



Group Update

July 20, 2010

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- This document contains references to agreements with Grupo Caliente and the acquisition of Thunderbird Panama, neither of which have been completed. Unless otherwise specified in this document, the agreements with Grupo Caliente are subject to antitrust approval. The acquisition of Thunderbird Panama is also subject to closing conditions, including antitrust approval. We cannot assure you that either of these transactions will close as described in this document or at all.
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I Recent Developments

II Company strategy and strengths

III Financials and Outlook

IV Credit Highlights

Successful completion of key milestones towards meeting 2010 objectives

- Signed Caliente Agreements on July 16th
- Renewed San Martin license on June 18th
- Renewed Senior Facilities Agreement on June 15th
- Expect to close Thunderbird Panama acquisition in the third quarter
- June 2010 operating results reflect expected trends

Caliente Agreements- Overview

- Transaction: Acquisition by Codere of majority stake in three Caliente licensees which hold an aggregate of 46 permits (currently 32 halls in operation) throughout Mexico ('Joint OpCos')

Phase I Effective July 16th 2010

- Signing of agreements described in Phase I and II
- Management Services Agreement between Codere and Joint OpCos: \$36m annually through 2014, plus \$1m monthly from July 1, 2010 through December 31st 2010 or Cofeco approval
- Management Services Agreement between Codere and Promojuegos and Mio: \$8m annually through 2014
- Codere loan to Joint OpCos ("Caliente RCF"):
 - Amount: \$40m, extendable to \$100m
 - Joint and severally liable borrowers: Joint OpCos and two Caliente companies
 - Pledge: All shares of Joint OpCos held by Caliente
 - Use of proceeds:
 - Payment by Joint OpCos to 3rd parties
 - Operating cash flows
 - Capital expenditure
 - Dividends to shareholders
 - Funding for Codere: Financing from Barclays and Credit Suisse under the SFA

Phase II Effective upon Cofeco approval

- Codere acquires 67.3% of Joint OpCos (Caliente will hold remaining 32.7%)
- Caliente acquires 32.7% share in Promojuegos and Mio for an attributable amount of \$5.1m, equals to 32.7% of \$15.5m
- Restructuring of Caliente obligations

	US\$ (m) ⁽¹⁾
Caliente obligations:	
Receivables, loans and management services agreement	160.0
Loans from Codere	11.5
Total	171.5
Exchange for Codere's stake in Joint OpCos	(71.0)
Loan from Codere to Joint OpCos	(75.0)
Restructured Caliente obligations to Codere	25.5

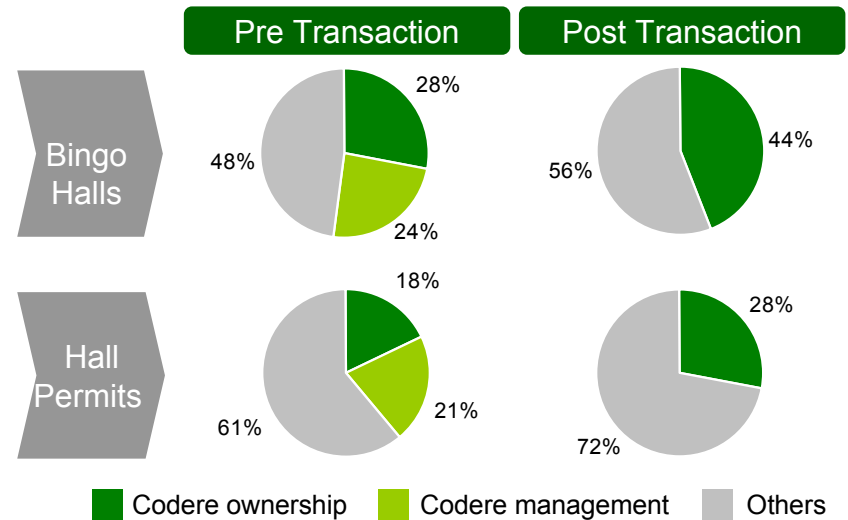
(1) These amounts are based on May 2010 management accounts. Final figures will be based on reviewed financial statements for June 30, 2010

Caliente Agreements – Rationale

Rationale

- Achieves strategic objective of owning all licenses which the Company operates in Mexico
- Consolidates market leadership position in Mexico
- Gives Codere full control of the day-to-day operations of the business
- Simplifies and streamlines relationship with Caliente
- Significantly reduces obligations from Caliente
- Increases weight of Mexican operations, with potential efficiencies for Codere, including possibility to transfer debt to subsidiaries
- Adds €19.7m to pro forma 2009 EBITDA

Competitive Positioning in Mexico



Source: Codere estimates based on own permits as well as information published by SEGOB

Caliente transaction will be accretive based on 2009 results

(€in millions)	Year ended December 31, 2009 ⁽¹⁾			
	Consolidated Codere, S.A.	Adjusted Caliente	Pro forma Adjustments Caliente	Pro forma Codere S.A.
	(audited)	(unaudited)	(unaudited)	(unaudited)
Balance sheet data:				
Cash and cash equivalents:	90.2	2.5	-	92.7
Total debt	750.1	-	-	750.1
Income statement data:				
Operating revenue	967.9	152.1	(74.1) ⁽²⁾	1,045.9
Other financial data:				
Total net debt	659.9	(2.5)	-	657.4
EBITDA	231.1	49.9	(30.2) ⁽³⁾	250.8
Total net debt/EBITDA ⁽⁴⁾	2.8x	(0.1x)	-	2.6x

(1) We do not have financial statements for the Joint Opcos acquired pursuant to the Caliente Restructuring for any period subsequent to December 31, 2009

(2) Elimination of the billing carried out in financial year 2009 by the Codere Group to all the companies of the Caliente Group

(3) Adjustments to reflect the EBITDA contribution of the Caliente Group to the Codere Group in 2009

(4) (Earnings Before Interest, Tax, Depreciation and Amortization) are to operating profit plus period depreciation and amortization plus variation in provisions for trade transactions plus impairment losses less the gains or losses on asset disposals or acquisitions

Acquisition of Thunderbird Panama

- Thunderbird operates six casinos under the Fiesta brand in Panama, and is Codere's main competitor in Panama
- Codere is in the process of acquiring a 63.6% stake in the Panamanian operations from its parent company, Thunderbird Resorts Inc
- Agreements have been signed, closing is pending approval from applicable government entities (Gaming Control Board and anti-trust authorities)
- Post acquisition, Codere will have 11 out of 15 full casinos in the country, and c. 50% of all slots in the country
- Strong strategic rationale behind the transaction:
 - Complementary to the Crown Casinos portfolio acquired in 2006
 - Attractive commercial and operating synergies
 - Panama's gaming market is strong and growing; market size in 2009 was \$1.2bn ⁽¹⁾

Codere Panama ⁽²⁾

Halls	Location	# Slots	# Tables
Casino Arlequín	Panamá City	405	29
Casino Sheraton	Panamá City	305	25
Casino Galaxia	David	245	14
Casino Granada	Panamá City	88	9
Casino Colón	Colón	200	14
Hipódromo Pres. Remón	Panamá City	373	-
		1,616	91

Thunderbird Panama ⁽²⁾

Halls	Location	# Slots	# Tables
Casino El Panamá	Panamá City	569	32
Casino Soloy	Panamá City	441	12
Casino Nacional	David	299	12
Casino Washington	Colón	270	14
Casino Guayacanes	Chitré	184	7
Casino Decamerón	Farallón	107	8
		1,870	85

EBITDA 2009a

€10m



EBITDA 2009a

€12m ⁽³⁾



(1) Source: Panamá Gaming Commission

(2) As of March 31, 2010 unaudited financial information

(3) \$16m as per reported 2009

Current phase of renewal of most important Argentine licenses largely complete

Hall	Original expiration	Renovation date	Renewal through	% consol. Sales 09 ⁽¹⁾	% Argentine sales 09 ⁽¹⁾	% consol. EBITDA 09 ⁽¹⁾	% Argentine EBITDA 09 ⁽¹⁾
				963.9	351.4	227.3	109.6
Mar	Sep-06	Mar-07	Jun-21	1.1%	3.0%	1.0%	2.1%
Lomas de Zamora	Jul-06	Jun-07	Jun-21	2.2%	6.1%	2.5%	5.3%
Sol	Jun-06	Mar-07	Jun-21	1.6%	4.3%	1.9%	4.0%
Peatonal	Jun-06	May-07	Jun-21	0.6%	1.6%	0.8%	1.6%
Lanus	Apr-07	Apr-07	Jun-21	4.5%	12.4%	5.8%	12.0%
Platense	Jun-07	Oct-09	Jun-21	4.2%	11.4%	8.7%	18.0%
San Martín	Oct-09	Jun-10	Jun-21	5.0%	13.6%	8.5%	17.5%
Puerto	N.D. ⁽²⁾		Jun-21	0.4%	1.1%	0.7%	1.4%
Morón	Jun-13			3.9%	10.7%	6.6%	13.7%
Ramos Mejía	Apr-14			1.5%	4.0%	1.7%	3.6%
San Miguel	May-14			2.9%	8.1%	4.7%	9.7%
Lomas del Mirador	Sep-14			4.6%	12.6%	8.2%	17.0%
San Justo	Oct-14			3.6%	9.8%	6.1%	12.6%
Temperley	Aug-16			0.4%	1.2%	0.6%	1.2%
Central						-9.4%	-19.6%
TOTAL				36.5%	100.0%	48.3%	100.0%

(1) Excludes the gains or losses on the foreign exchange contracts

(2) Upon finalization of renewal process currently in progress. We expect the license renewal resolution that renews it through June 2021 will be issued in Q3 2010

Following Puerto renewal, expected in Q3 2010, remaining licenses expire in 2013-16

Refinancing of Senior Facilities Agreement

Characteristics	Existing Facilities	New Facilities
Effective date	October 17, 2007	June 15, 2010
Total amount	€100m	€120m, extendable to €180m ⁽¹⁾
Term	3 years	3 years
Revolving credit line	€60m	€60m, extendable to €120m ⁽¹⁾
Letter of credit facility	€40m	€40m ⁽²⁾
Surety bond facility	N.A.	€40m ⁽²⁾
Borrower	Codere S.A.	Multi-borrower
Lenders	Barclays (Credit and LC), CS (Credit and LC) and BBVA (Credit)	Original: Barclays (Credit and LC), CS (Credit and LC), BBVA (Credit) and HCC (Surety) Potential: Preapproved lenders or others acceptable to agent ⁽¹⁾
Covenants	Net financial debt/ EBITDA <4.25x Bank debt/EBITDA <1.5x Minimum interest coverage >2.5x Qualifying country coverage	Net financial debt/ EBITDA <4.25x Bank debt/EBITDA <1.5x Minimum interest coverage >2.5x
Currency	Euro, US dollar and pound	Multi-currency (incl. local currencies) ⁽¹⁾
Interest rate Revolving credit	Libor or Euribor plus 1.75%	Libor or Euribor plus 4.50%

(1) Codere may request increase of €60 million in revolving credit line (including in local currency) from other lenders

(2) Total amounts drawn under both tranches may not exceed €60 million

Operating results in line with expectations

	Avg. daily net win per gaming machine (€m)				Gaming machine			
	FY 2009	YTD June 2010	% var	As per outlook	December 31, 2009	June 2010	% var	As per outlook
Argentina	189.8	226.2	19.2%	✓	4,679	4,796	2.5%	✓
Mexico	48.9	54.9	12.2%	✓	21,402	21,955	2.6%	✓
Spain AWP	49.2	50.3	2.1%	✓	15,587	15,280	(2.0%)	✓
Italy AWP	67.8	76.0	12.0%	✓	1,688	1,787	5.9%	✓
Italy Bingo	97.0	122.4	26.2%	✓	493	545	10.6%	✓

Note: All financial information is unaudited

- Growth in number of machines in Argentina, Mexico and Italy, and growth in net wins in all key markets

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Codere Strategy

Leverage strong positions in our principal gaming markets

Pursue selected growth opportunities

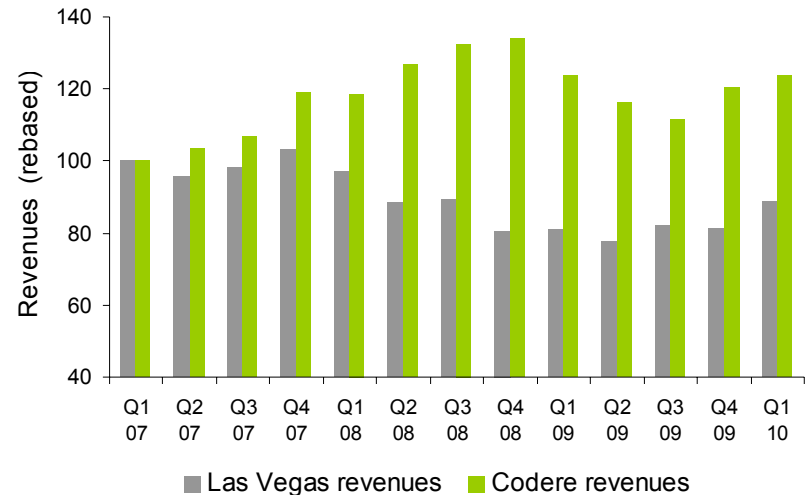
Focus on well-regulated local gaming markets

Maintain prudent leverage and continue to improve fiscal position

Unique Strategic Model

- **“European” model of gaming**
- **Growth focused on profitability rather than scale**
- **Established best practices of product management**
- **Experienced at quickly implementing regulatory change**
 - Experience in the development of gaming markets enables Codere to anticipate regulatory changes and trends in new products and technologies
- **Strong relationships with regulators**
 - Proven ability to develop enduring relationships with regional and national regulators, which is vital to long term success in the industry

Strategy More Resilient Than Destination Gaming



Source: Nevada Gaming Commission

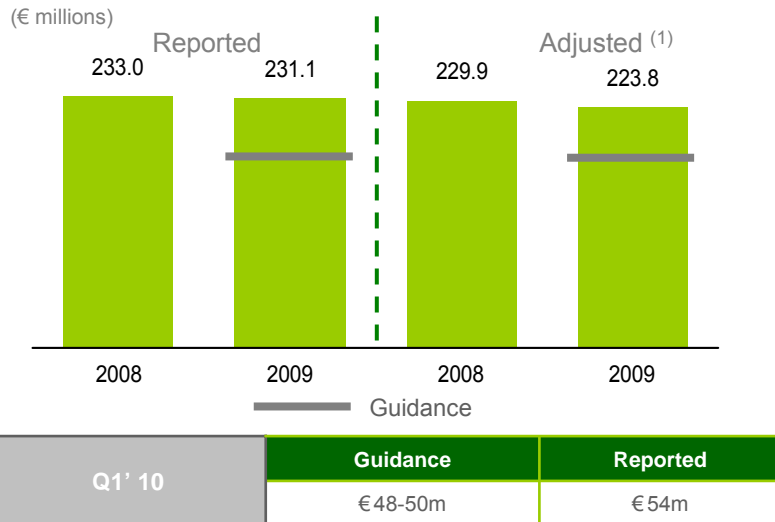
“European” Model vs. “Las Vegas” Model

	European	Las Vegas
Operational Regulation	High	Low
Target Market	Local	Tourist
Stakes/Prizes	Low	High
Capital Intensity	Low	High
Marketing	Restricted	Permitted
Taxes	High	Low
# of players	Low	High

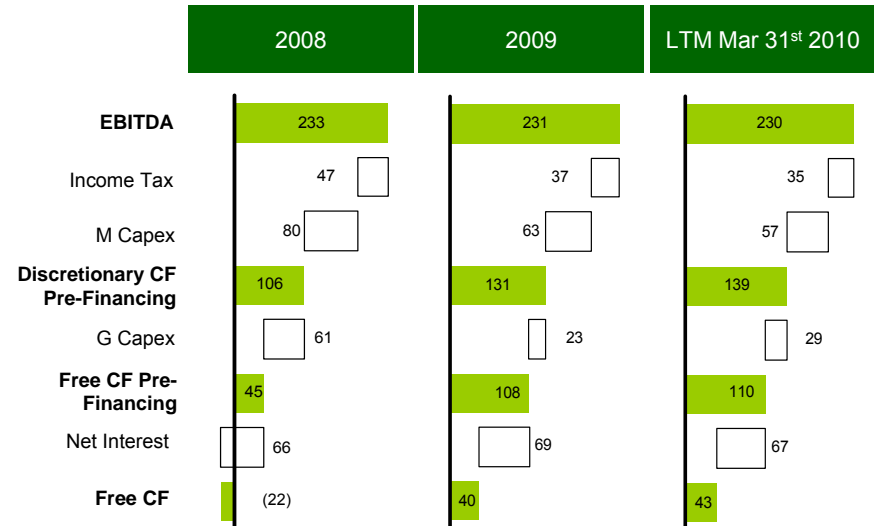
Resilience in Economic Downturn – Focus on Cash Generation

- Demonstrated resilience through economic downturn and external shocks such as the swine flu epidemic
 - FY2009 EBITDA exceeded guidance; trend continued in Q1 2010
 - Benefit of geographical diversification
 - Codere management able to outperform competitors in difficult period
- Targeting business to local residents reduces exposure to international tourism, reducing earnings volatility from economic fluctuations
- Codere’s operations are mostly low ticket gaming; their venues are seen by customers as regular social meeting points rather than special-occasion high-cost events as in the ‘destination gaming’ model
- Discretionary nature of capex allows Codere to conserve cash in a downturn
 - FY2009 EBITDA less Maintenance Capex of €168m, 9.6% ahead of FY2008

EBITDA Beat Expectations Through the Downturn



Strong Cash Flow with Flexible Capital Expenditure



(1) Adjusted for non recurring items

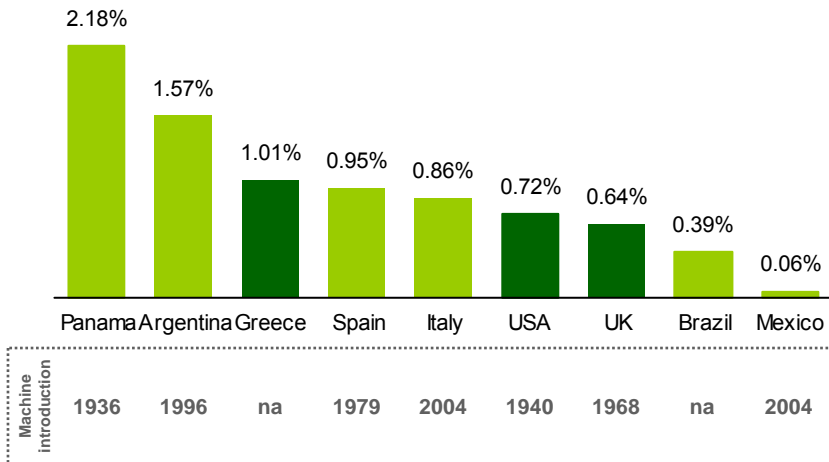
Source: Company reports

Attractive Markets and Codere's Strong Position Drive Growth

Increasing Gaming as % of GDP

- Regulatory dialogue
 - Tax authorities outsourcing, large employer, responsible gaming
- Technological & game innovation
 - Video, server-based gaming, Ticket-in-Ticket-Out system for cashless gaming ('TITO'), jackpots, multigame
- Market knowledge
 - Customer preferences, distribution footprint

Gaming Turnover (% GDP)

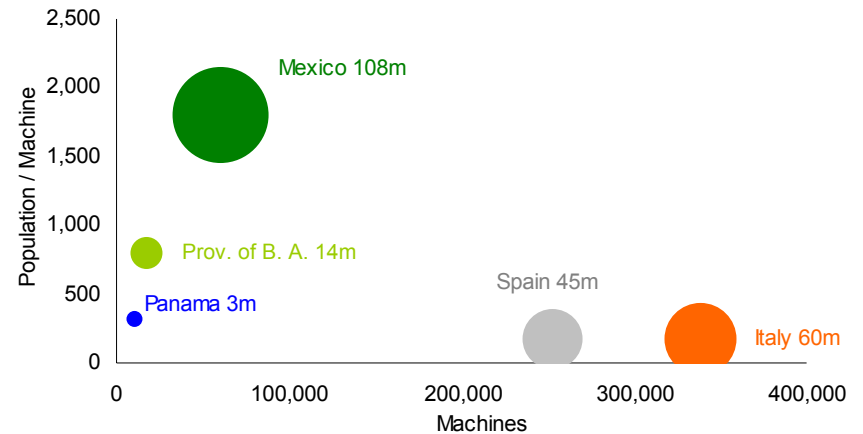


Source: 2008 GBGC Report (data to 2006)

Increase Market Share

- Operating efficiency
 - Enhancing customer experience, economies of scale, control of data gathering systems
- Strategic alliances
 - Attracting best partners, successful partnership dialogue
- Driving consolidation
 - Leadership in core markets, successful integration of acquisitions, cross-fertilization of best practices

Population per Machine



Codere estimates

Integrate market knowledge, regulatory expertise and technology, to develop successful, legal, gaming experiences

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Consolidated Results

(€ millions)	Reported ⁽⁵⁾						At Constant Exchange Rates ⁽¹⁾					
	2008	2009	% change	Q1 '09	Q1 '10	% change	2008	2009	% change	Q1 '09	Q1 '10	% change
Revenues	1,050.0	967.9	(7.8%)	253.7	254.0	0.1%	1,046.3	1,038.7	(0.7%)	252.3	267.6	6.1%
EBITDA												
Argentina ⁽²⁾	110.0	110.1	0.1%	28.0	28.1	0.4%	110.0	124.8	13.5%	27.6	35.1	27.2%
Mexico ⁽²⁾	68.9	60.5	(12.2%)	16.8	13.1	(22.0%)	66.7	66.6	(0.1%)	15.8	13.4	(15.2%)
Spain AWP	65.1	44.5	(31.6%)	12.0	13.2	10.0%	65.1	44.5	(31.6%)	12.0	13.2	10.0%
Others ⁽³⁾	24.7	31.0	25.5%	5.6	5.2	(7.1%)	24.7	30.6	23.9%	5.6	5.2	(7.1%)
Corp. overhead ⁽⁴⁾	(35.7)	(15.0)	na	(7.0)	(5.2)	na	(35.7)	(15.0)	na	(7.0)	(5.2)	na
Total EBITDA	233.0	231.1	(0.8%)	55.4	54.4	(1.8%)	230.8	251.5	9.0%	54.0	61.7	14.3%
EBITDA margin	22.2%	23.9%		21.8%	21.4%		22.1%	24.2%		21.4%	23.1%	

- Balanced portfolio mix provides a diversified source of earnings
- Strict cost discipline through economic cycle
- Q1 performance exceeded guidance and on-track with FY2010 guidance

(1) Adjusted to eliminate the gain or loss in the foreign exchange contracts in the comparable periods

(2) Includes EBITDA losses related to the impact of the H1N1 virus in Mexico and Argentina, €3.5m in Q2 '09 and €6.0m in Q3 '09, respectively

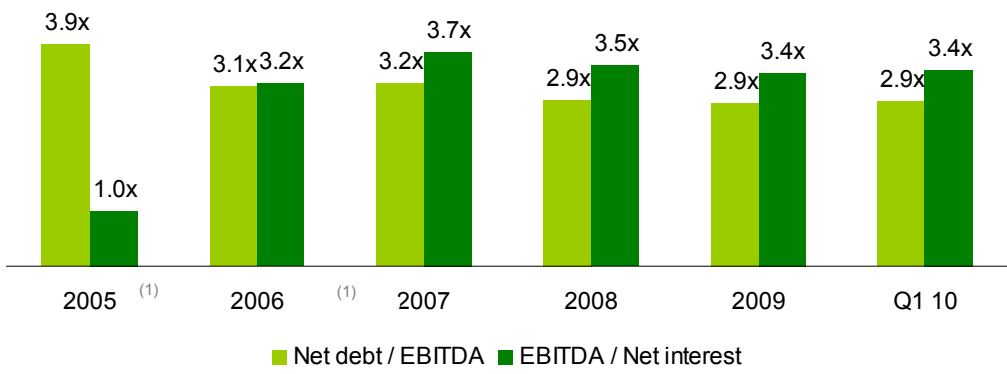
(3) Others includes Italy, Panama, Uruguay, Colombia, Brazil, Spain Bingo, Spain Sports Betting and Internet

(4) 2009 Corporate overhead includes reversal of €10.2m provision related to Ballesteros litigation

(5) The reported annual financial information is audited and the Q1 financial information is unaudited

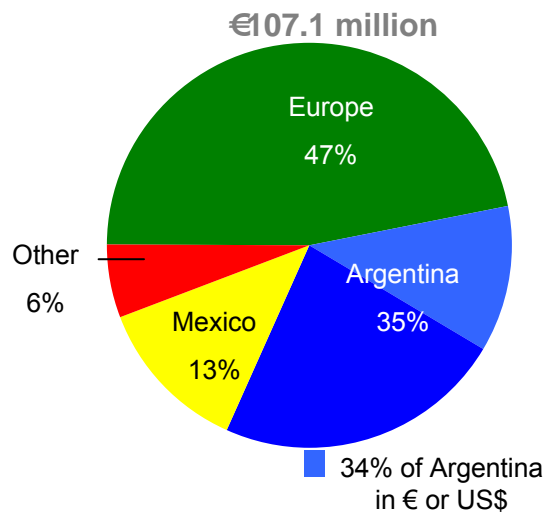
Financial Results: Debt profile and cash

Prudent leverage

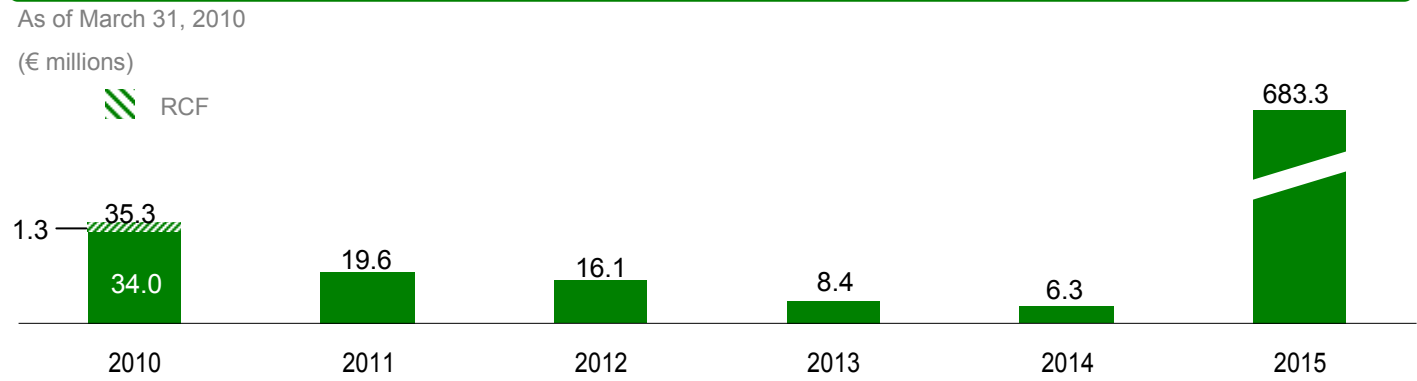


(1) 2005-2006 EBITDA not adjusted for gains or losses on asset disposals

Cash at March 31, 2010



Maturity profile



Prudent leverage and long-dated debt maturity profile

Outlook 2010 – Growth Drivers in Key Markets

Country	Growth Drivers		Comment
	# Machines	Net Win	
Argentina	+	+	<ul style="list-style-type: none"> ● Increase in net win driven by continued implementation of coinless systems (i.e. TITO) in 14% of park ● Resumption of growth in machine park ● Increase in gaming tax in renewed halls
Mexico	+	+	<ul style="list-style-type: none"> ● Increase in net win driven by roll-out of Class III machines offsetting negative impact of national (ex-DF) anti-tobacco regulation implemented Aug. '09 ● Small increase in machine park ● Increase in gaming tax, VAT and CIT
Spain	=	+	<ul style="list-style-type: none"> ● Recovery of net win driven by: <ul style="list-style-type: none"> ○ Madrid regulation (Aug. '09) affects 22% of park ○ Wins touched bottom in Q3 '09 ● Margin increase driven by operating leverage of business and restructurings in 2009
Italy	+	+	<ul style="list-style-type: none"> ● Increases driven by deployment of VLTs, primarily in bingo halls

Positive outlook for principal KPIs

Outlook 2010: Underlying assumptions and expectations

- Assumptions
 - Consider Mexican operations after giving effect to the Phase I Caliente Agreements and does not consider acquisition of Thunderbird Panama
 - Roll-out of VLTs expected in 2H 2010

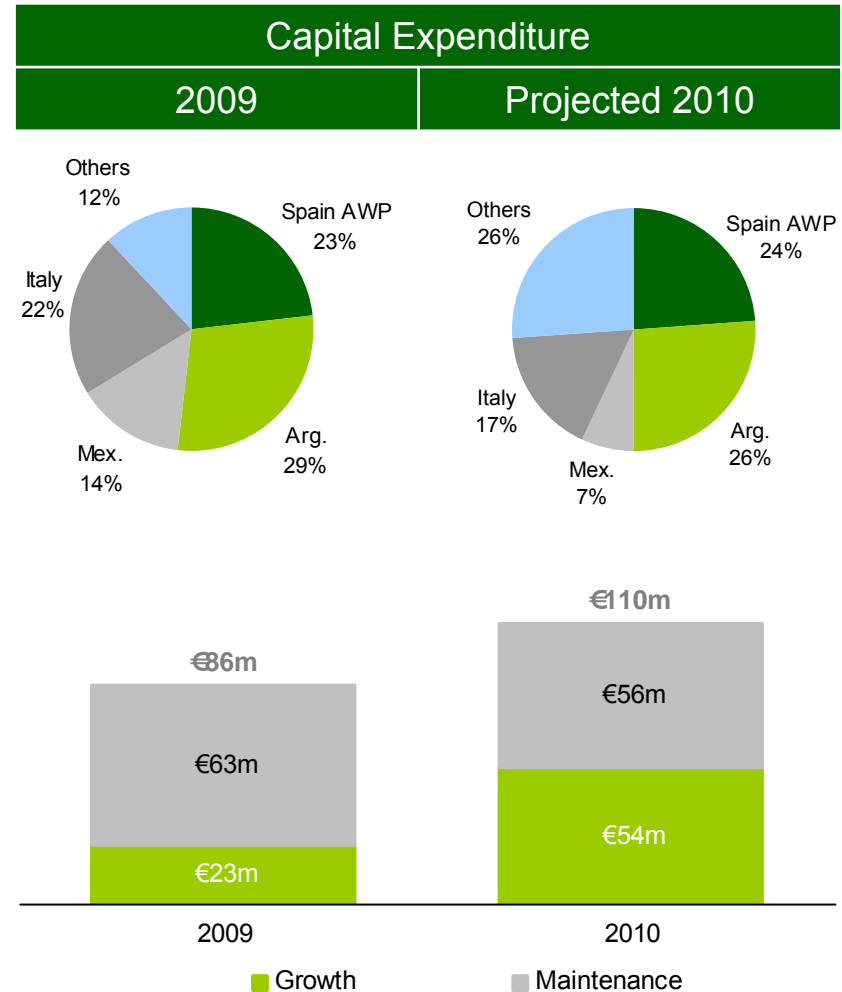
- Expectations
 - Reported EBITDA expected in range of €230-€240 million

 - EBITDA projected to improve throughout the year as increases in machines and improvements in net wins progressively outweigh negative effects impacting 2010.
 - Selected items impacting in 2010, compared to 2009:
 - Increased gaming taxes resulting from regulatory changes in Mexico, Panama and Colombia beginning in Q1 2010
 - Increased gaming tax associated with canon tax surcharge related to license renewals in Argentina (La Plata since Nov. 2009, San Martin since Q2 2010 and Puerto expected in Q3 2010)
 - Implementation in Q3 2009 of anti-tobacco legislation at national level (ex D.F.) in Mexico expected to affect wins through Q2-Q3 2010
 - Investments in new ventures (Carrasco in Uruguay, on-line gaming)
 - 100% consolidation of Sports Betting following purchase of William Hill's stake in January 2010
 - Latent losses (as of February 25, 2010) on existing foreign exchange contracts

 - Second quarter EBITDA expected in the range of €51-53 million, lower than Q1 EBITDA due to several non-operational / external factors affecting the business, including seasonality (Easter), the World Cup, and to a lesser extent the impact of the earthquake in Mexico

Outlook 2010 – Capex

Country	Principal Investments
Argentina	<ul style="list-style-type: none"> ● Increase in machine park (8%-10%) ● Continued TITO installation ● Hall refurbishments ● Build-out for hall relocation in 2011
Mexico	<ul style="list-style-type: none"> ● Increase in machine park (10%-12%) ● Hall refurbishments, including adaptation to anti tobacco regulation ● Hall expansions
Spain	<ul style="list-style-type: none"> ● Machine renewals ● Renewals of exclusivity contracts
Italy	<ul style="list-style-type: none"> ● Remaining 50% of VLT rights ● Bingo hall refurbishments, including adaptation for VLTs
Other	<ul style="list-style-type: none"> ● Uruguay - investment in Carrasco project ● Panama - Casino refurbishments and expansion ● Sports Betting - increase in self-service terminals



Stable investment plan focused in key markets

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Key Credit Highlights

Unique strategic model

- Long history of operating gaming activities in a variety of markets
- Proven ability to develop enduring relationships with regulators
- Strong track record in identifying and integrating high-return investment opportunities
- Adjacent expansion strategy, applicable to new markets and business lines

Leading positions in key markets

- Leadership positions in attractive markets with high barriers to entry
- #1 operator of gaming sites in Mexico
- #1 operator of bingo halls in the Province of Buenos Aires
- #2 operator of AWP machines in Spain
- #1 casino operator in Panama following the Thunderbird transaction

Resilient business model

- Earnings are geographically well-diversified
- Demonstrated resilience through economic downturn and external shocks
- Flexible investment program
- Cash generative even through recent recession

Highly experienced management team

- Leadership with 25 years experience in gaming across product lines and regulatory environments
- Extensive experience operating in Latin American markets through various economic cycles
- Board includes independent directors with significant experience in gaming sector
- Five years reporting as a public company