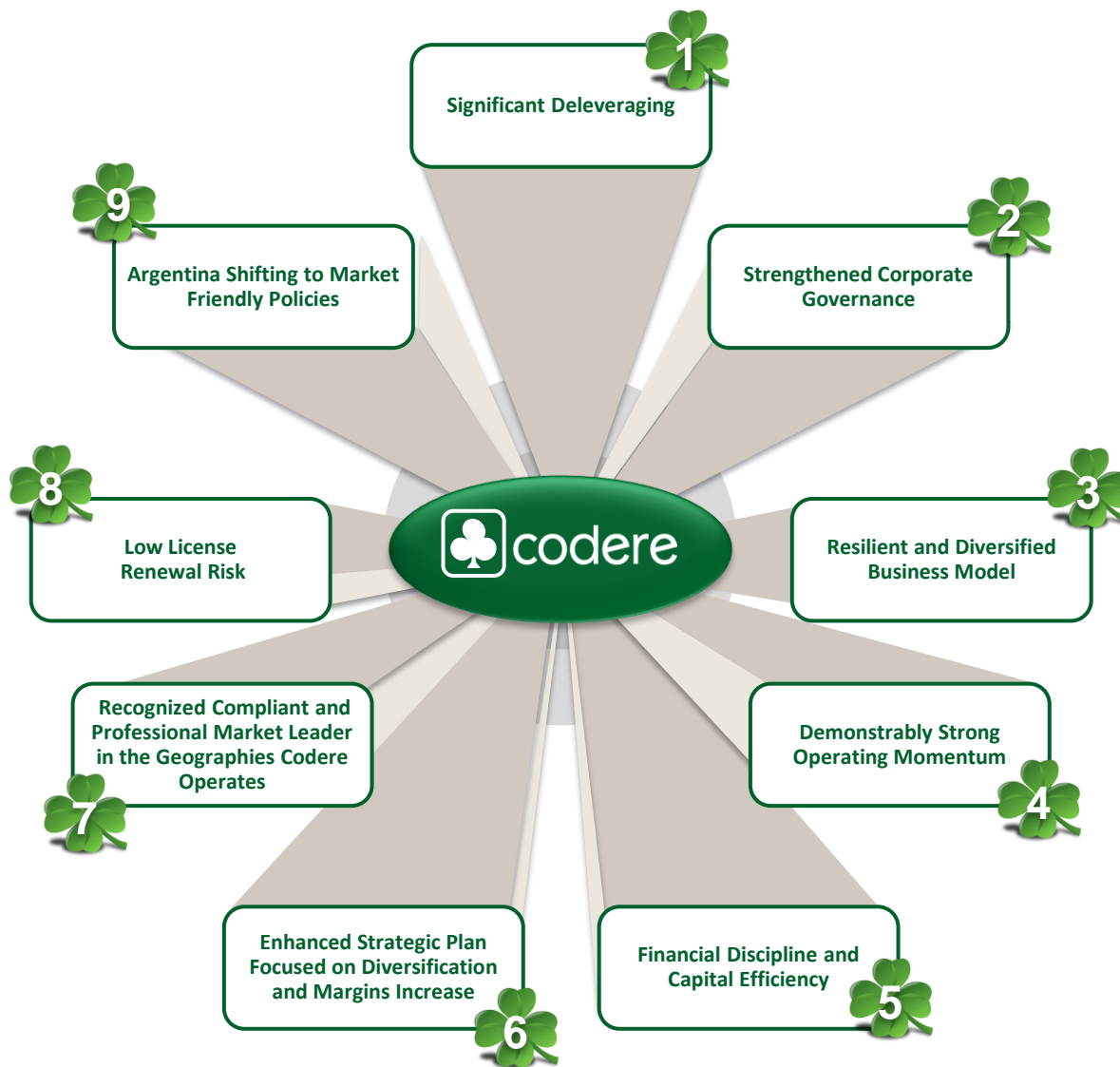
## 6. Capital Structure and Financial Policy

Capital Structure

- Strong downside protection to bondholders through secured, double LuxCo capital structure and 74.3% guarantor EBITDA coverage
- Codere seeks to maintain leverage of between 2.0x – 3.0x Net Financial Debt / Total Adjusted EBITDA
- Medium term objective of terming out corporate debt maturities
- Maintain current financing at operating company level to optimize Group tax efficiencies
- RCF facility and LC's to support ongoing regulatory requirements (guarantees to regulatory bodies)

# Codere has a Resilient and Diversified Business Model, Solid Liquidity Position, Significant Organic and Inorganic Growth Opportunities Whilst Maintaining a Prudent Capital Structure

## The New, Improved Codere



## Key Credit Highlights

