

Codere Investor Update

October 2016



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Codere has appointed Bank of America Merrill Lynch to organise a series of bond investor meetings in Europe and the US from Oct 3 to Oct 7

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1. 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⁽⁷⁾.

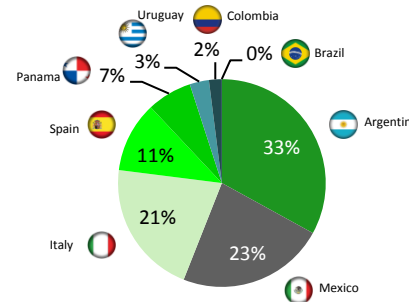


- Gaming hall operator in the Province of Buenos Aires
- Gaming hall operator in Mexico
- Casino operator in Panama
- Gaming hall operator in Uruguay
- Gaming hall operator in Italy
- AWP operator in Spain

	Argentina	Mexico	Panama	Colombia	Uruguay	Brazil	Italy	Spain	Total
Venue									
Gaming halls	14	91	12	10	6	-	11	1	145
Arcades	-	-	-	177	-	-	-	431	608
Bars	-	-	-	-	-	-	2,375	7,627	10,002
Sports Betting Shops	-	85	8	-	26	5	-	26	150
Racetracks	-	1	1	-	2	-	-	-	4
Product									
Slots	6,951	19,322	3,009	5,510	2,244	-	8,997	9,224	55,257
Bingo Seats	11,810	11,126	-	850	-	-	5,142	605	29,533
Table Seats	-	1,914	528	264	144	-	-	-	2,850

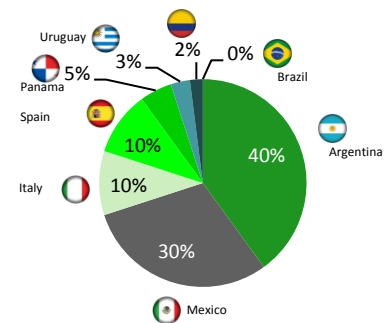
Geographic Mix (2Q 2016 LTM) ⁽¹⁾

Revenue (2Q 2016 LTM)



EUR 1,471 mm

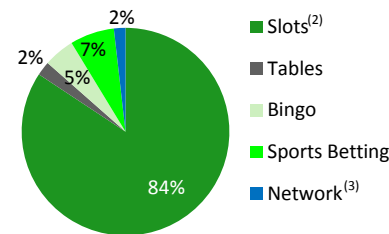
EBITDA (2Q 2016 LTM)



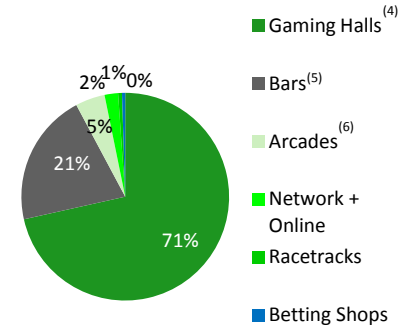
EUR 259 mm

Business Mix (2Q 2016 LTM)

Gross Gaming Revenue by Gaming Product



Gross Gaming Revenue by Gaming Venue



(1) Figures reflect Company consolidated revenue and Adjusted EBITDA (ARS @ Blue Rate) plus 50% of HRU (unconsolidated joint venture accounted for under equity method) figures.
 (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).

Our Business

Gaming

Products

1 Slot Machines



2 Tables



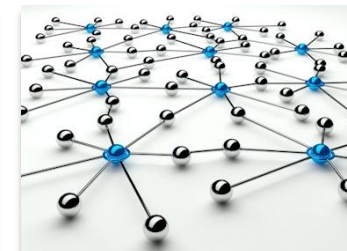
3 Bingo



4 Sports Betting



5 Network



Gaming

Venues

1 Gaming Halls



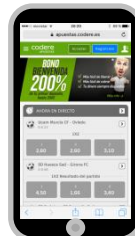
2 Bars



3 Arcades



4 Online



5 Racetracks



6 Betting Shops



Key Strategic Pillars of the Company

1 FOCUS ON OUR REGIONAL MODEL OF GAMING

- ✓ Leadership position in attractive markets
- ✓ 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 while reducing exposure to more volatile markets
- ✓ High barriers to entry in a competitive environment

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

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

5 CAPITAL EFFICIENCY AND FINANCIAL DISCIPLINE

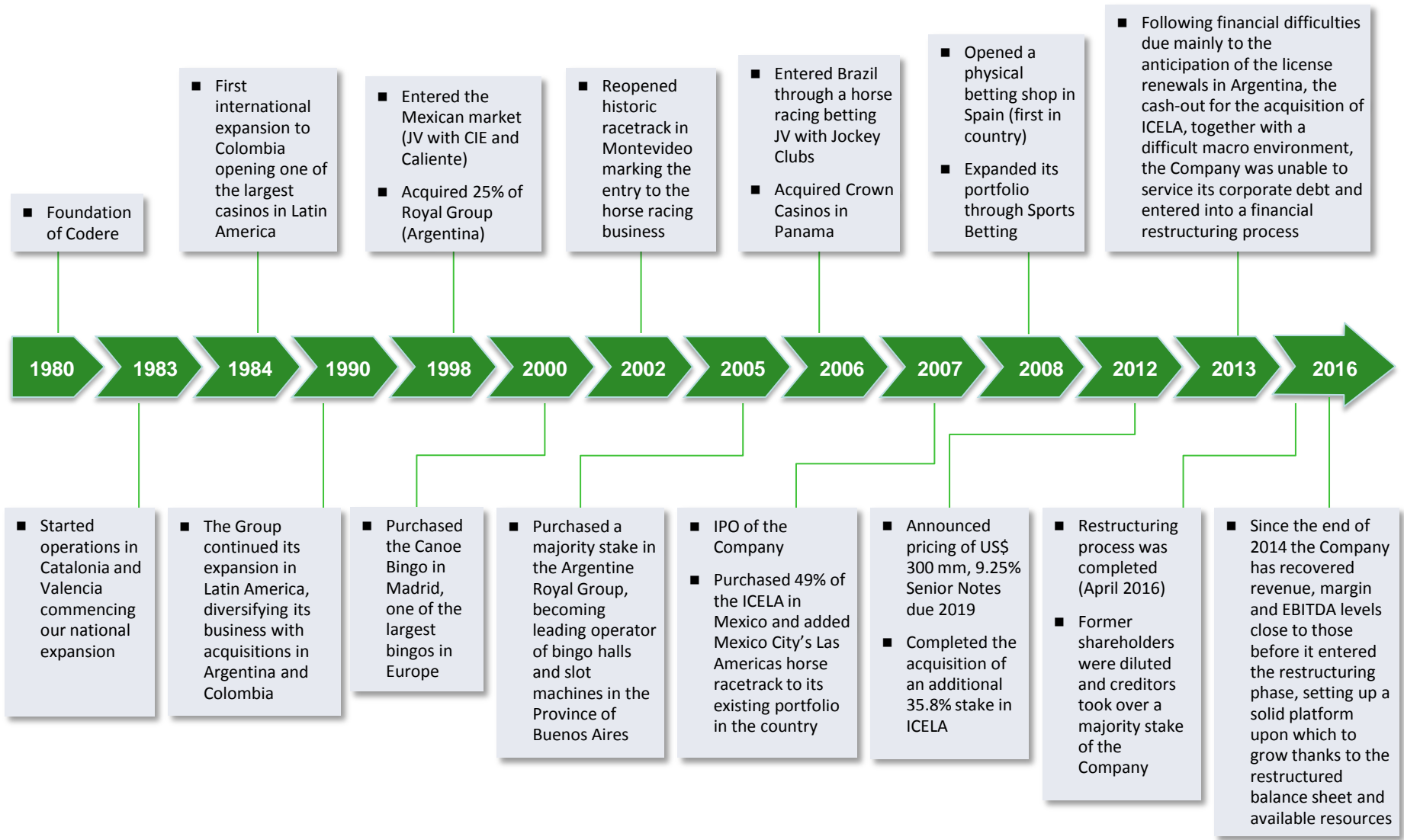
- ✓ After Performance Enhancement Program, continuous efforts and initiatives to contain costs, generate further efficiencies, foster cross-fertilization of best practises and leverage scale and existing capabilities
- ✓ Successful integration of acquisitions and value creation through JV
- ✓ Rigorous,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

6 MAXIMIZE FREE CASHFLOW

- ✓ Low average maintenance capex, focused on:
 - ✓ Slots renovation
 - ✓ 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, significant organic and inorganic growth opportunities whilst maintaining a prudent capital structure

A Long History of Developing Gaming Businesses Across Markets

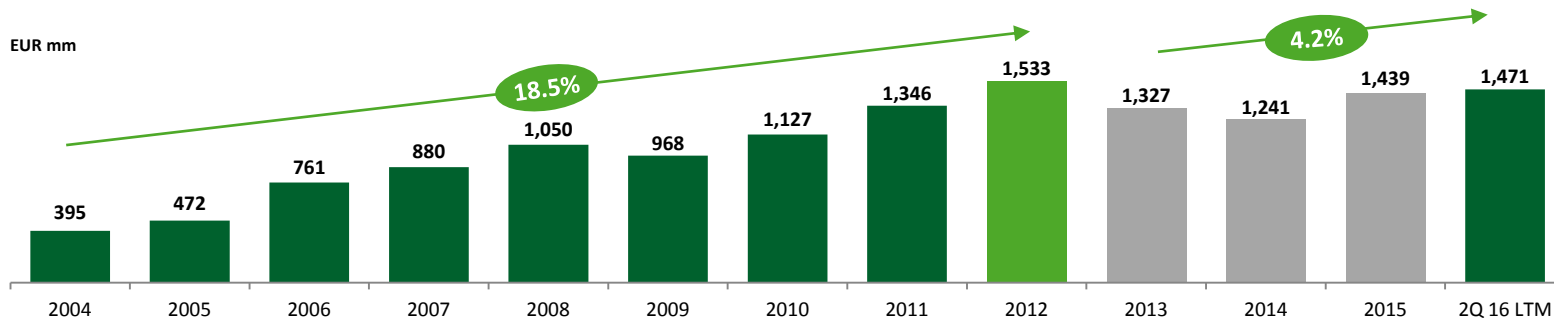


Long Term Performance Shows Sustainable Organic Growth

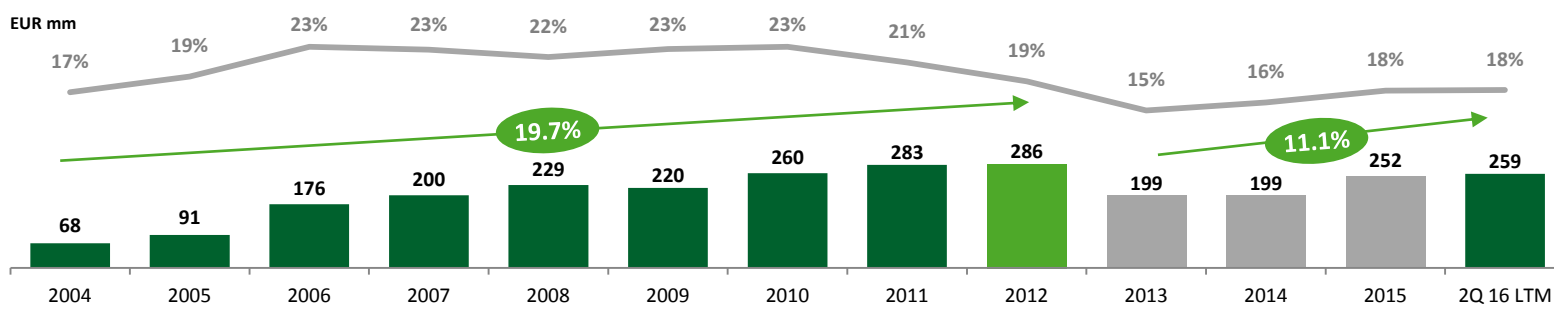
- Highly defensive business, centred in strong regulated markets and high barriers to entry
- Low cash flow volatility and “sticky” customer base and low marketing expenditure due to superior locations

Total Revenue, Adj. EBITDA and NFD/EBITDA (ARS @ Blue Rate) ⁽¹⁾

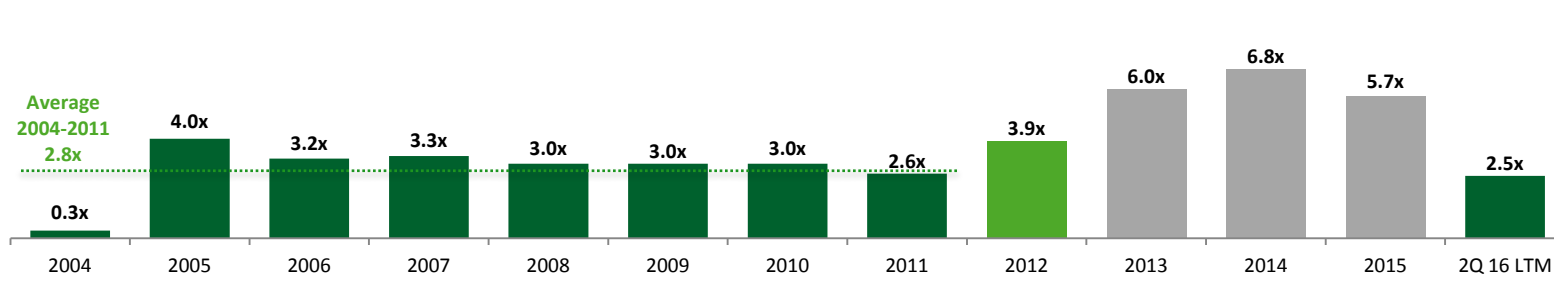
Total Revenue



Adjusted EBITDA and Margin



Consolidated NFD/EBITDA



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

(1) Figures reflect Company consolidated revenue and adjusted EBITDA plus 50% of HRU (unconsolidated joint venture accounted for under equity method) revenue and adjusted EBITDA.

2. Key Credit Highlights

Summary of Credit Highlights

Key Credit Highlights



codere



1 RESILIENT BUSINESS MODEL

7

- ♣ Codere's business is highly distributed with slot machines and VLTs spread across a large number of locations.
- ♣ Low cash flow volatility, "sticky" customer base and low marketing expenditure due to superior locations.
- ♣ Demonstrated sustained long term growth in hard currency.
- ♣ Slot machines the least volatile gaming product, deliver amongst highest gaming yield per position per day.

2 DIVERSIFIED BUSINESS MODEL

7

- ♣ Leadership position in key strategic markets in terms of market share, locations as well as compliance, which supports consistently high gaming yields and hence 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).

3 SUSTAINABLE ORGANIC GROWTH

7

- ♣ Highly defensive business, centred in highly regulated markets and strong entry barriers.
- ♣ 4.1% growth in revenues and 12.5% growth in EBITDA over 2013-2015.
- ♣ EBITDA margin expansion of c.300bps.
- ♣ High returns, low capital requirements and closely regulated markets.
- ♣ Panama and Italy mature, with room to grow in Mexico, Argentina, Colombia and Spain.
- ♣ Scale and technology allows for higher product/client customization.

4 POSITIVE MARKET TRENDS

7

- ♣ Better macro conditions already visible in the operating results.
- ♣ Regional gaming enjoys lower cyclicality than destination model.
- ♣ Codere operates in 5 of the 7 largest land-based private gaming markets in Latam and in the second and fourth in Europe.
- ♣ Less mature markets (in terms of machines per capita) provides high growth potential (Latam expected to outperform other regions).

5 ATTRACTIVE FUTURE GROWTH

7

- ♣ 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.

6 STRONG CREDIT PROFILE

7

- ♣ Solid FCF generation of EUR 121 mm⁽¹⁾
- ♣ 2.5x⁽²⁾ NFD/LTM Adj. EBITDA versus 5.5x as at Mar-16^(2,3) (pre-restructuring).
- ♣ EUR 321 mm of Cash versus EUR 116.0 mm as at Mar-16 (pre-restructuring).

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 @ blue rate.

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

(2) Gross Debt of EUR 954 mm, Cash of EUR 321 mm and 2Q 2016 LTM EBITDA of EUR 259 mm Figure reflects consolidated figures; adjusted EBITDA (ARS @ blue rate) less corporate income taxes paid less increases in net working capital less maintenance capital expenditures. 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. Figures reflect ARS @ Blue Rate.

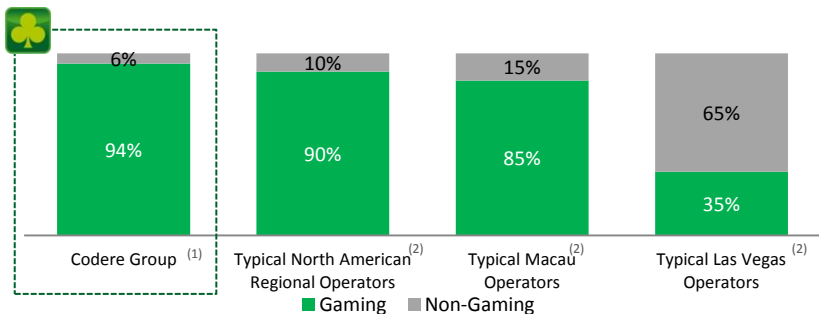
(3) This compares to peak net leverage ratio of 6.8x in 3Q-14 and is one full turn of EBITDA below the 3.6x as at Sep-12, the day prior to implementation of the smoking ban in Argentina.

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

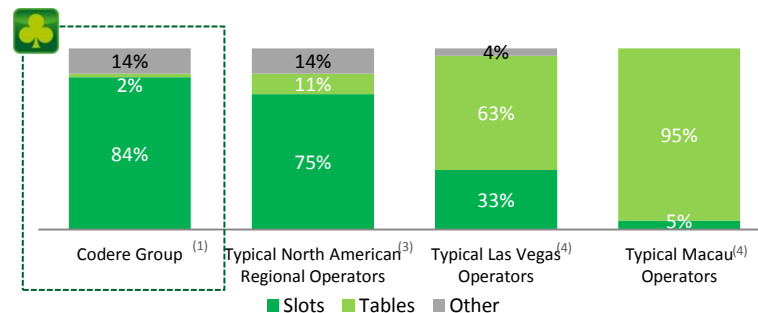
Gaming versus Non-Gaming Revenue Mix

Resilient gaming revenue mix vs. other business models.



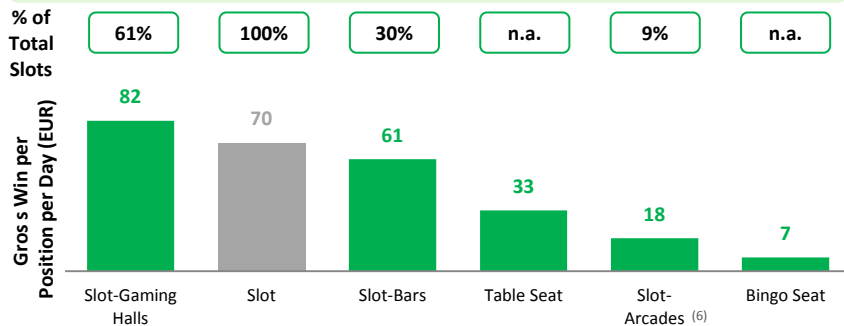
Gaming Revenue Mix

Resilient slot machines product mix vs. other business models.



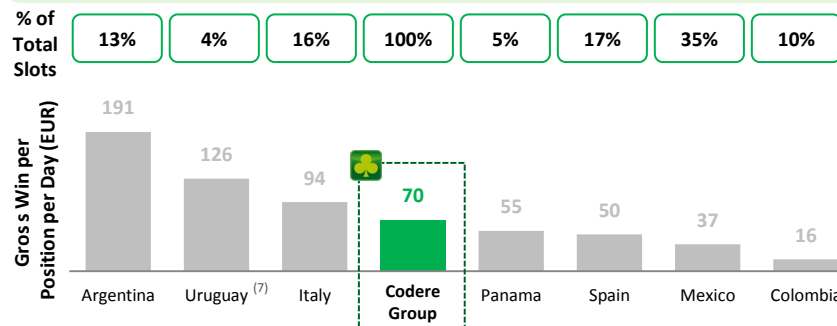
Codere Group Gaming Yields ⁽⁵⁾

Highly attractive slot and gaming hall yields delivering high returns.



Codere Group Gaming Yields – Slots ⁽⁵⁾

Diversified regional model with unique leadership positions.

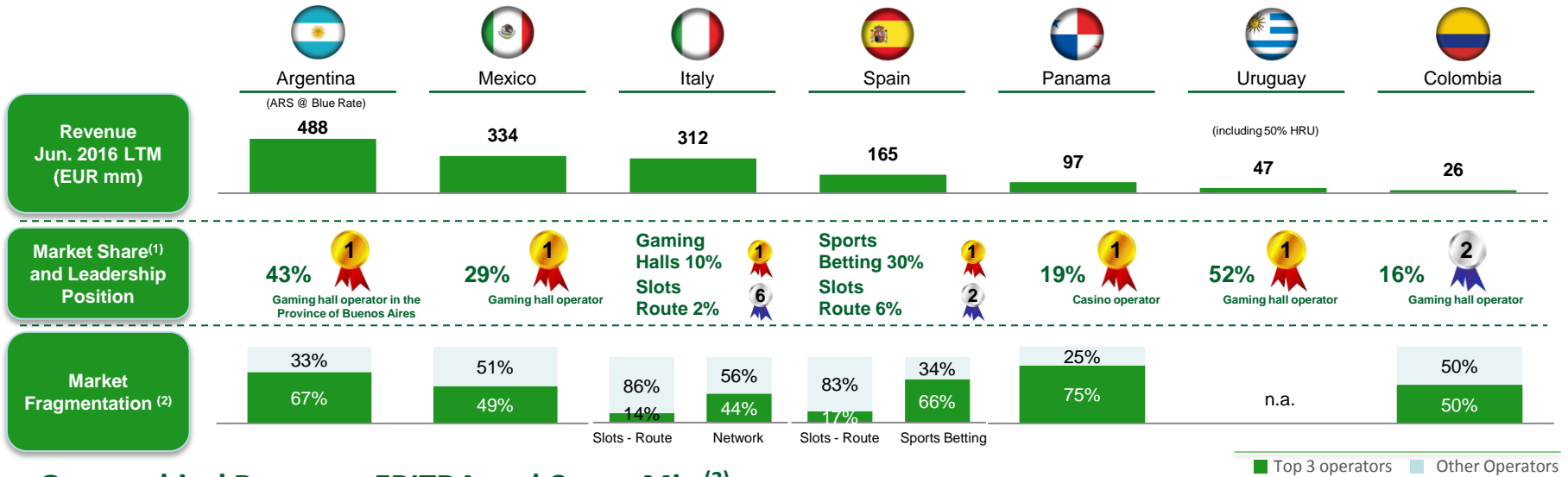


(1) Source: Codere 1H-16 actual results.
 (2) Source: Equity Research.
 (3) Source: Codere estimate based on public disclosures for North American peers (PENN, BYD, PNK, RRR, ISLE, ERI, GC, GDEN, CNTY and UWN).
 (4) Source: Equity Research.

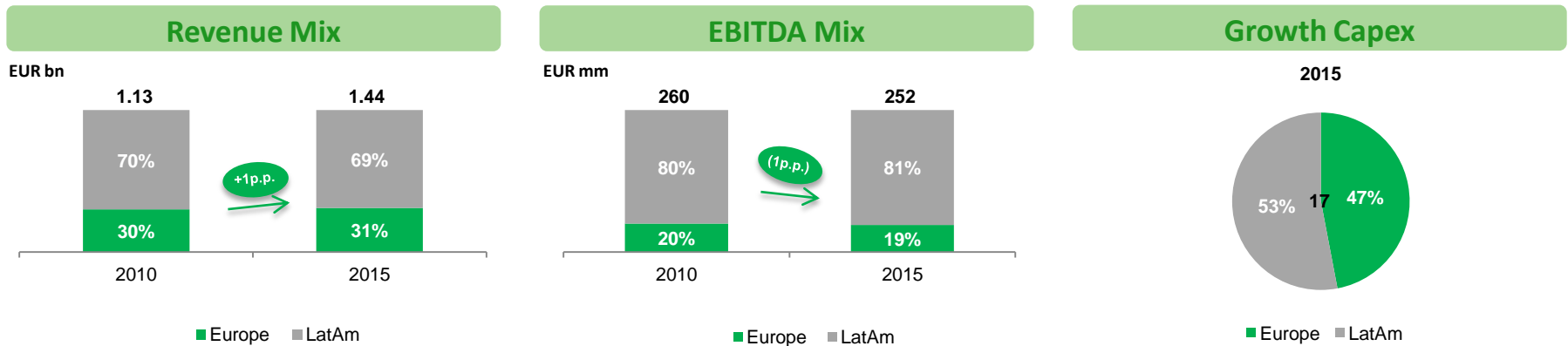
(5) Figures reflect 1H-16 gross win and average positions (analysis assume 6 positions per table).
 (6) Slots in Arcades only present in Colombia.
 (7) Includes both HRU and Carrasco Nobile.

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, EBITDA and Capex Mix⁽³⁾



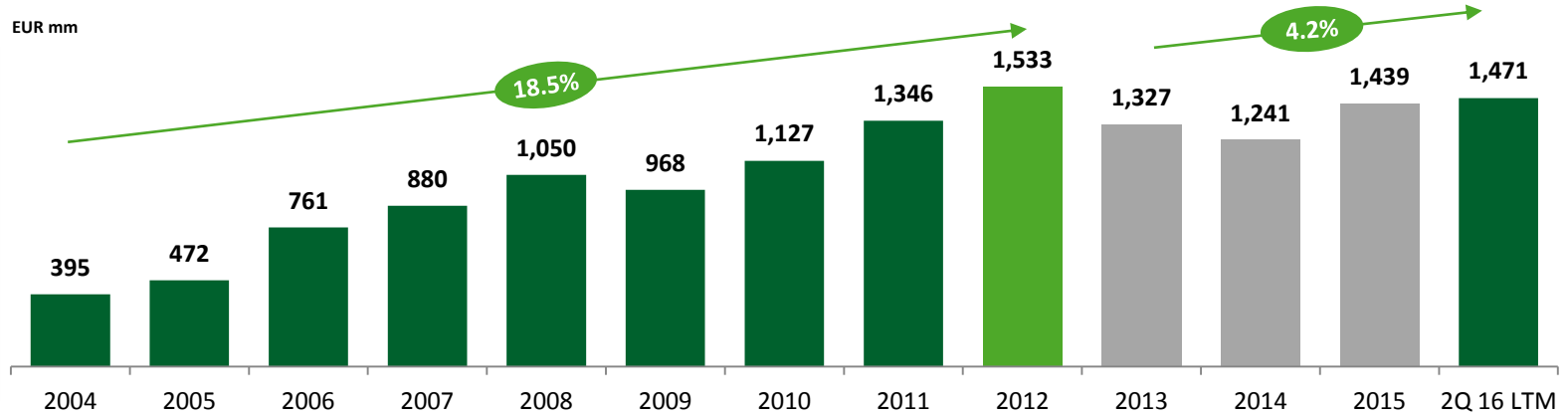
(1) Market share in terms of win. Based on Codere estimates and other industry research.
 (2) Figures based on 2015 private gross gaming revenue. For Colombia only top 2 data available. Based on Codere estimates and other industry research.
 (3) Figures reflect consolidated figures plus 50% of HRU through 2Q-16 and ARS @ Blue Rate.

3 – Sustainable Organic Growth: Long Term Track Record

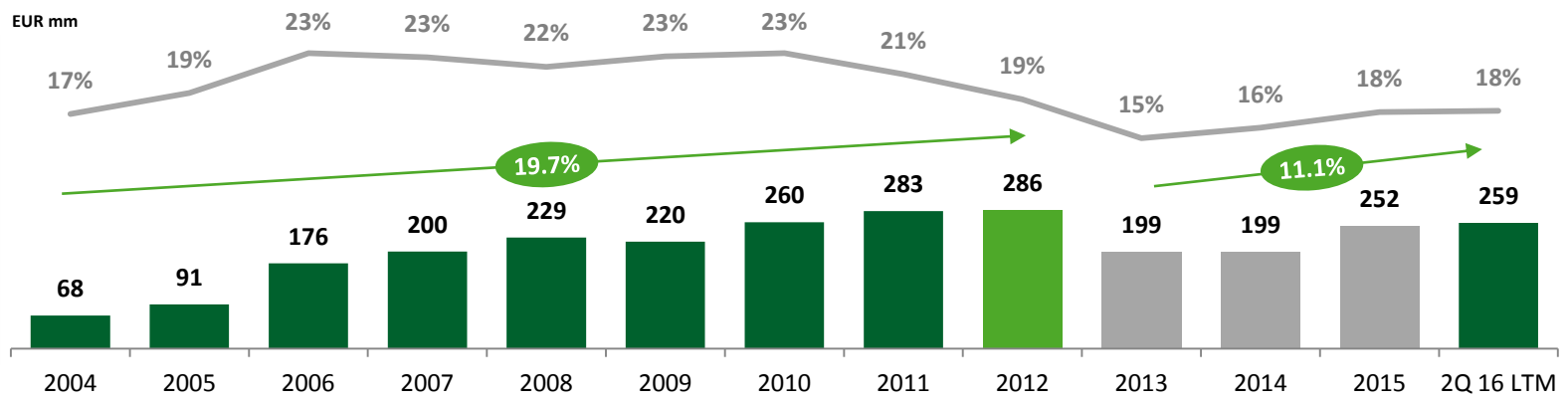
- Highly defensive business, centred in strong regulated markets and high barriers to entry
- Low cash flow volatility and “sticky” customer base and low marketing expenditure due to superior locations

Total Revenue and Adj. EBITDA (ARS @ Blue Rate) ⁽¹⁾

Total Revenue



Adjusted EBITDA and Margin



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

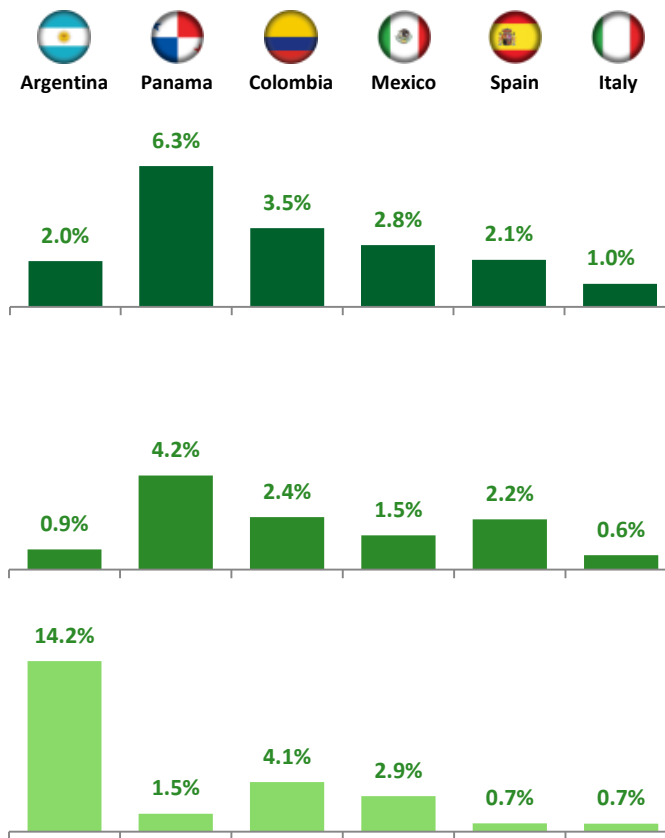
(1) Figures reflect Company consolidated revenue and adjusted EBITDA plus 50% of HRU (unconsolidated joint venture accounted for under equity method) revenue and adjusted EBITDA.

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

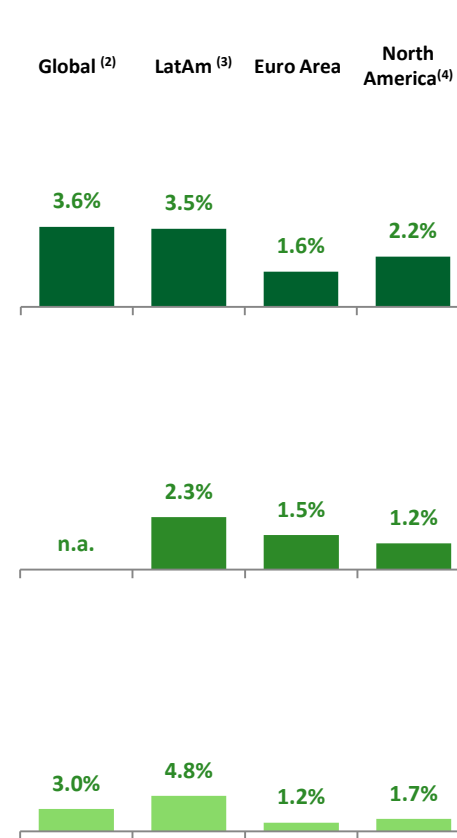
▪ Better macro conditions already visible in the operating results.

Codere's Markets Expected 2015-2020 CAGR ⁽¹⁾

Codere Key Markets



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) Figures reflect Argentina, Colombia, Panama and Mexico.

(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.

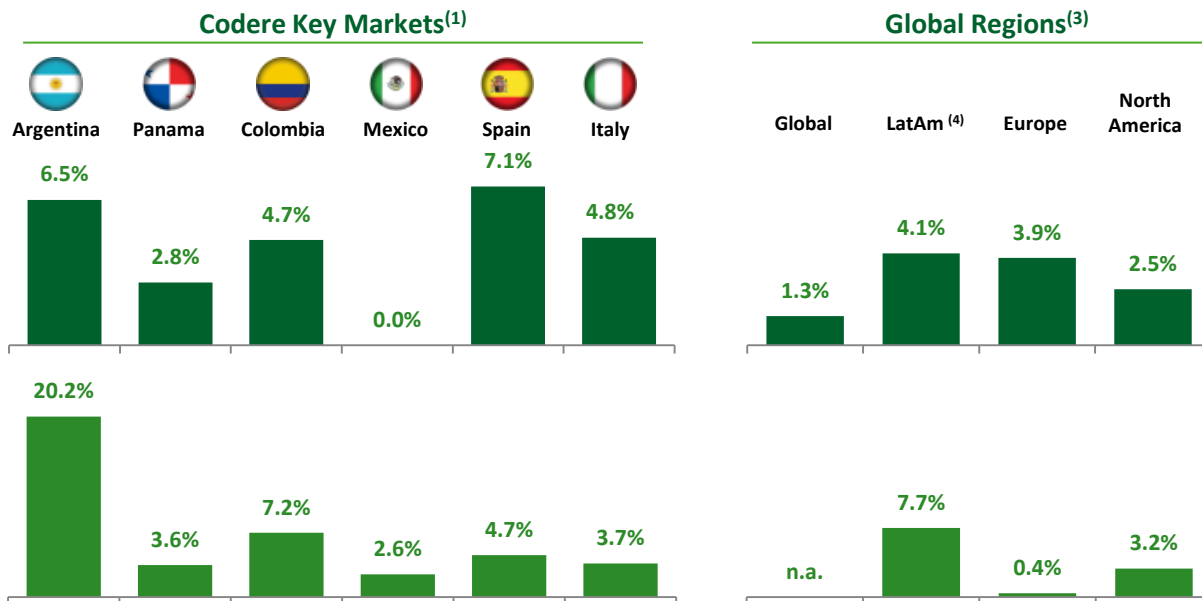
4 – Positive Market Trends: Uniquely Positioned in High Growth Gaming Markets

▪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 ⁽²⁾

Slots Revenue ⁽³⁾



- 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

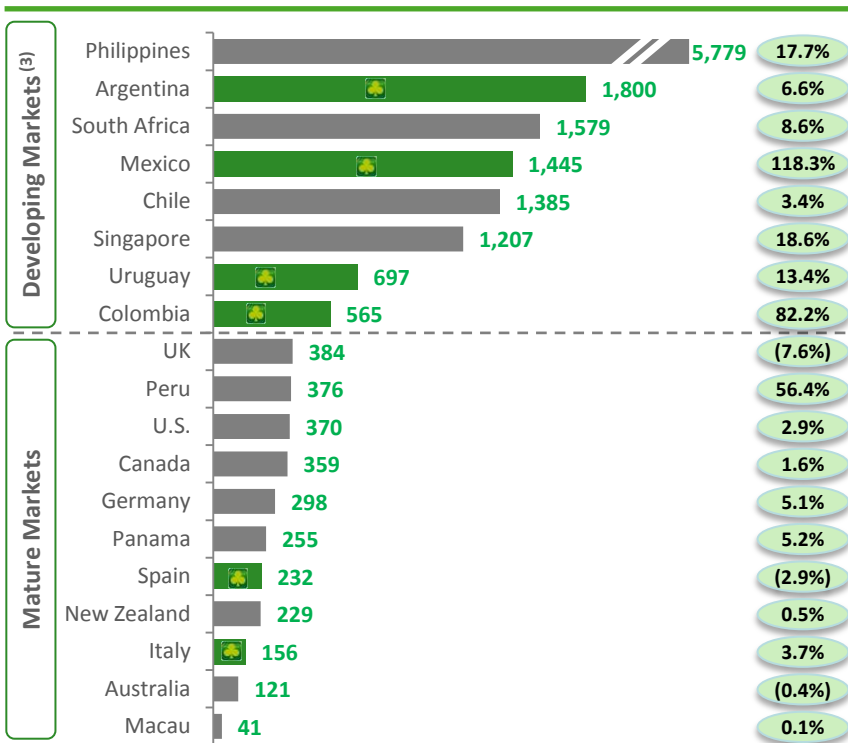
- Argentina: Tightening of regulatory controls and compliance obligations
- Mexico: 100% player identification / increased compliance requirements / tax discipline
- Colombia: Mandatory slot interconnection / regulation of sports betting

(1) Source: GBGC (Global Betting & Gambling Consultants) Key Markets Gambling Data and Codere estimates; 2020 figures based on projected 2015 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.

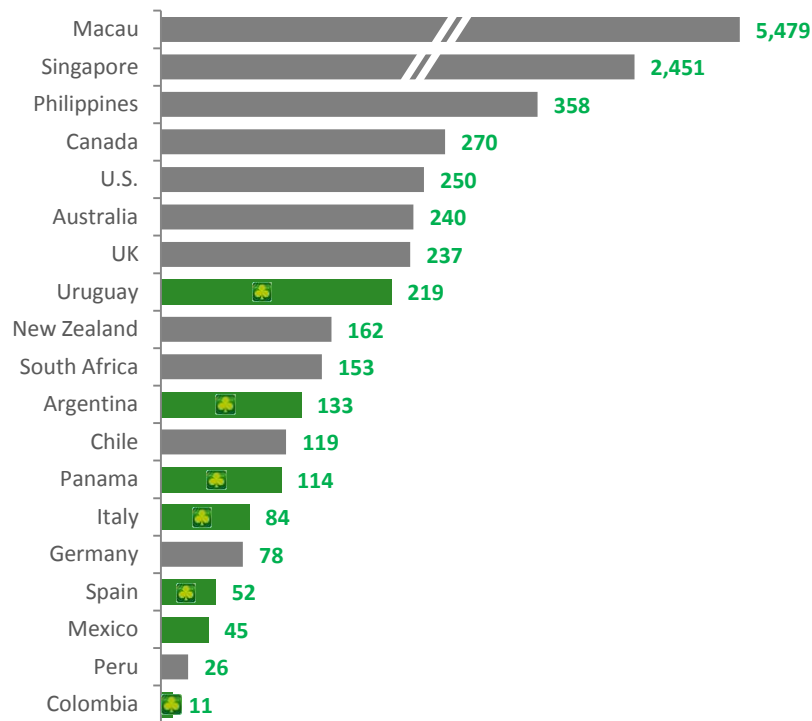
4 – Positive Market Trends: Favourable Gaming Supply and Yields

▪ 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 Codere estimates.

(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 Codere estimates.

(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.

Growth Initiatives



- Deployment of sports betting business
- Consolidation of the local market:
 - Buy and build
 - Acquisition of arcades



- Consolidation of the local market:
 - Buy and build
 - Gaming hall acquisitions
- Launch of sports betting business



- Consolidation of the local market:
 - Gaming hall acquisitions
- Launch of online business and expansion of sports betting
- Acquisition strategy



- Organic Growth Opportunities:
 - Launch of sports betting route business
 - Expansion of traditional arcade business

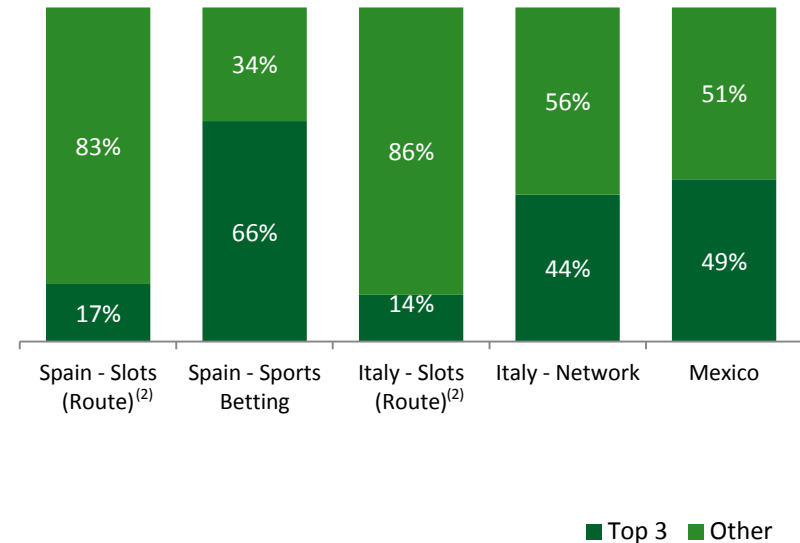


- New gaming hall development
- Acquisition of minority stake and review of portfolio and locations



- Acquisition strategy

Market Fragmentation⁽¹⁾ - Selected Countries

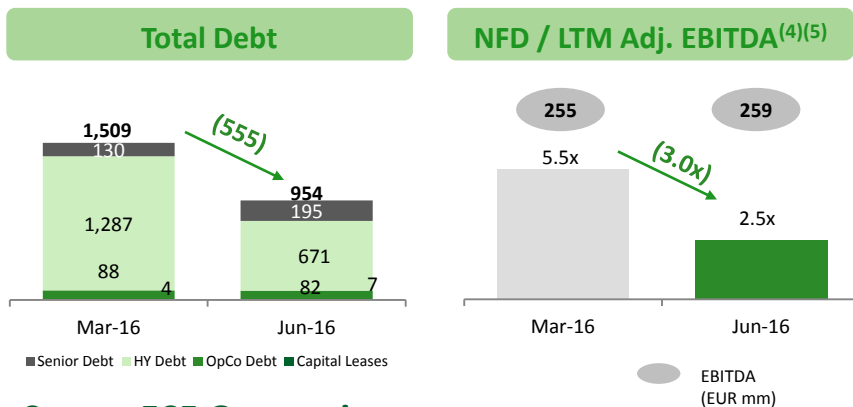


(1) Figures based on 2015 private gross gaming revenue.
 (2) Slots in bars.

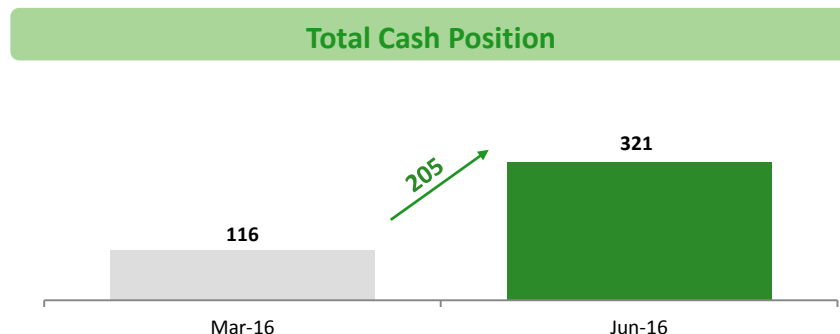
6 – Strong Credit Profile

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

Sharp Leverage Reduction (3)...

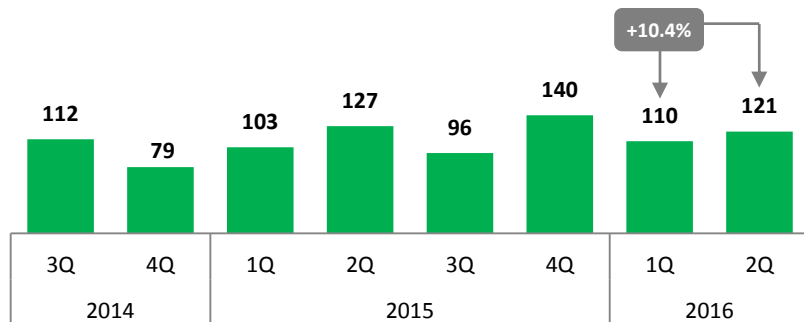


...and Sound Liquidity Position



Strong FCF Generation...

LTM Consolidated Unlevered FCF (EUR mm - ARS @ Blue Rate) (1)



...with Low Capex Requirements

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

(1) Consolidated free cash flow, as defined herein, reflects consolidated adjusted EBITDA less i) corporate income taxes paid, ii) total capital expenditures and iii) increases in net working capital.
 (2) 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.
 (3) Figures reflect consolidated accounts, except where noted otherwise.
 (4) 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.
 (5) Figures reflect ARS @Blue Rate.
 (6) Figure includes EUR 30 mm reduction in cash position related to refinancing transaction costs and existing bond call premium.

3. The Vastly Improved New Codere vs Old Codere



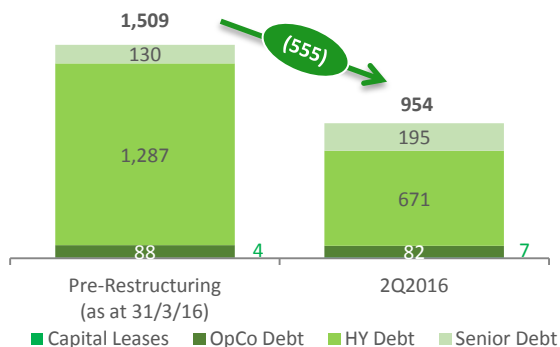
The Vastly Improved New Codere vs Old Codere

New Codere vs Old Codere

1

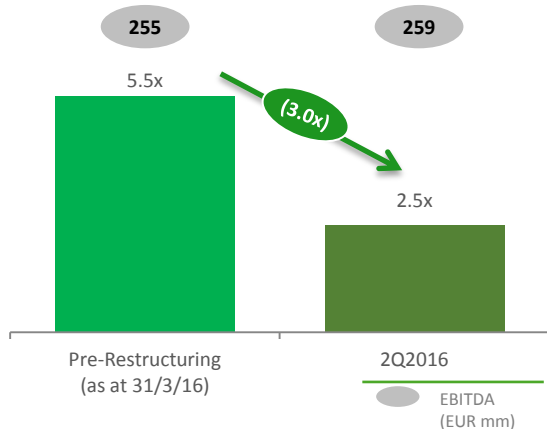
Significant Deleveraging

Total Debt (Consolidated)



Leverage Ratio

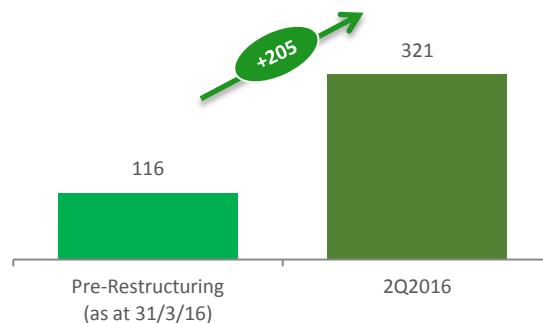
(Net Debt/LTM Adjusted EBITDA) ⁽¹⁾⁽²⁾



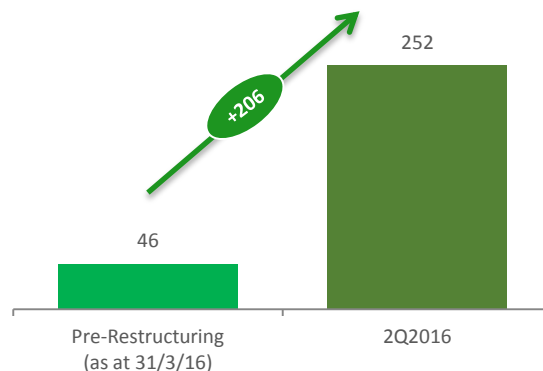
2

Significantly Improved Liquidity

Cash (Consolidated)



Liquidity (Consolidated) ⁽⁴⁾

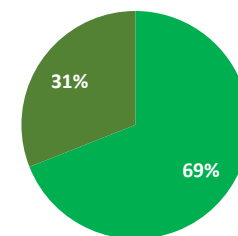


3

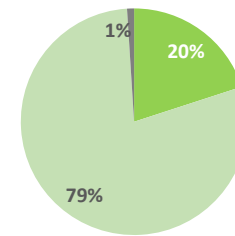
Strengthened Corporate Governance

Shareholder Base

Pre-Restructuring



Post-Restructuring



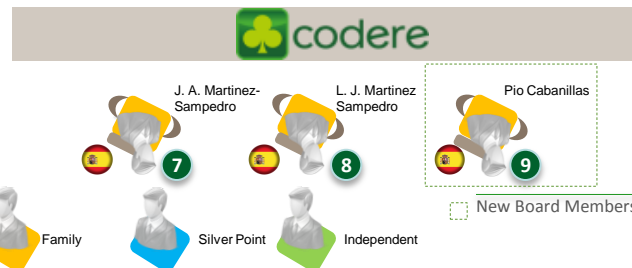
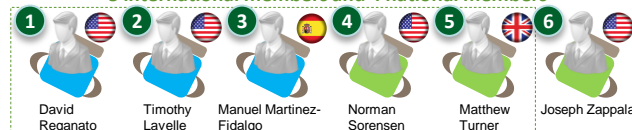
- Martínez Sampedro Family
- Other Shareholders
- Key Executives⁽⁵⁾
- Legacy Bondholders
- Others

Board of Directors

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

New Board Members

5 international members and 4 national members



(1) Figures Include 50% of HRU debt (EUR 10.9 mm), cash (EUR 1.5 mm), and LTM adjusted EBITDA (EUR 9.4 mm), as per NSPN Issuance Agreement.

(2) Figures reflect ARS @Blue Rate.

(3) Includes cash at corporate level.

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

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

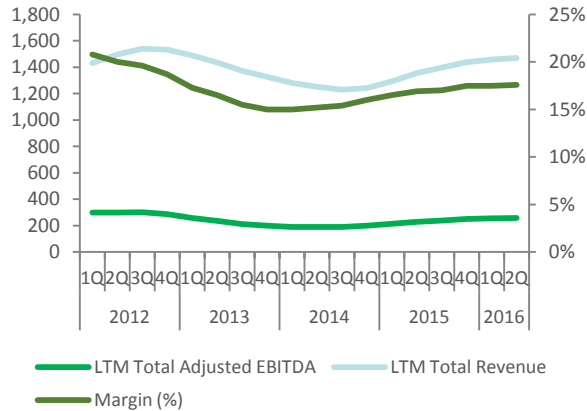
The Vastly Improved New Codere vs Old Codere

New Codere vs Old Codere (Cont'd)

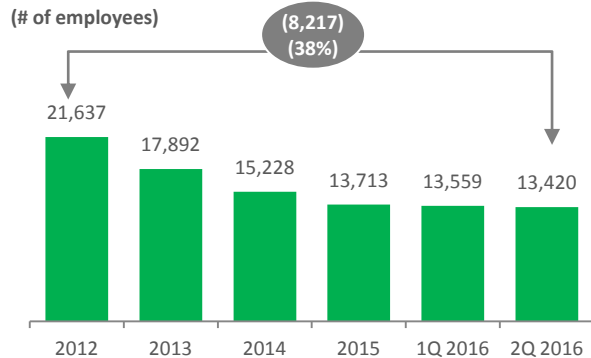
4

Strong Operating Momentum

Historical LTM Total Revenue, Adjusted EBITDA and EBITDA Margin⁽¹⁾



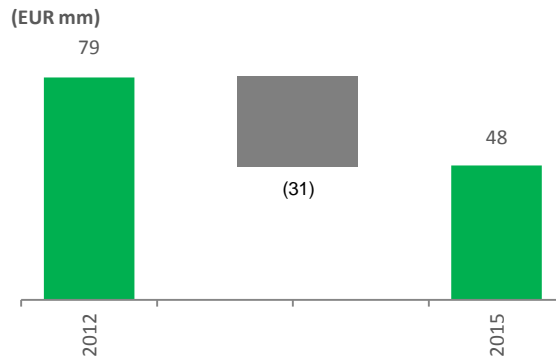
Headcount (EoP – Group)



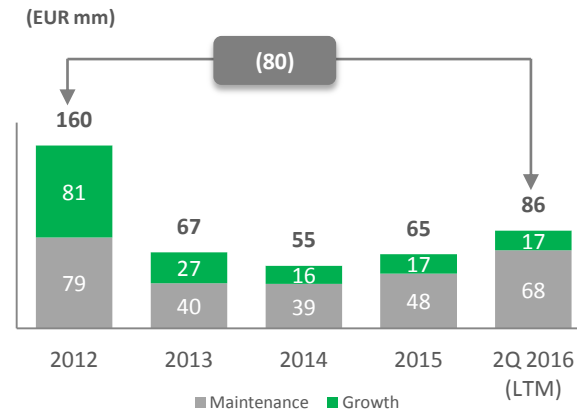
5

Financial Discipline and Capital Efficiency

Maintenance Capex – Group⁽²⁾



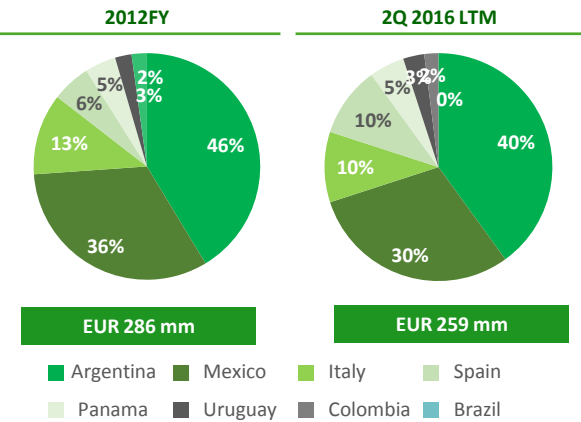
Capex Split – Group⁽⁴⁾



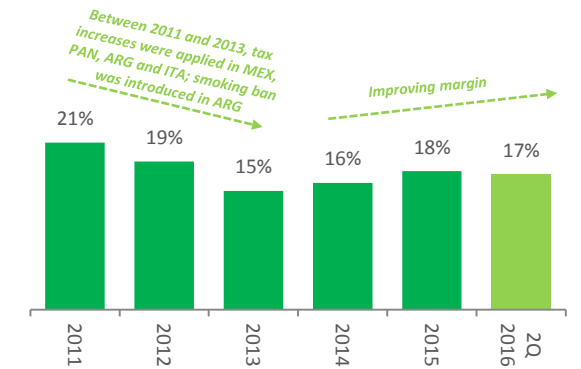
6

Enhanced Strategic Plan Focused on Diversification and Margins Improvement

Adjusted EBITDA Breakdown by Geography⁽³⁾



Adjusted EBITDA Margin (%)



(1) Figures reflect Company consolidated revenue and adjusted EBITDA plus 50% of HRU (unconsolidated joint venture accounted for under equity method) revenue and adjusted EBITDA. ARS at Blue Rate.

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

(3) Only considering EBITDA for positive generating units.

(4) Figures reflect Company consolidated total capex plus 50% of HRU (unconsolidated joint venture accounted for under equity method) 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.

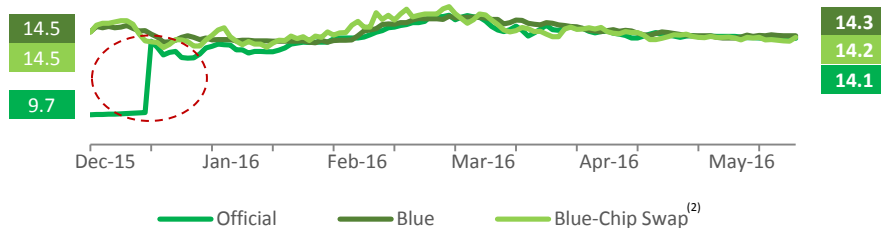
The Vastly Improved New Codere vs Old Codere

New Codere vs Old Codere (Cont'd)

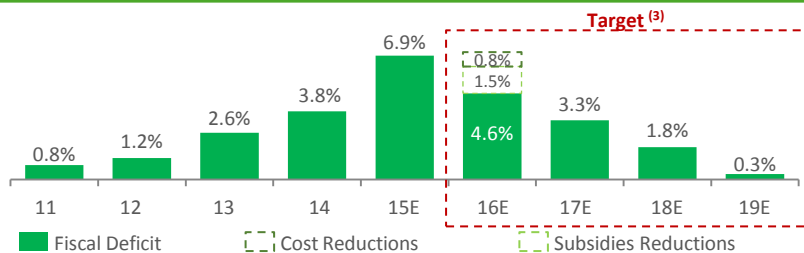
7

Argentina Shifting to Market Friendly Policies

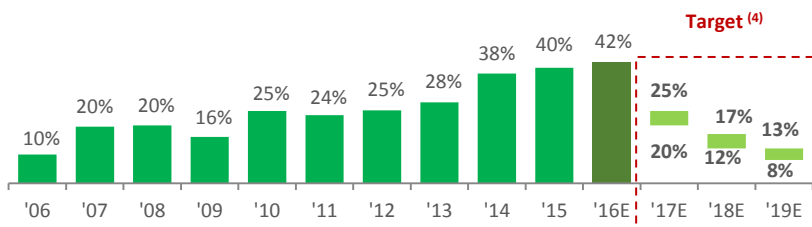
FX (AR\$/US\$) ⁽¹⁾



Fiscal Deficit (% of GDP) ⁽³⁾



CPI (YoY Variation) ⁽⁴⁾



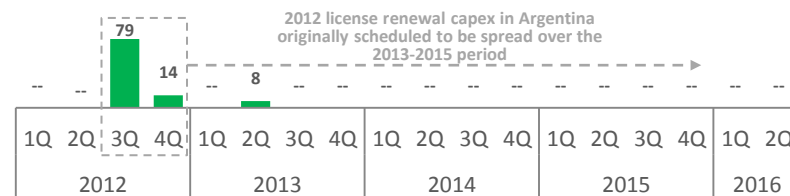
8

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 ⁽⁵⁾
- 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

Licenses Renewal Capex (EUR mm) ⁽⁶⁾:



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)

(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.

(5) Codere only act as provider of services in Brazil (Jockey Clubs).

(6) ARS @ Blue Rate.

4. Operational and Financial Review

Operational and Financial Review

Historical Financial Performance Summary

Summary P&L (EUR mm)

Country	2013	2014	2015	2016	CAGR
	FY	FY	FY	Q2LTM	12-16
Argentina	585	489	682	612	(1%)
Mexico	382	342	355	334	(6%)
Panama	90	89	103	97	1%
Colombia	34	31	29	26	(7%)
Uruguay CN	16	18	28	21	n.m
Brazil	3	3	2	2	(12%)
Spain	152	150	156	165	2%
Italy	260	264	284	312	4%
Reported Revenues	1,522	1,386	1,640	1,568	(1%)
- ARS at Blue Rate Adjustment	(219)	(168)	(227)	(124)	(1%)
+ 50% HRU	25	24	27	26	0%
Total Revenues	1,327	1,241	1,439	1,471	(1%)
Reported EBITDA	198	164	255	202	(7%)
- ARS at Blue Rate Adjustment	(42)	(33)	(49)	(27)	(3%)
+ 50% HRU	8	8	9	9	5%
Total EBITDA	165	139	215	184	(7%)
- Non Recurring Expenses	(35)	(60)	(37)	(75)	23%
Total Adjusted EBITDA	199	199	252	259	(2%)
(-) Uruguay JV Adjustment	(8)	(8)	(9)	(9)	5%
Total Adjusted EBITDA ex Uruguay	191	191	243	250	(2%)
EBITDA Margin - Reported	15%	16%	18%	18%	
EBITDA Margin Ex Uruguay JV	15%	16%	17%	17%	

Summary Cash Flow (EUR mm)

	2013	2014	2015	2016	CAGR
	FY	FY	FY	Q2LTM	12-16
Total Adjusted EBITDA⁽¹⁾	199	199	252	259	(2%)
(-) Uruguay JV Adjustment	(8)	(8)	(9)	(9)	5%
Total Adjusted EBITDA - Ex Uruguay JV	191	191	243	250	(2%)
(-) CIT Paid	(32)	(25)	(33)	(44)	(10%)
(-) Maintenance Capex	(36)	(36)	(46)	(65)	(19%)
(-) Growth Capex	(23)	(16)	(17)	(14)	(46%)
(-) Increase in NWC	(1)	(36)	(7)	(5)	(28%)
FCF Available to Service OpCo Debt (pre one-offs)	100	79	140	121	n.m

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).
 - c. EUR 68 mm of cumulative cost reductions (2013-2016).
 - PEP particularly focused in Mexico and Argentina with similar program being now implemented in Panama and Colombia.

(1) Figures reflect EBITDA excluding all non-recurring items.

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

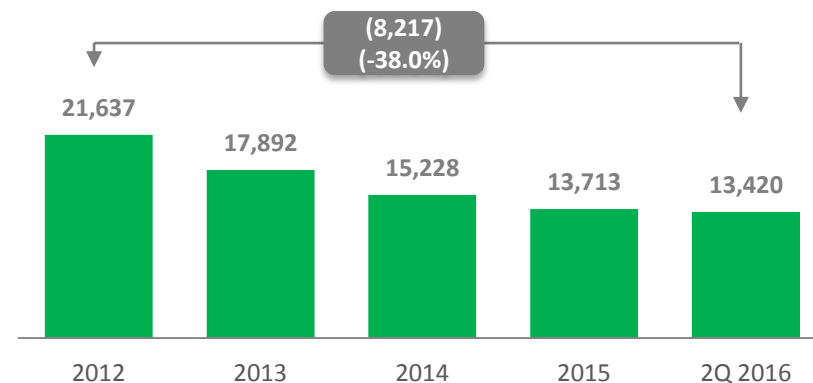
4 SELECTIVE GROWTH CAPEX

- 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)
- c. EUR 68 mm of cumulative cost reductions (2013-2016) while reducing capex to fund critical projects and operational priorities
- 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
 - Savings to date amount to EUR 45 mm (run rate basis compared to 2013)
- Similar rationalisation program to be implemented in Panama and Colombia

Headcount (# - EoP) – Group ⁽¹⁾

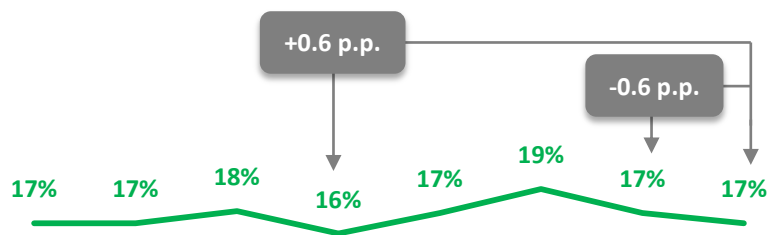


Codere has successfully implemented its **Global Performance Enhancement Program (PEP)**

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

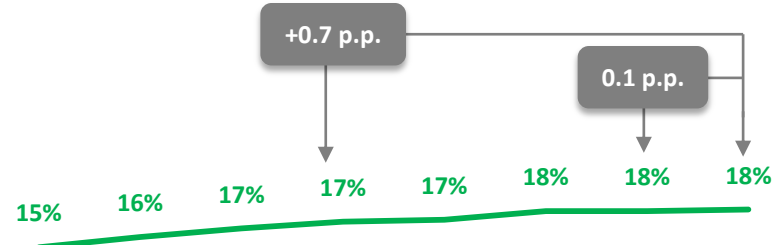
Total Adjusted EBITDA Margin (ARS @ Blue Rate) ⁽¹⁾

Quarter

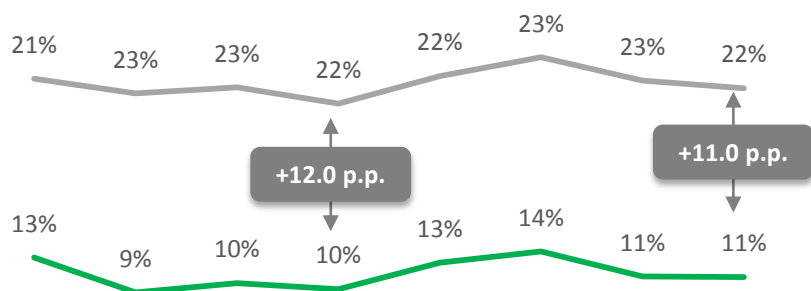


3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
2014		2015				2016	

LTM

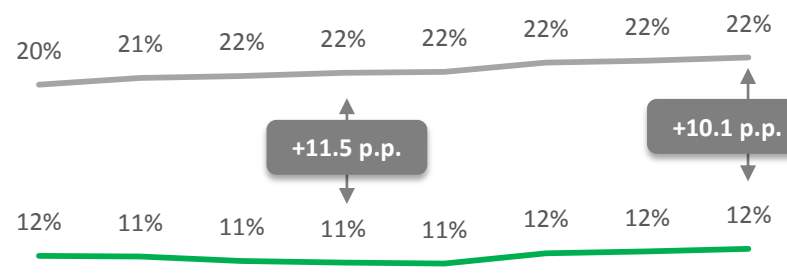


3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
2014		2015				2016	



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

— Margin-Europe — Margin-Latam



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

— Margin-Europe — Margin-Latam

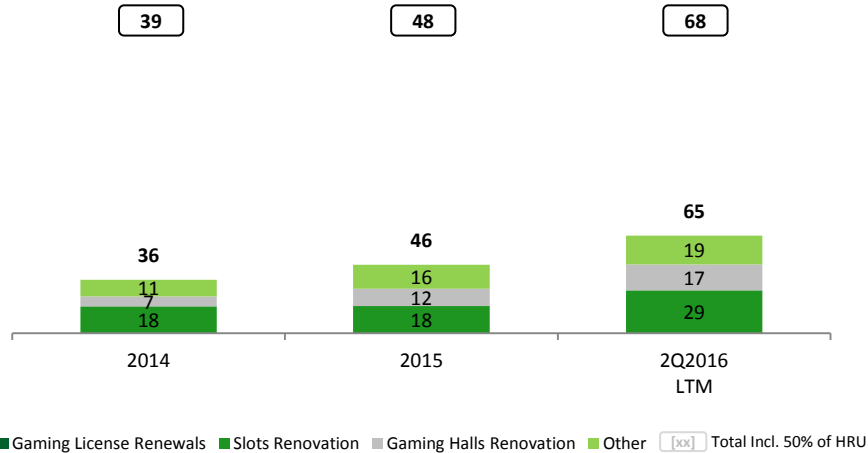
Margin in Latam well above margin in Europe

(1) Figures reflect Company consolidated adjusted EBITDA plus 50% of HRU (unconsolidated joint venture accounted for under equity method) adjusted EBITDA.

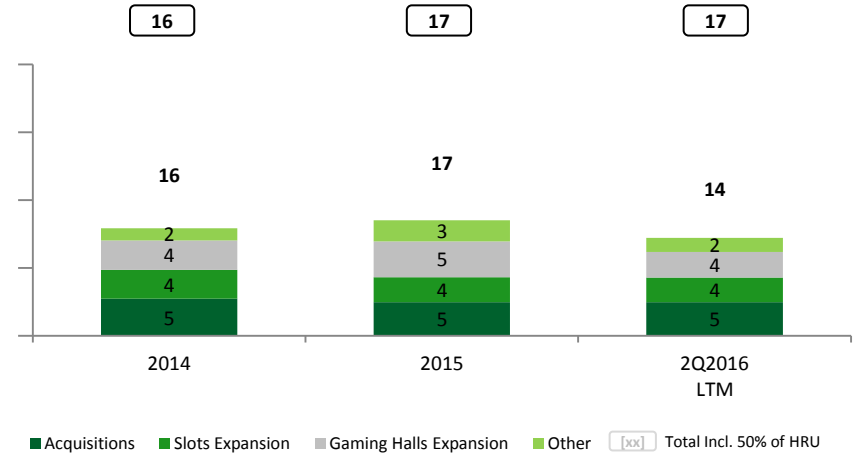
Operational and Financial Review

Capital Expenditures (Capex)

Maintenance Capex (EUR mm)



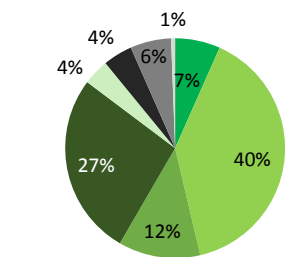
Growth Capex (EUR mm)



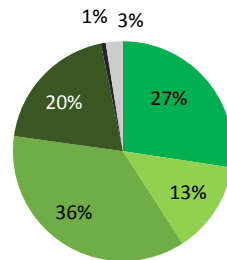
Capex Mix

By Country

Maintenance Capex (2Q 2016 LTM)



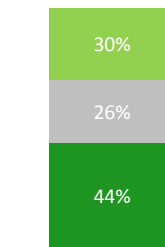
Growth Capex (2Q 2016 LTM)



Legend: Argentina, Mexico, Italy, Spain, Panama, Uruguay, Colombia, Brazil, HQ

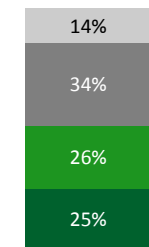
By Nature

Maintenance Capex (2Q 2016 LTM)



Legend: Slots Renovation, Gaming Halls Renovation, Other

Growth Capex (2Q 2016 LTM)

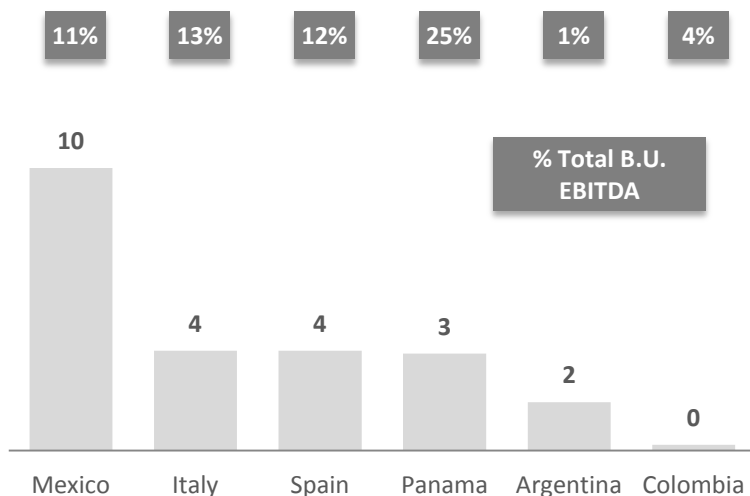
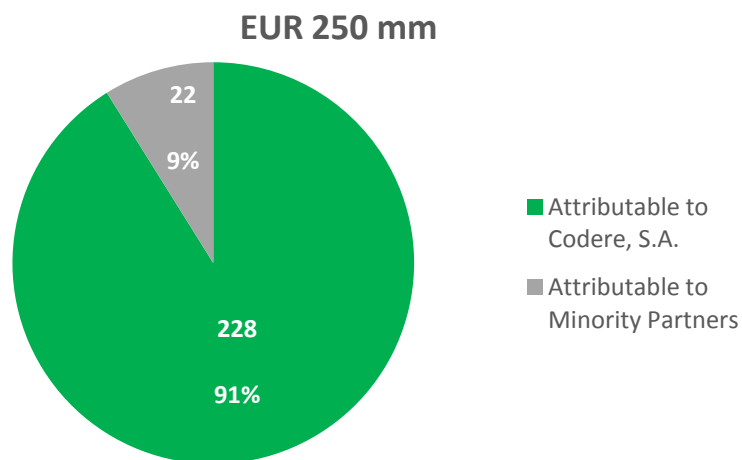


Legend: Slots Expansion, Gaming Halls Expansion, Acquisitions, Other

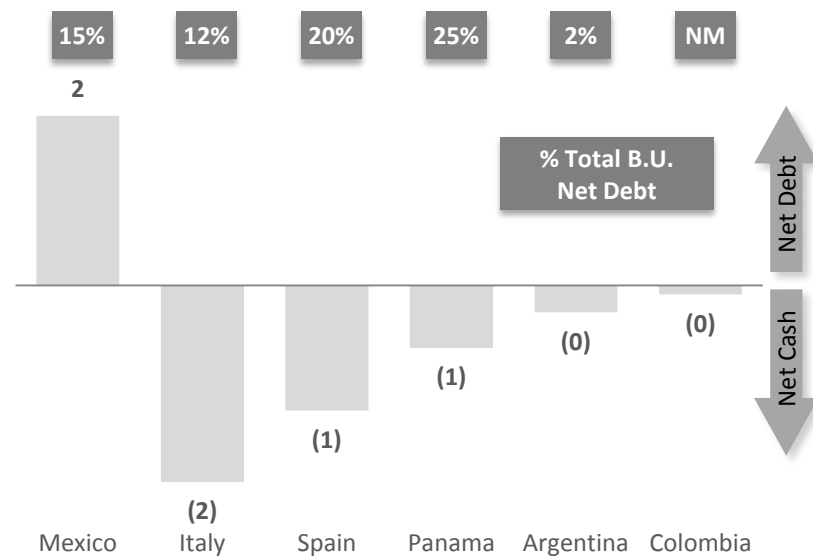
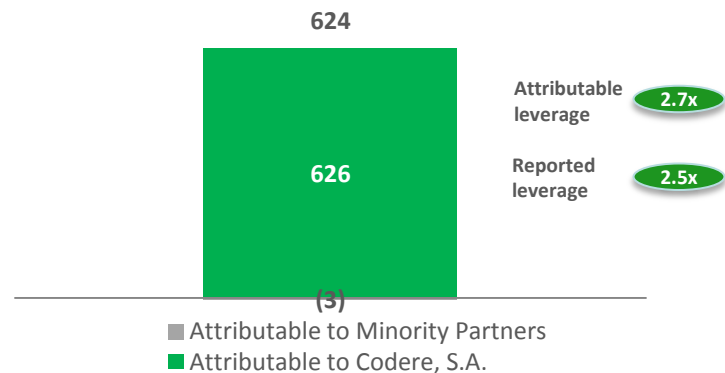
Note: Unless otherwise stated, figures reflect Company consolidated Capex excluding 50% of HRU (unconsolidated joint venture accounted for under equity method) Capex.
 (1) Includes the acquisition of an additional 36% stake in ICELA in 1Q.2012 for EUR 158 mm.

Minority Partner Interests in Consolidated Subsidiaries ⁽¹⁾

Attributable EBITDA (EUR mm) ⁽²⁾



Attributable Net Debt (EUR mm) ⁽³⁾



(1) Analysis assumes 100% Codere ownership of Codere Caliente (Mexican) and Carrasco Nobile (Uruguayan) businesses but does not include 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) Figure reflects consolidated net debt as at June 30, 2016.

5. Capital Structure and Financial Policy

Capital Structure and Financial Policy

Capital Structure (as at June 30, 2016) ⁽¹⁾

Figures in EUR mm, except where noted otherwise

	Amount O/S	Leverage	Interest Rate				Maturity	Comments
			Spread / Coupon					
			Libor	Cash	PIK	Total		
OpCo Debt ⁽²⁾	82		–	–	–	7.4%	Various	40 mm in Uruguay and 34.4 mm in Mexico
OpCo Capital Leases ⁽²⁾	7		–	–	–	5.2%	Various	–
OpCo Debt	89	0.4x						
NSPNs ⁽³⁾	195		1.0%	7.0%	–	8.0%	Apr-21	USD 219 mm par value; callable @ par
Sub-Total	284	1.1x						
2nd Lien Notes	343		–	5.5%	3.5%	9.0%	Jun-21	USD 383 mm par value; callable 102 / 102 / 101 / 100
Sub-Total	627	2.5x						
3rd Lien Notes	327		–	0.0%	9.0%	9.0%	Jun-21	USD 356 mm par value; callable 102 / 102 / 101 / 100
Sub-Total	954	3.8x						
Total Debt	954		–	–	–	8.6%	–	
(-) Cash	(321)		–	–	–	–	–	
Net Debt	633	2.5x						
(+) 50% of HRU Net Debt	7							
Total Net Debt	640	2.5 x						
LTM Total Adjusted EBITDA ⁽⁴⁾	250							
(+) 50% of HRU LTM EBITDA	10							
LTM Total Adjusted EBITDA ⁽⁵⁾	259							
Coverage								
PF Total Interest Expense ⁽⁶⁾	83							
EBITDA / Interest Expense ⁽⁷⁾	3.1 x							

(1) Figures reflect consolidated accounts for restructuring transaction and based on exchange rates as at June 30, 2016.

(2) Interest rate reflects blended interest rate for all OpCo debt as at June 30, 2016.

(3) Libor rate reflects the 1% floor, as established in the NSPNs Issuance Agreement; Libor on June 30, 2016 was below 1%.

(4) Figure reflects LTM consolidated figure through June 30, 2016 (ARS @ Blue rate).

(5) Maintenance covenant: Net Debt / EBITDA of 6.0x (as per NSPNs Issuance Agreement).

(6) Figure reflects proforma interest expense based on financial debt and interest rates as at June 30, 2016; includes 50% of HRU proforma interest expense.

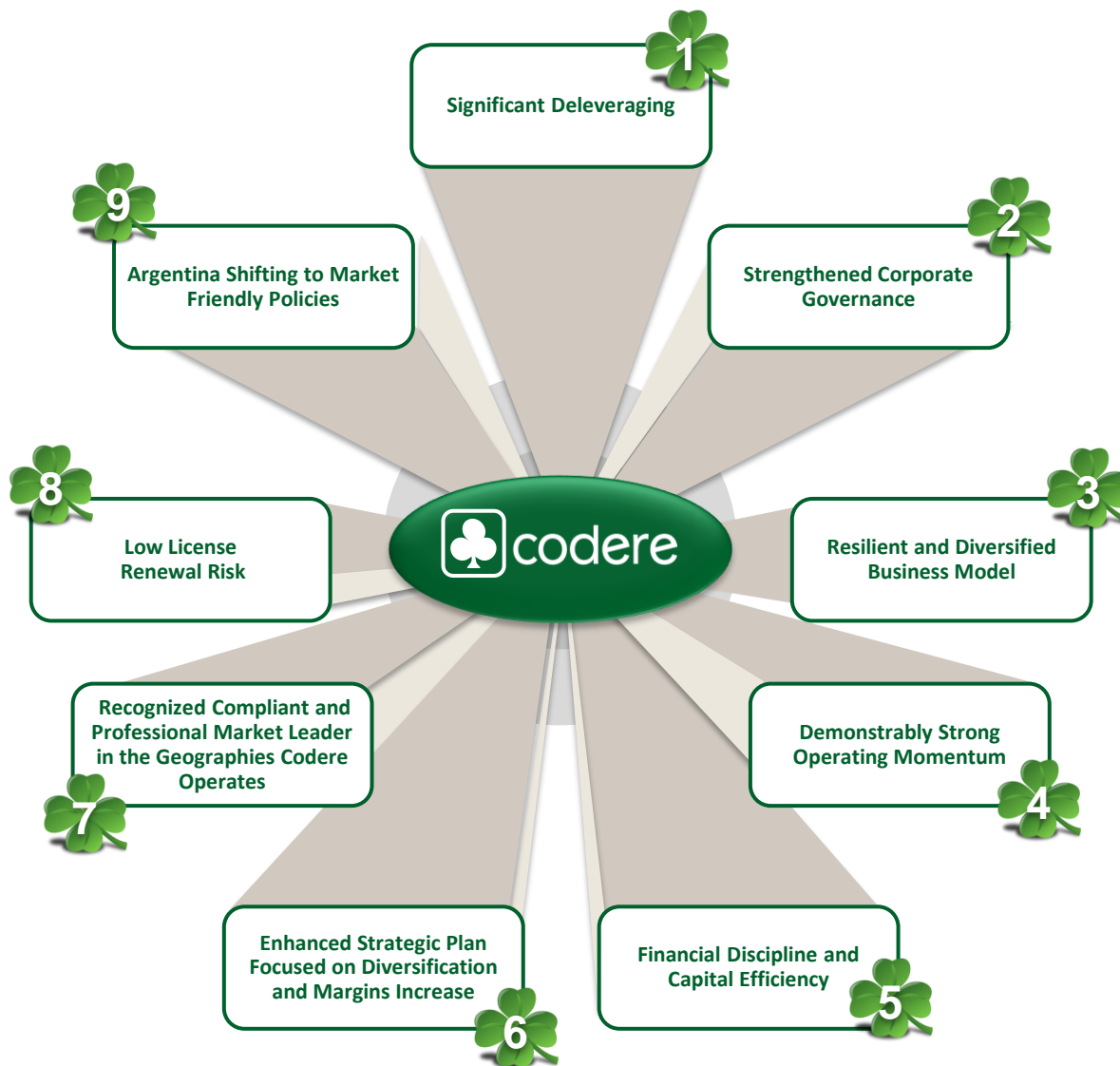
(7) Figure reflects LTM Total Adjusted EBITDA divided by proforma total interest expense.

Capital Structure

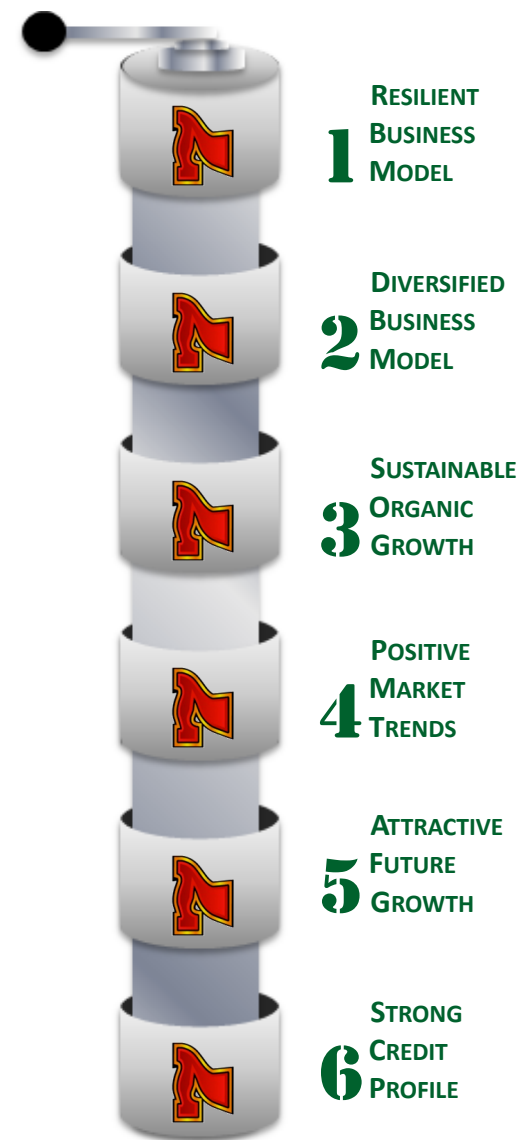
- Strong downside protection to bondholders through secured, double LuxCo capital structure
- Codere seeks to maintain leverage of between 2.0x-3.0x ND / EBITDA
- Medium term objective of terming out corporate debt maturities
- Maintain current financing at operating company level to optimize Group tax 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 Codere – Vastly Improved



Key Credit Highlights



6. Appendix

Overview of Non-Recurring Expenses

Non-Recurring Items by Country

Country	2013	2014	2015	2016
	FY	FY	FY	Q2LTM
<i>Argentina @Blue Rate</i>	(2.6)	(6.5)	(6.1)	(13.1)
<i>Mexico</i>	(13.5)	(4.2)	(2.5)	(2.3)
<i>Spain</i>	(0.6)	(1.4)	(0.7)	(0.5)
<i>Italy</i>	(1.0)	(23.1)	0.0	0.0
<i>Panama</i>	(0.4)	0.4	(2.3)	(2.7)
<i>Colombia</i>	(1.9)	(0.2)	0.1	(0.3)
<i>Carrasco</i>	(0.4)	0.0	(0.2)	(2.8)
<i>Brazil</i>	0.0	0.0	0.0	0.0
Total Non-Recurring Ex Financial Restructuring	(20.3)	(35.0)	(11.7)	(21.7)
<i>HQ - Non-Recurring Financial Restructuring</i>	(14.4)	(25.2)	(25.5)	(53.6)
Total Non-Recurring	(34.7)	(60.2)	(37.2)	(75.3)

Comments

- Argentina: Mainly personnel restructuring costs. Includes blue rate FX adjustment
- Mexico: IEPS (federal gaming tax) and other tax settlements and personnel restructuring costs
- Spain: Personnel restructuring costs
- Italy: Corte di Conti settlement in 2014 and other tax related contingencies and personnel restructuring costs in previous years
- Panama: Personnel restructuring costs
- Colombia: Tax settlements and personnel restructuring costs
- Carrasco : Administrative penalty in 2013 and personnel restructuring costs in 2015 and 2016
- HQ: Primarily fees and other expenses associated with the financial restructuring process

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