

1Q 2016 Earnings Results

May 13, 2016



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- **1Q 2016 Take Aways**

- **Recent History**

- **Restructuring Overview**

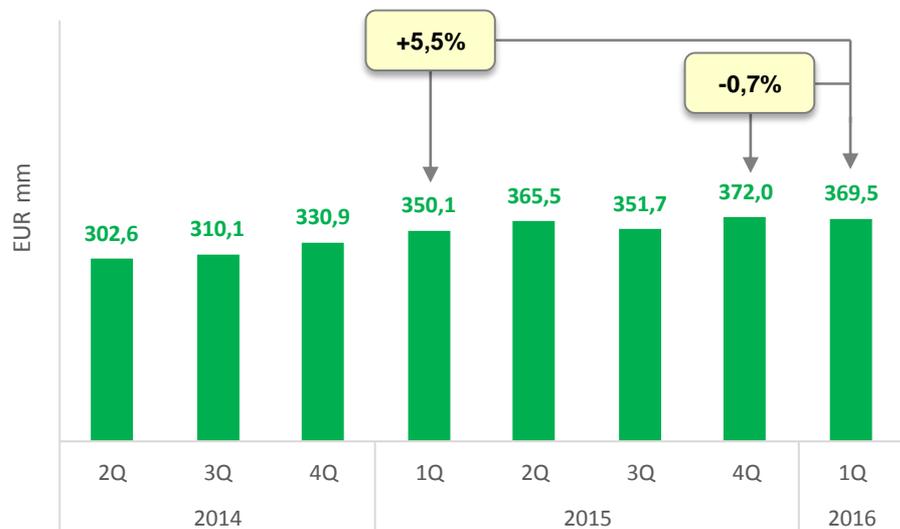
- **Company Outlook**

- **Appendix**

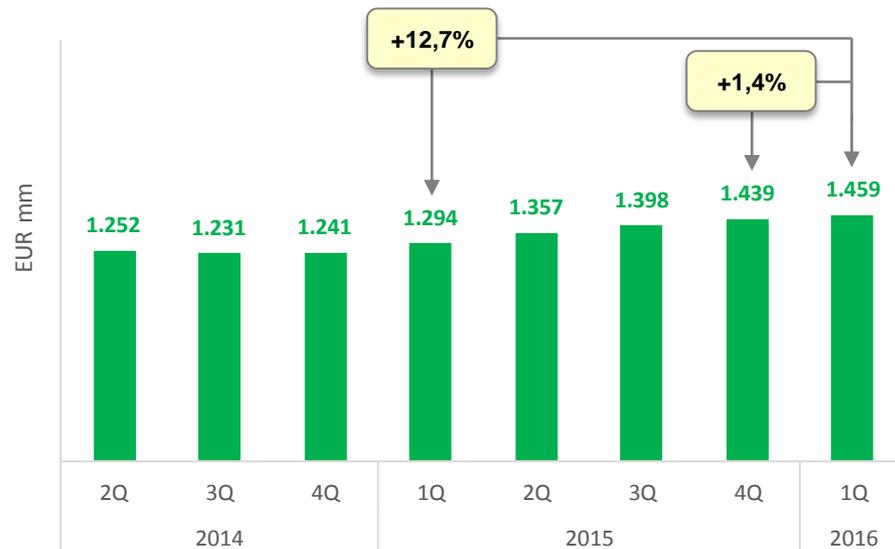


Total Revenue (ARS @ Blue Rate) (1)

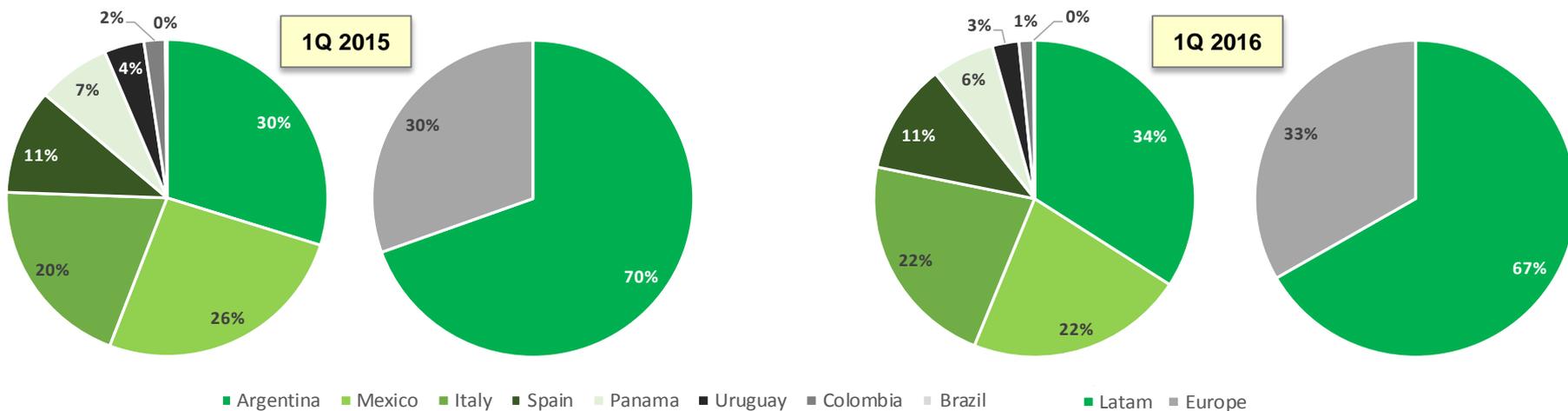
Quarter



LTM



Geographic Mix

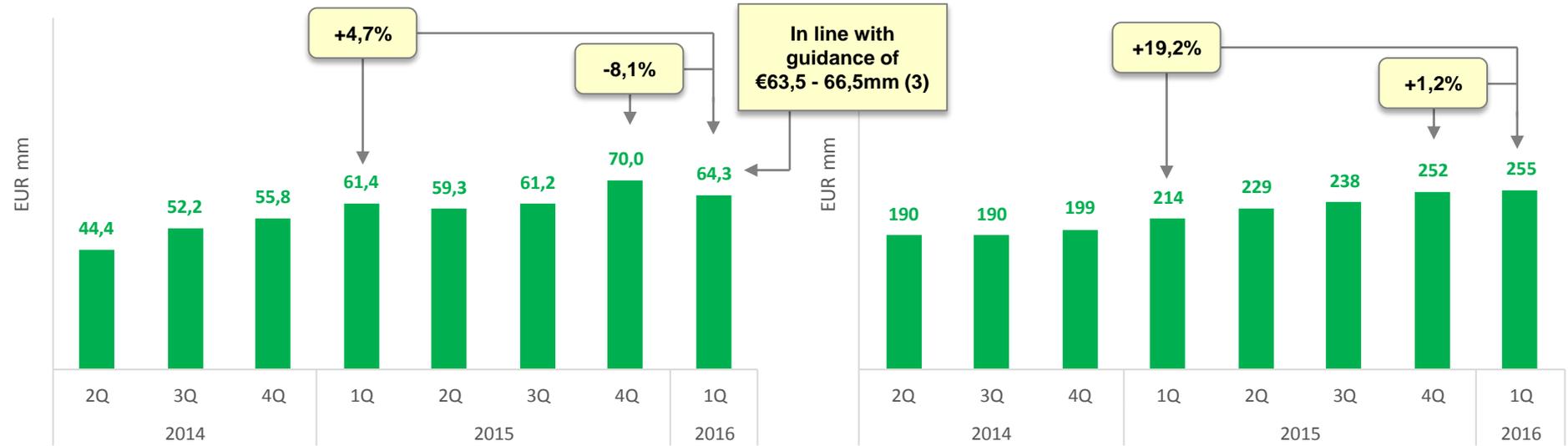


(1) Figures reflect Company consolidated revenue plus 50% of HRU (unconsolidated joint venture accounted for under equity method) revenue.

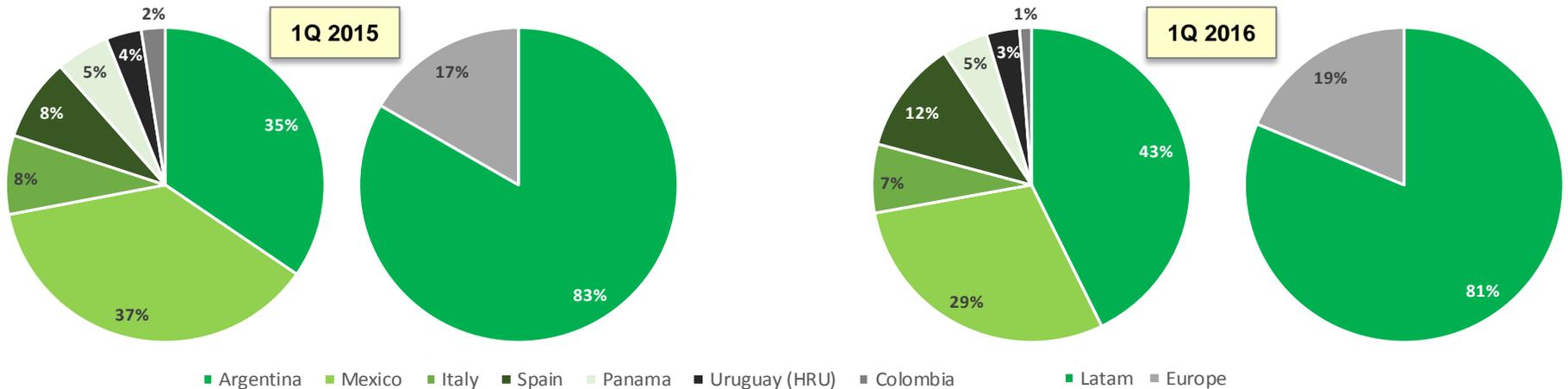
Total Adjusted EBITDA (ARS @ Blue Rate) (1)

Quarter

LTM



Geographic Mix (2)

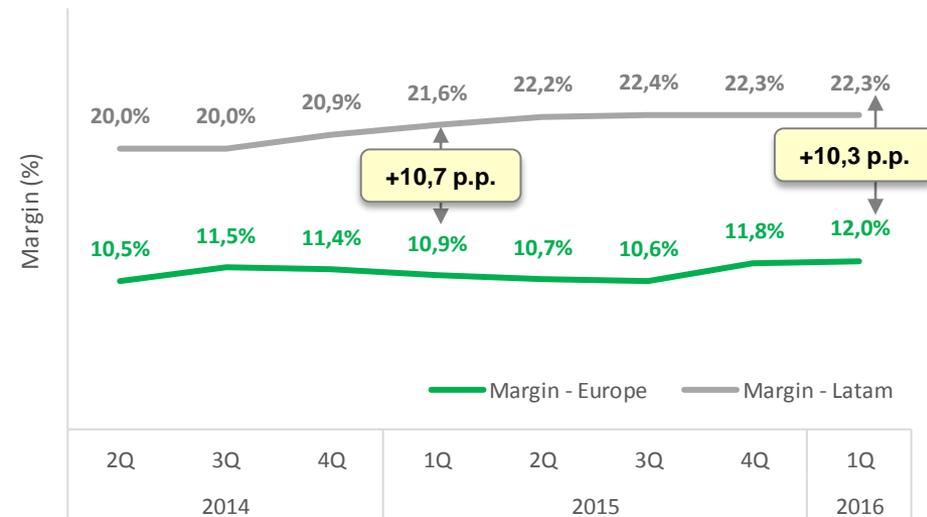
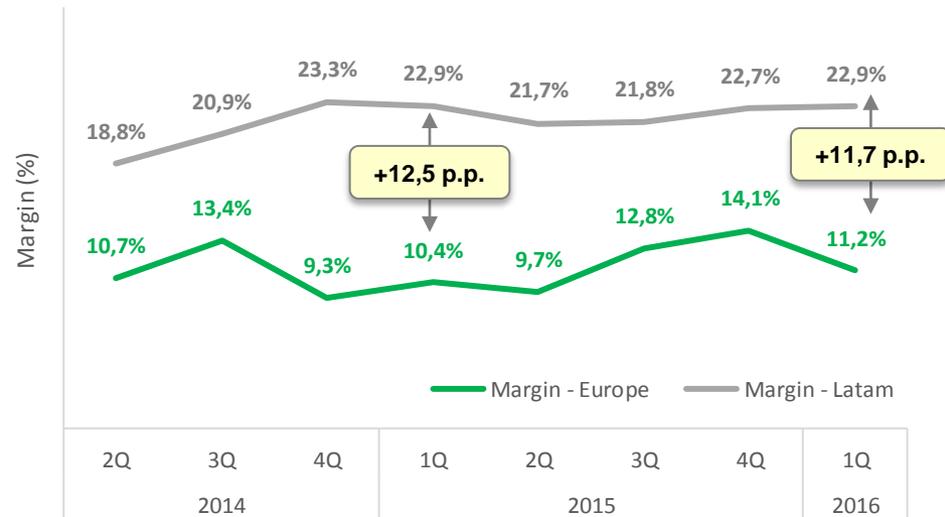
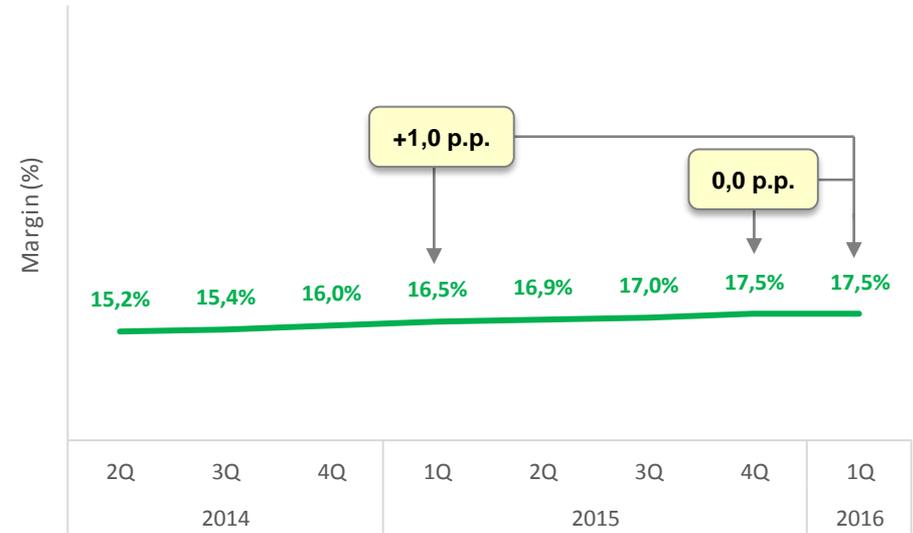
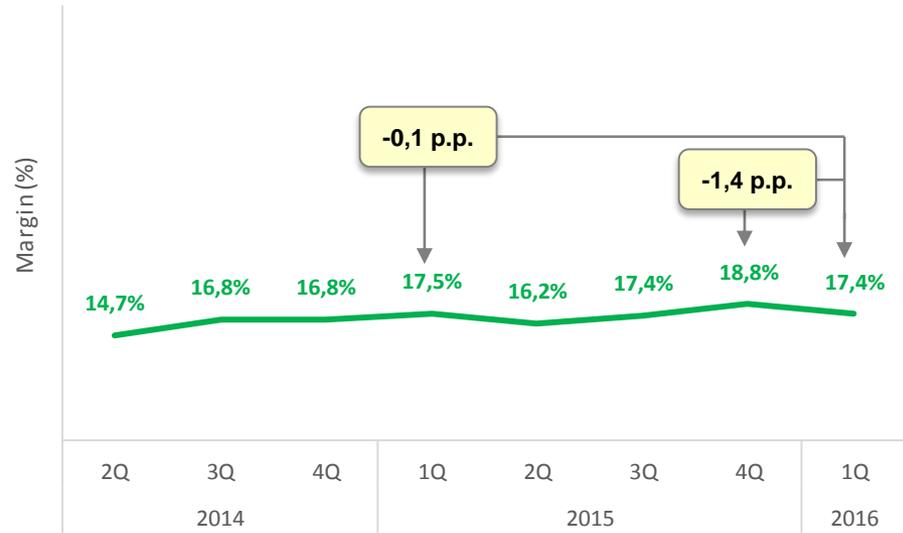


(1) Figures reflect Company consolidated adjusted EBITDA plus 50% of HRU (unconsolidated joint venture accounted for under equity method) adjusted EBITDA.
 (2) Figures reflect contribution to total adjusted EBITDA before Corporate Overhead and excluding Brazil and Carrasco due to negative adjusted EBITDA.
 (3) Guidance excluding 50% of HRU Adjusted EBITDA (€2,5mm in 1Q 2016) was €61 – 64mm.

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

Quarter

LTM

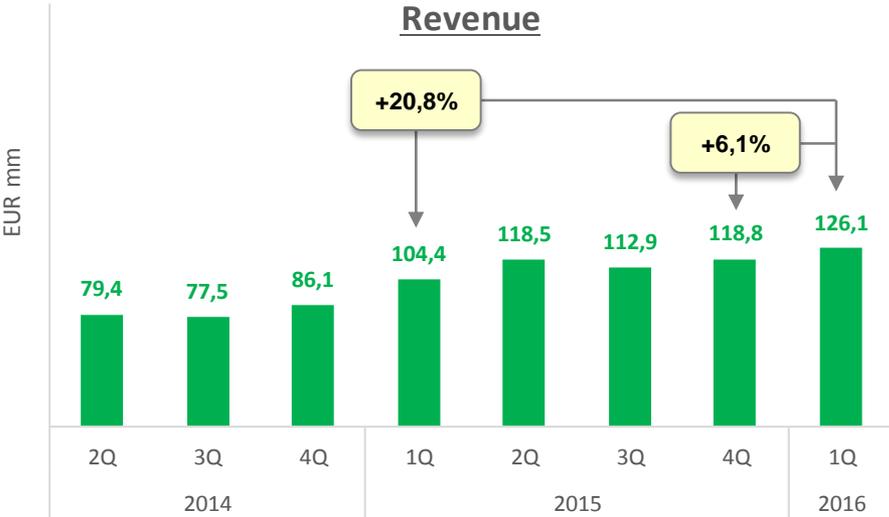


(1) Figures reflect Company consolidated adjusted EBITDA plus 50% of HRU (unconsolidated joint venture accounted for under equity method) adjusted EBITDA.

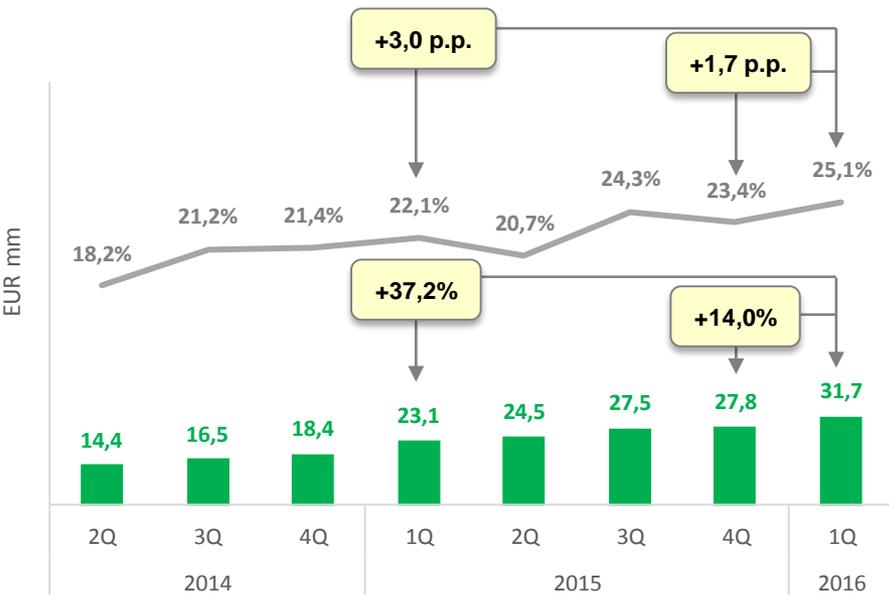
Argentina – Operating Results (ARS @ Blue Rate)

Quarter

Revenue

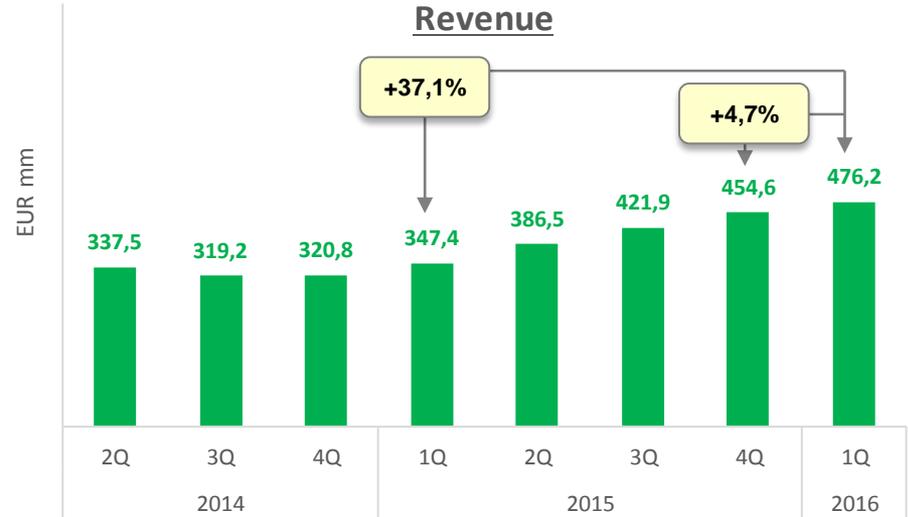


Adjusted EBITDA

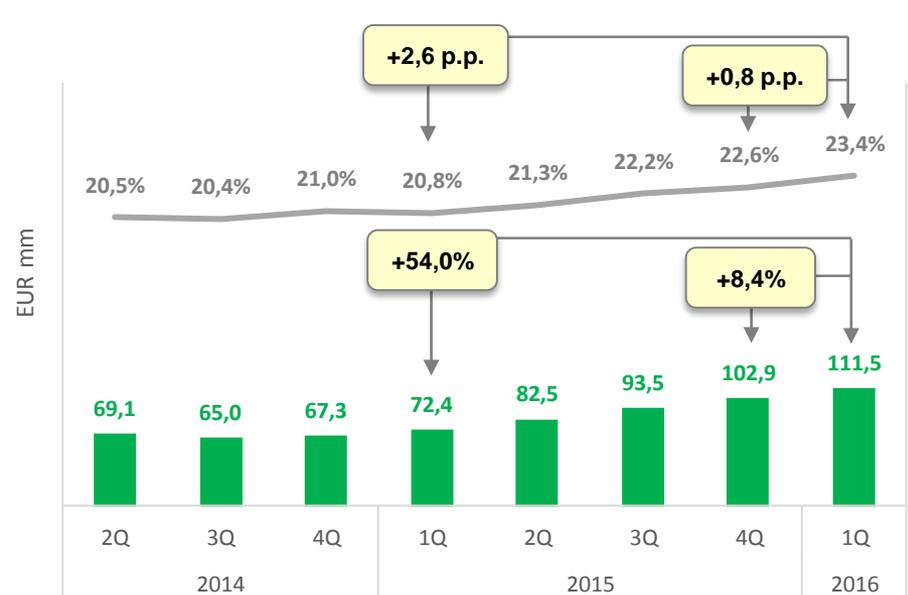


LTM

Revenue



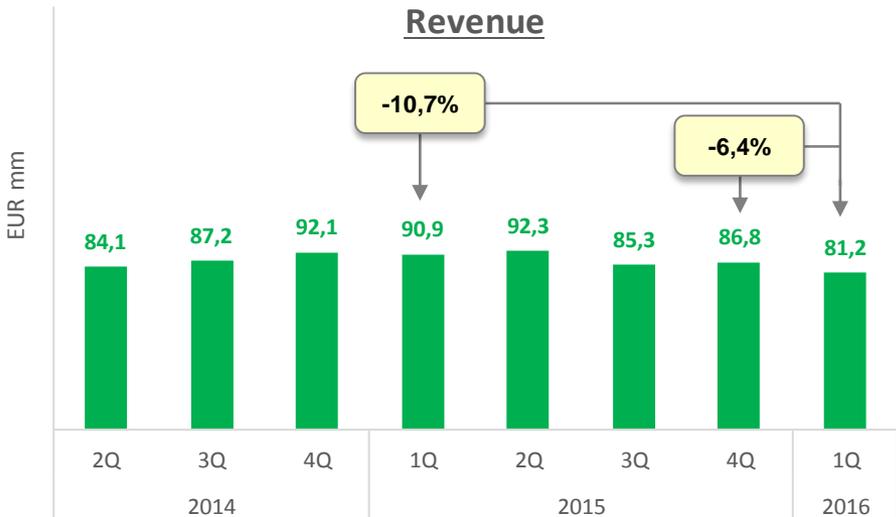
Adjusted EBITDA



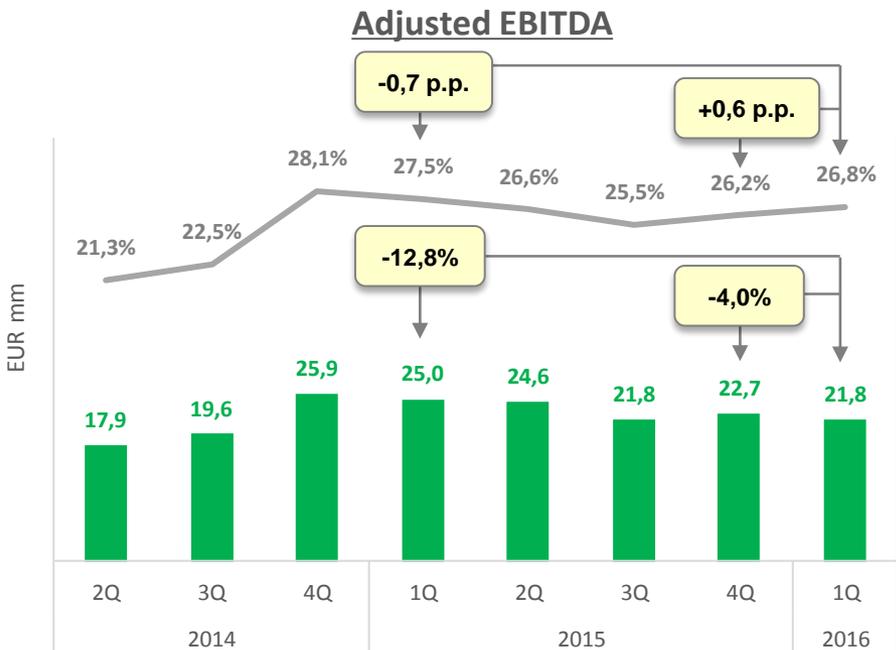
Mexico – Operating Results

Quarter

Revenue

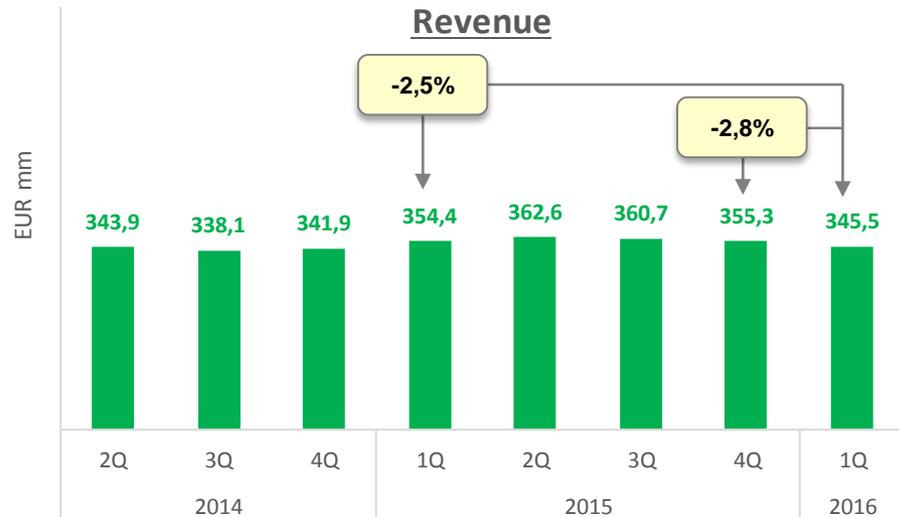


Adjusted EBITDA

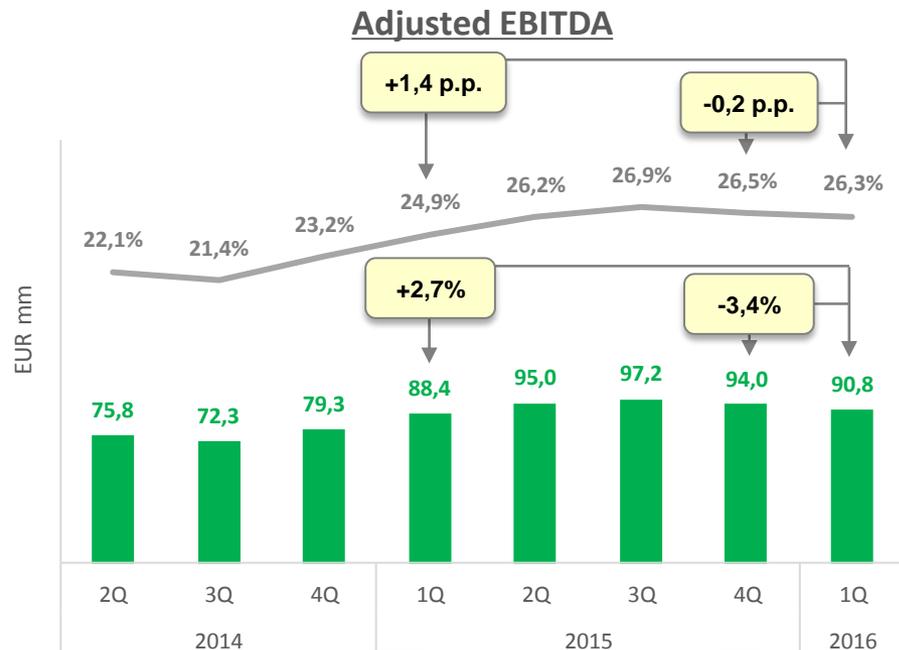


LTM

Revenue



Adjusted EBITDA

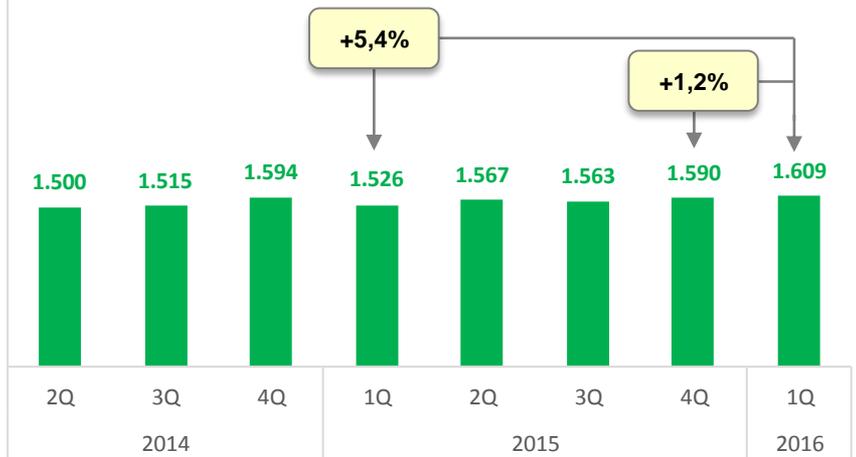


Mexico – Operating Results (Local Currency)

Quarter

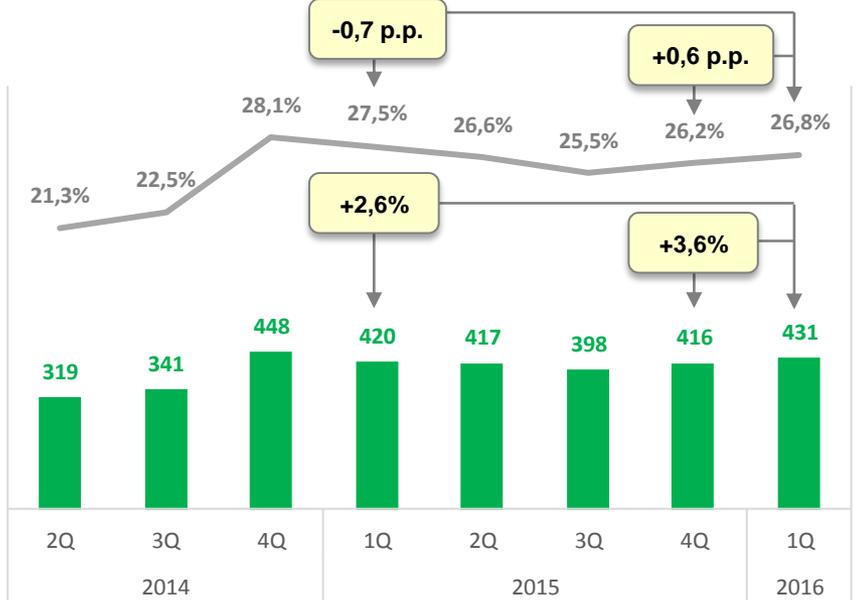
Revenue

MXN mm



Adjusted EBITDA

MXN mm



LTM

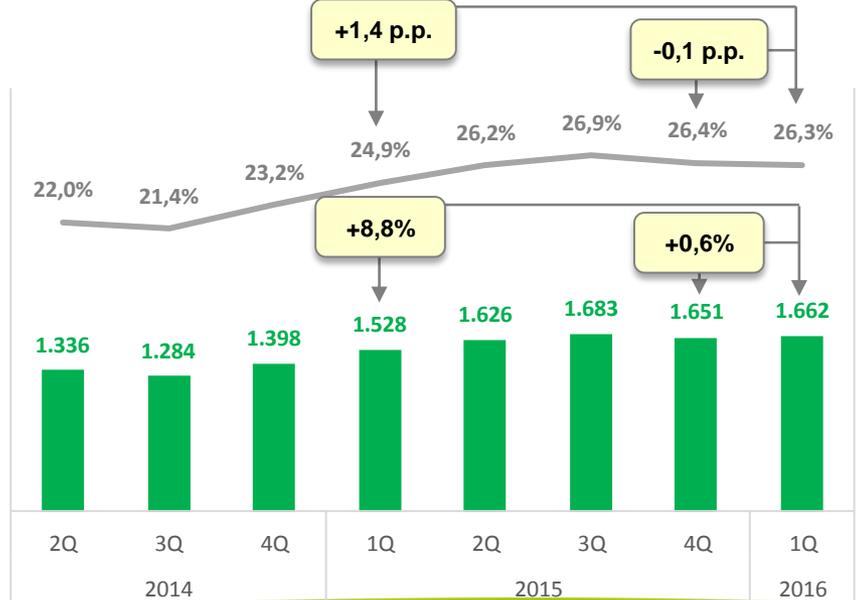
Revenue

MXN mm



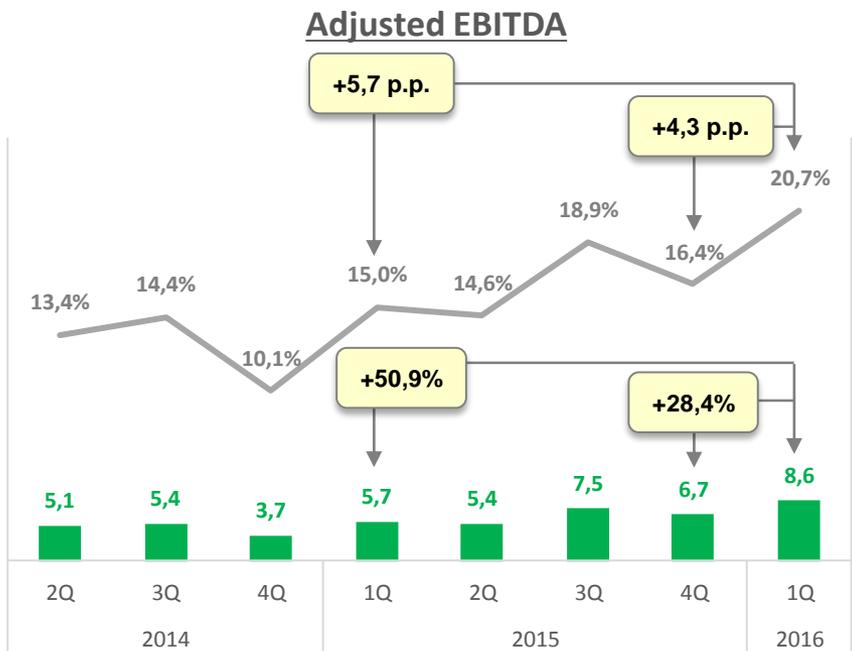
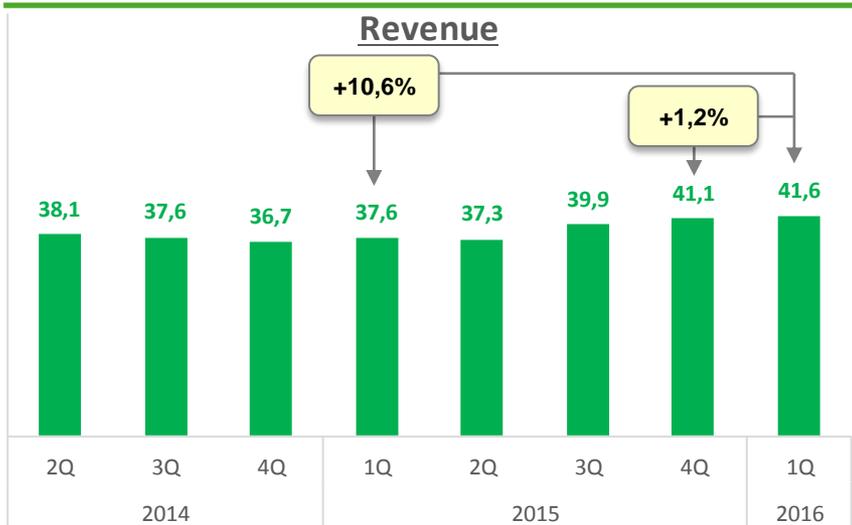
Adjusted EBITDA

MXN mm

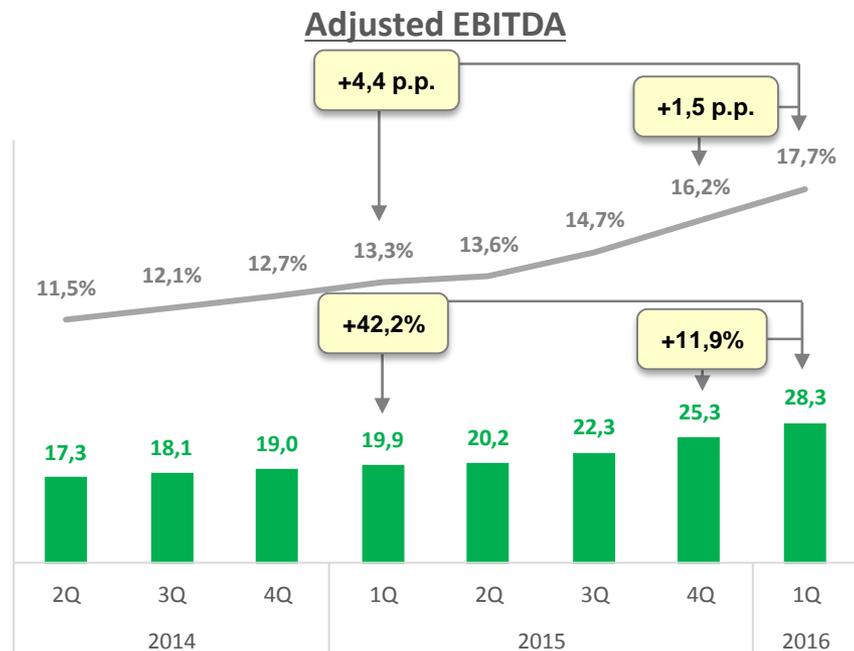
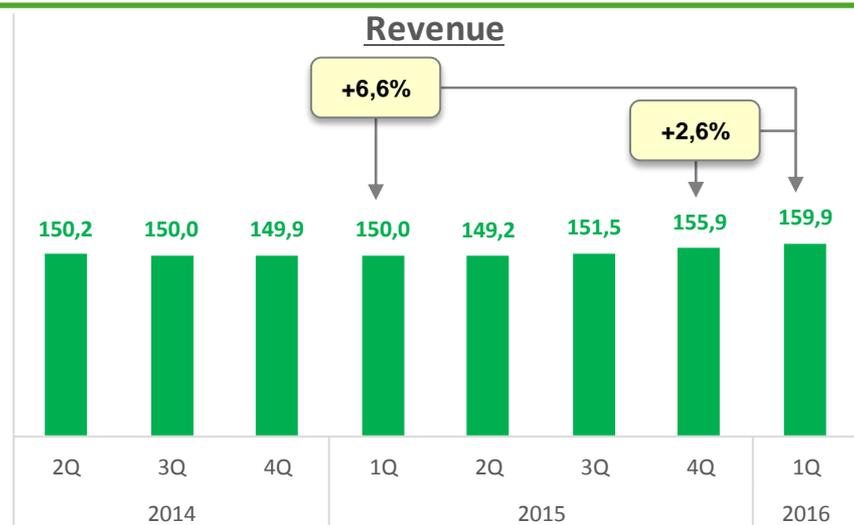


Spain – Operating Results

Quarter



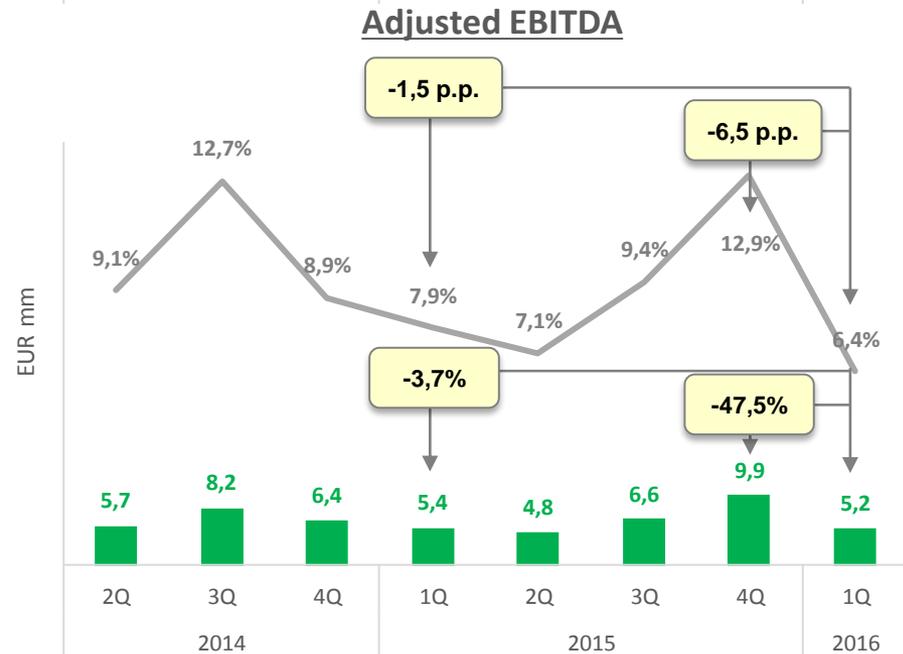
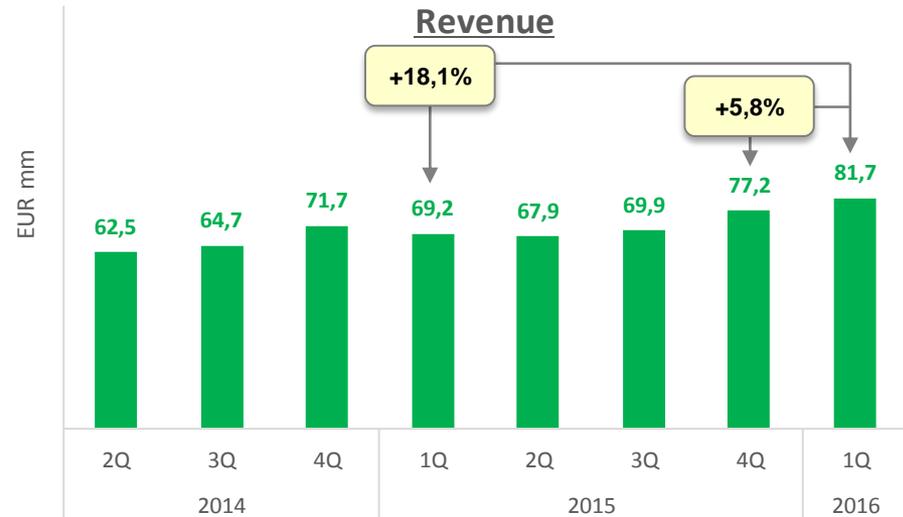
LTM



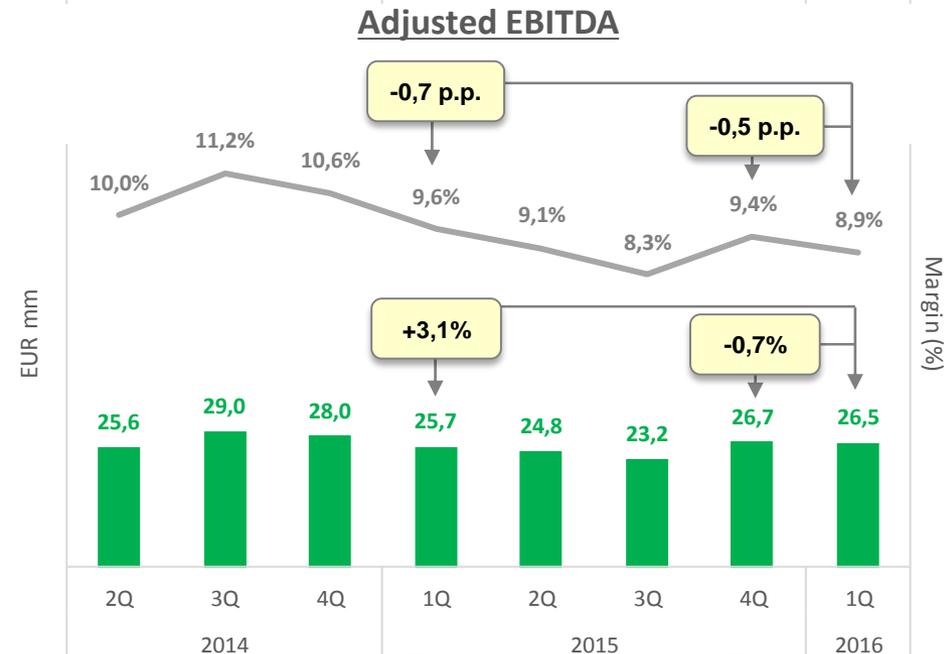
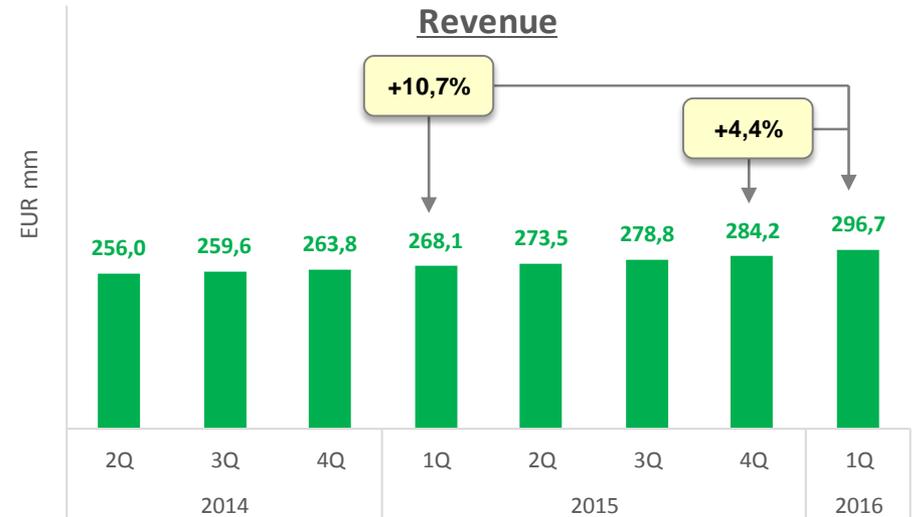
1Q 2016 Take Aways

Italy – Operating Results

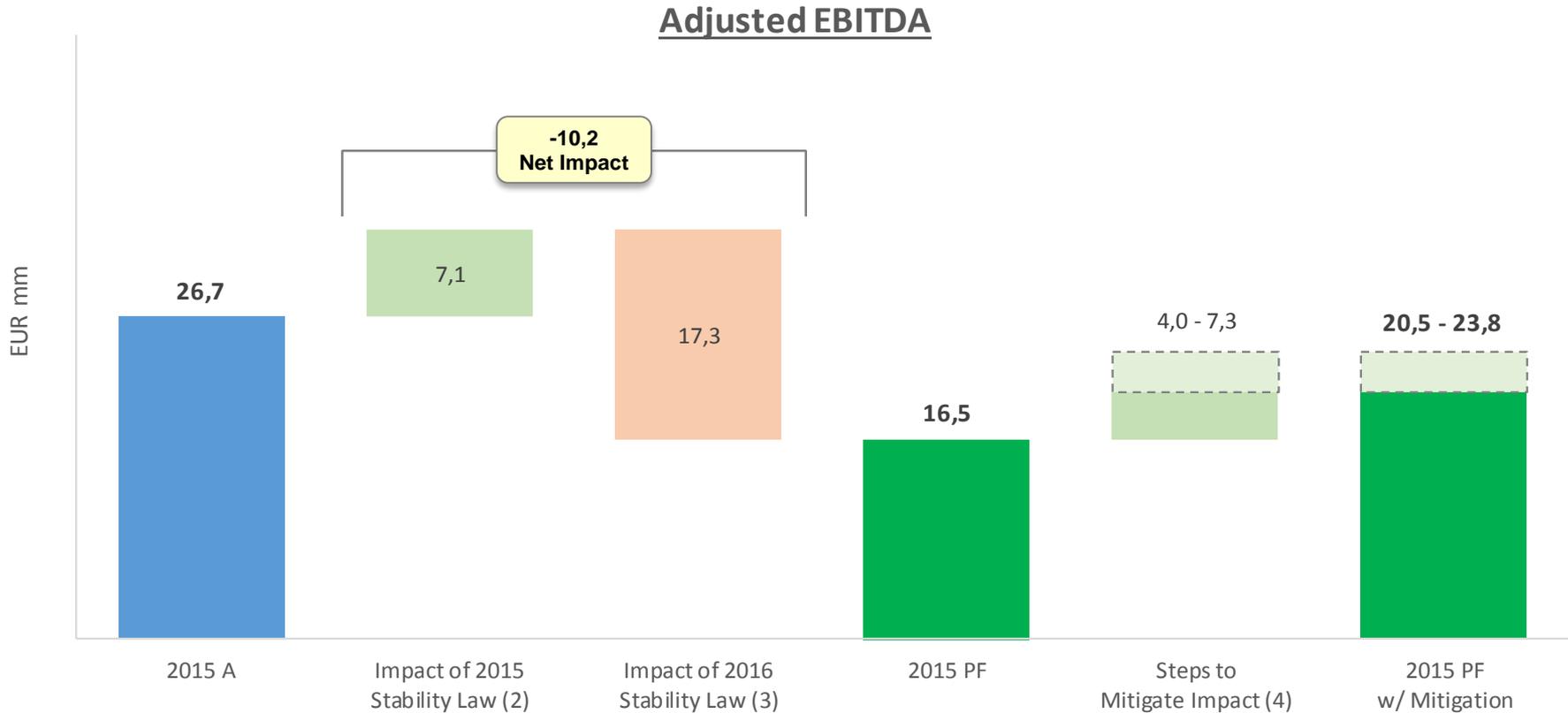
Quarter



LTM



Italy – Impact of 2016 Stability Law (1)



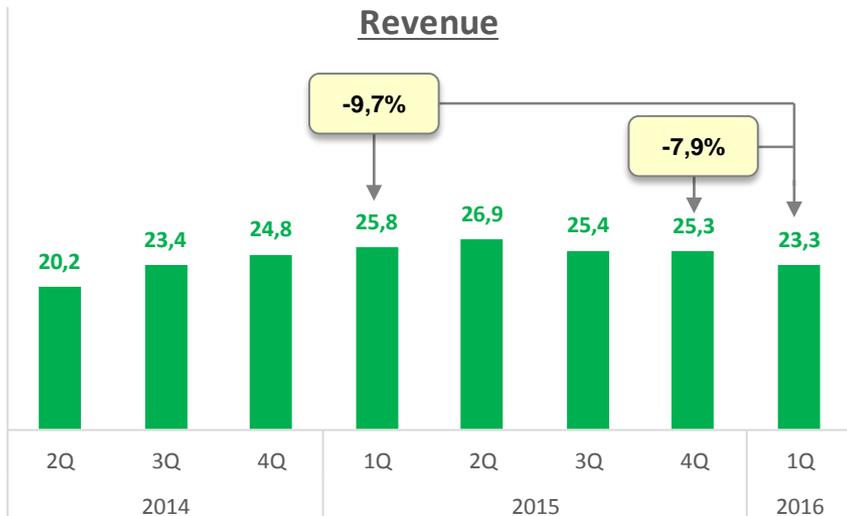
- (1) Increase in gaming taxes, effective January 1, 2016, including 4,5% on AWP's (to 17,5%) and 0,5% on VLT's (to 5,5%).
- (2) Figure reflects actual impact on 2015 results.
- (3) Figure reflects proforma impact (ie. as if 2016 Stability Law was in place on January 1, 2015).
- (4) Figure (range) reflects expected impact on EBITDA from a reduction in machine payout to 70%, from 74%.

Panama – Operating Results

Quarter

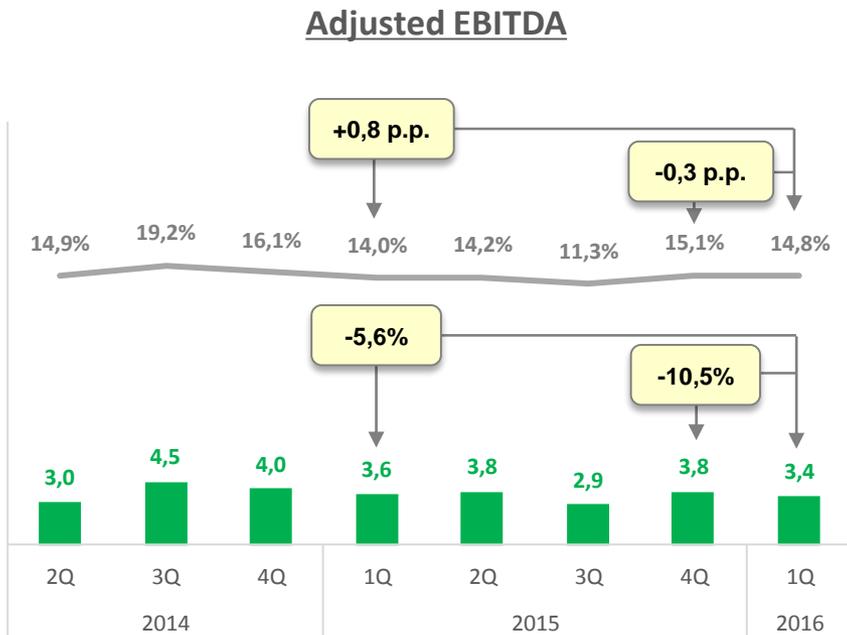
Revenue

EUR mm



Adjusted EBITDA

EUR mm

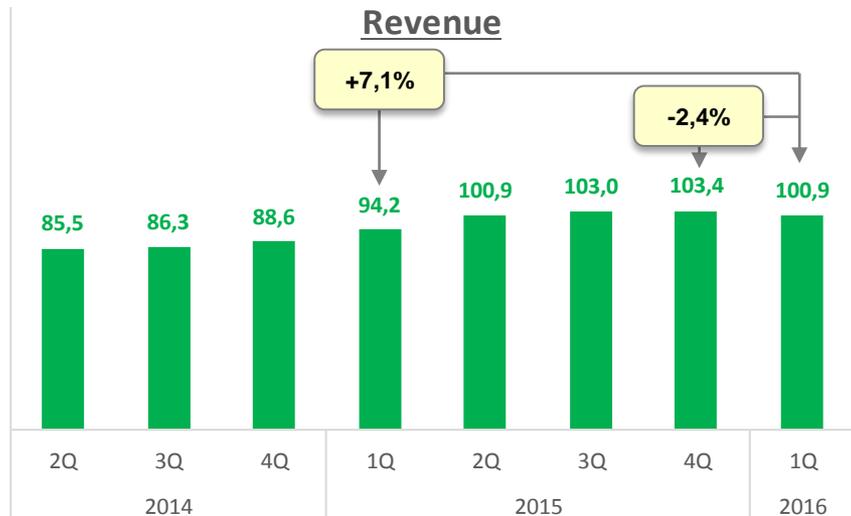


Margin (%)

LTM

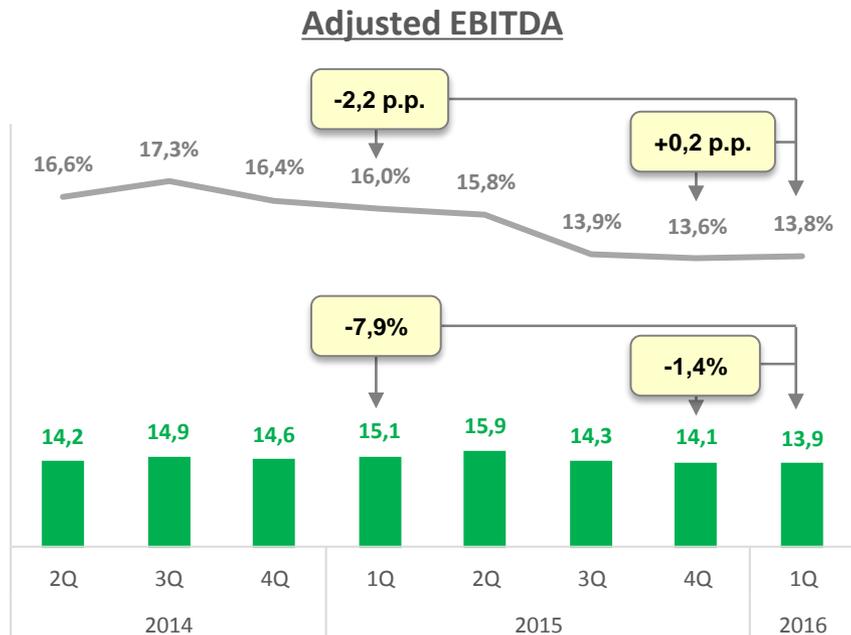
Revenue

EUR mm



Adjusted EBITDA

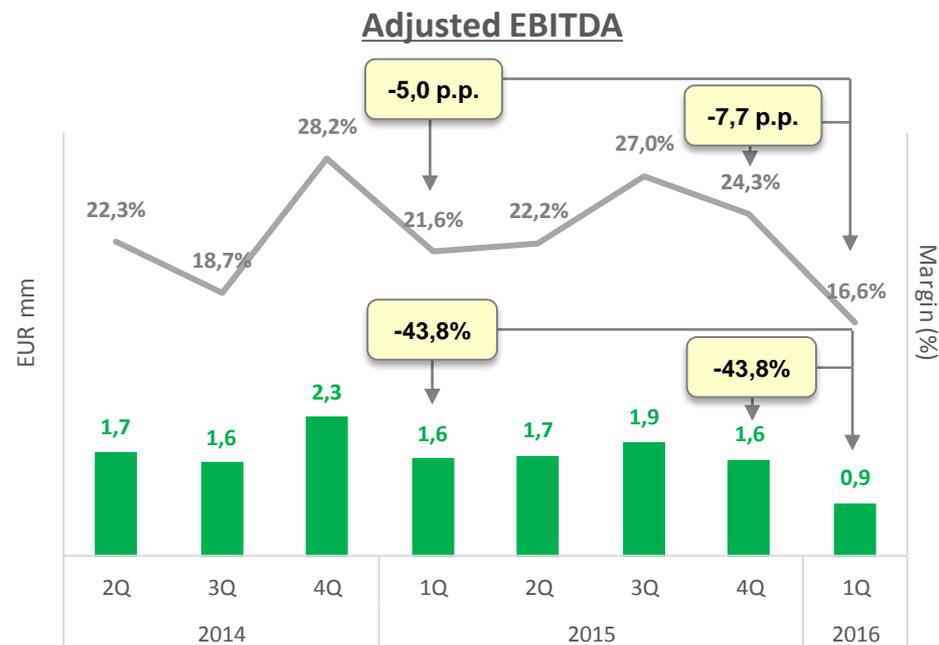
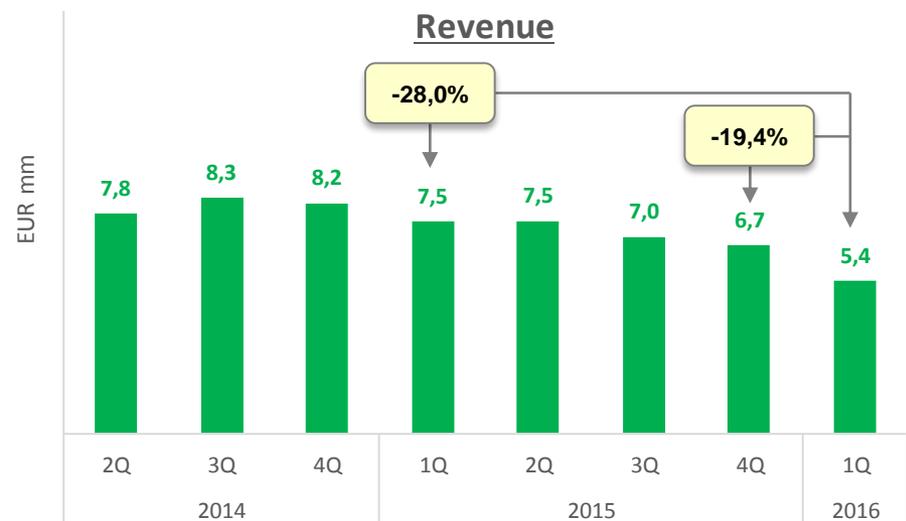
EUR mm



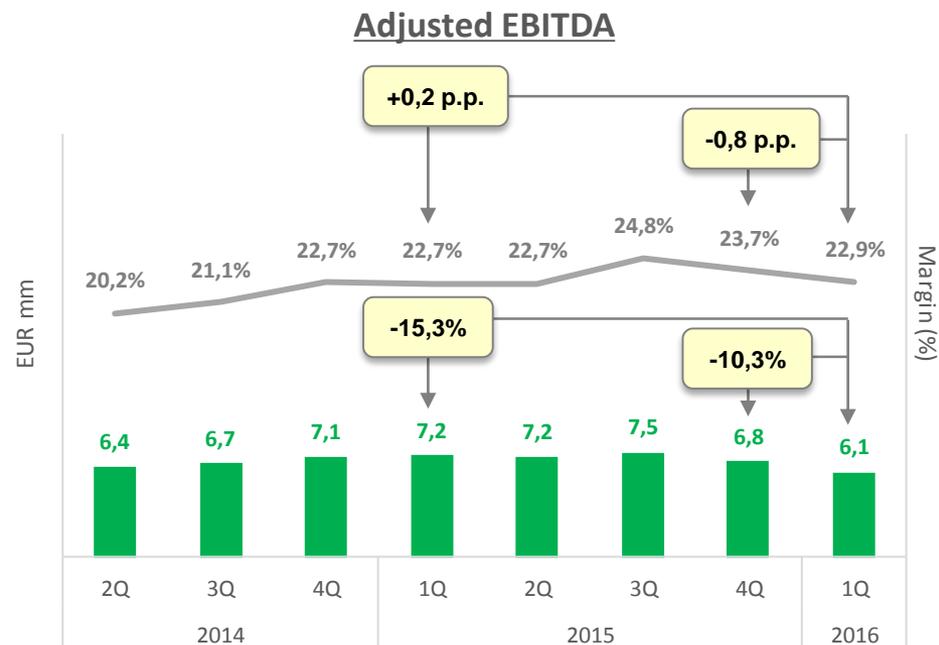
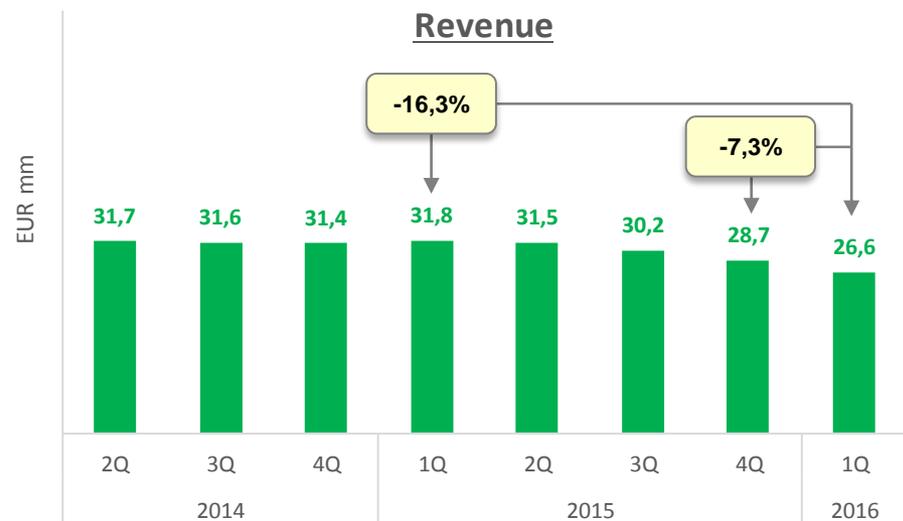
Margin (%)

Colombia – Operating Results

Quarter

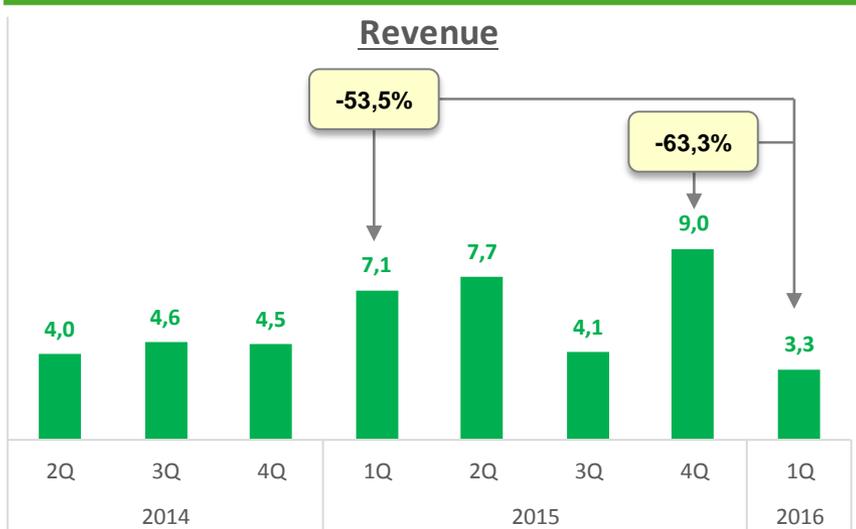


LTM

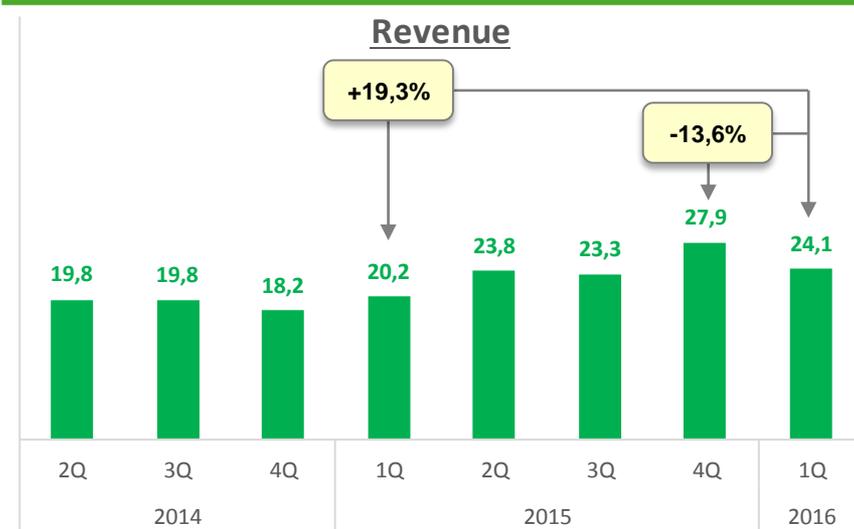


Uruguay (Carrasco Nobile) – Operating Results

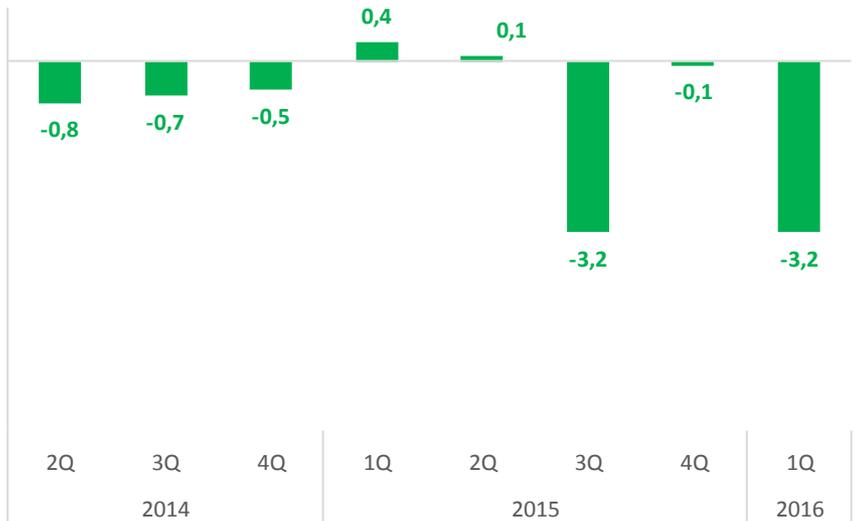
Quarter



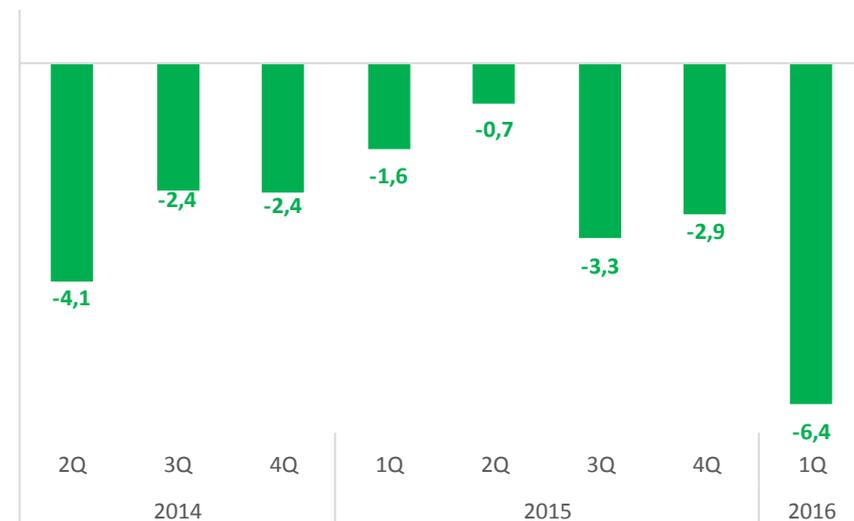
LTM



Adjusted EBITDA



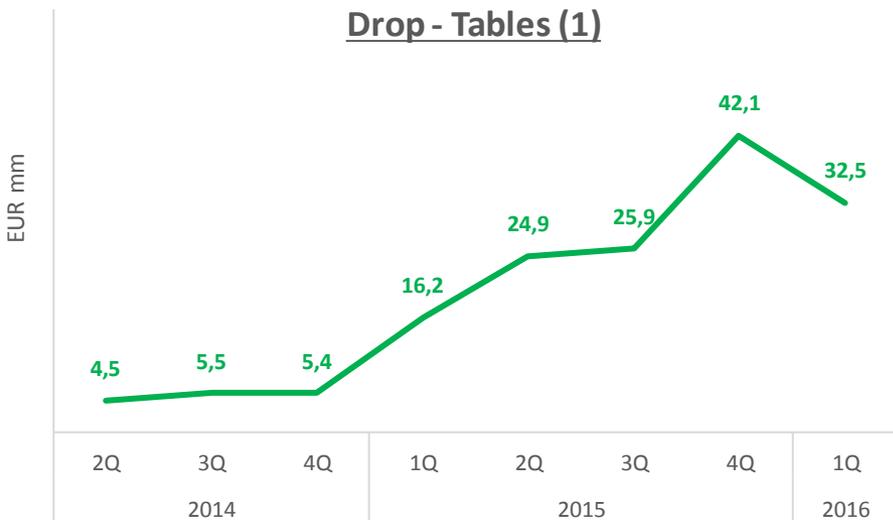
Adjusted EBITDA



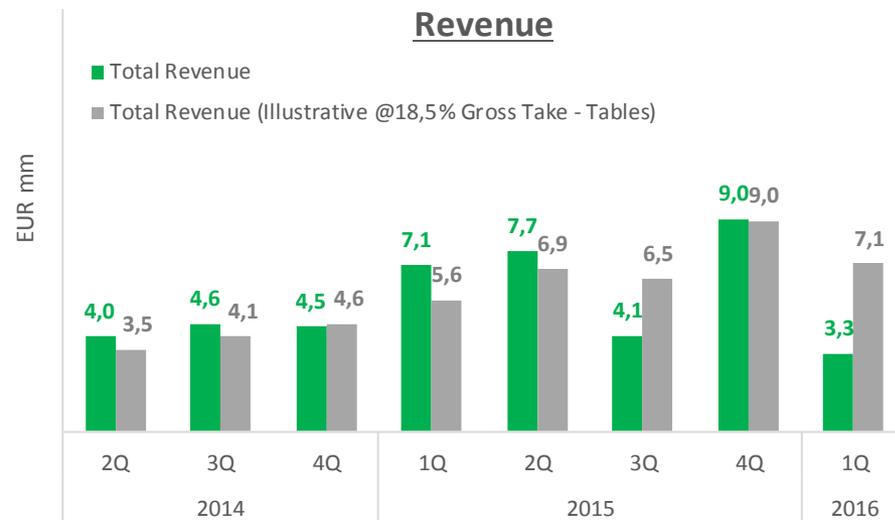
Uruguay (Carrasco Nobile) – “Illustrative” Operating Results (3)

Quarter

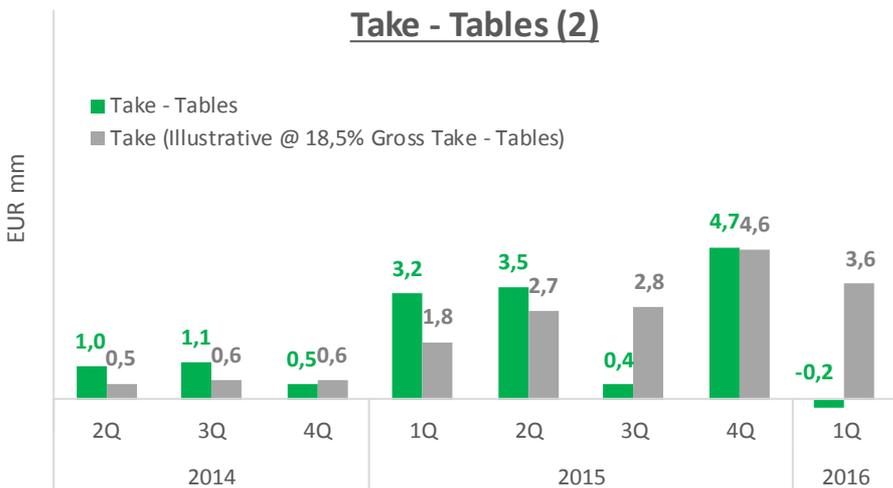
Drop - Tables (1)



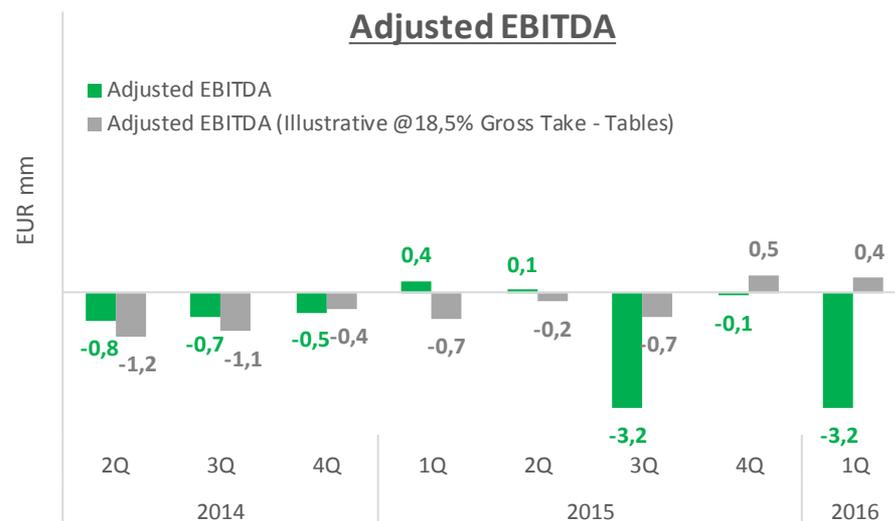
Revenue



Take - Tables (2)



Adjusted EBITDA



(1) Includes mainfloor and VIP business.

(2) Take reflects gross take (ie. drop less customers prizes) less discounts on player losses.

(3) Figures for illustrative purposes only based on an assumed 18,5% gross take on table drop and static assumptions on % discount on player losses.

Consolidated Free Cash Flow (ARS @ Blue Rate) (1)

<u>Quarter</u>	2014			2015				2016
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Adjusted EBITDA	42,5	50,1	53,9	59,0	57,2	58,8	67,7	61,8
CIT Paid	8,1	5,3	7,1	5,8	10,4	7,9	8,7	8,3
Maint. Capex	5,9	14,4	10,2	8,1	14,1	11,3	12,4	20,7
FCF	28,5	30,4	36,5	45,2	32,6	39,6	46,6	32,8

<u>LTM</u>	2014			2015				2016
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Adjusted EBITDA	182,1	182,2	191,2	205,6	220,2	228,8	242,6	245,5
CIT Paid	28,6	25,1	25,2	26,3	28,7	31,3	32,8	35,4
Maint. Capex	27,2	36,1	35,8	38,5	46,8	43,7	45,8	58,5
FCF	126,4	121,0	130,2	140,7	144,7	153,9	164,0	151,6

(1) Consolidated Free Cash Flow, as defined herein, reflects consolidated adjusted EBITDA less i) corporate income taxes paid and ii) maintenance capital expenditures; Company uses this figure as a proxy for cash available for debt service (including mandatory principal amortization) and investment in growth initiatives.

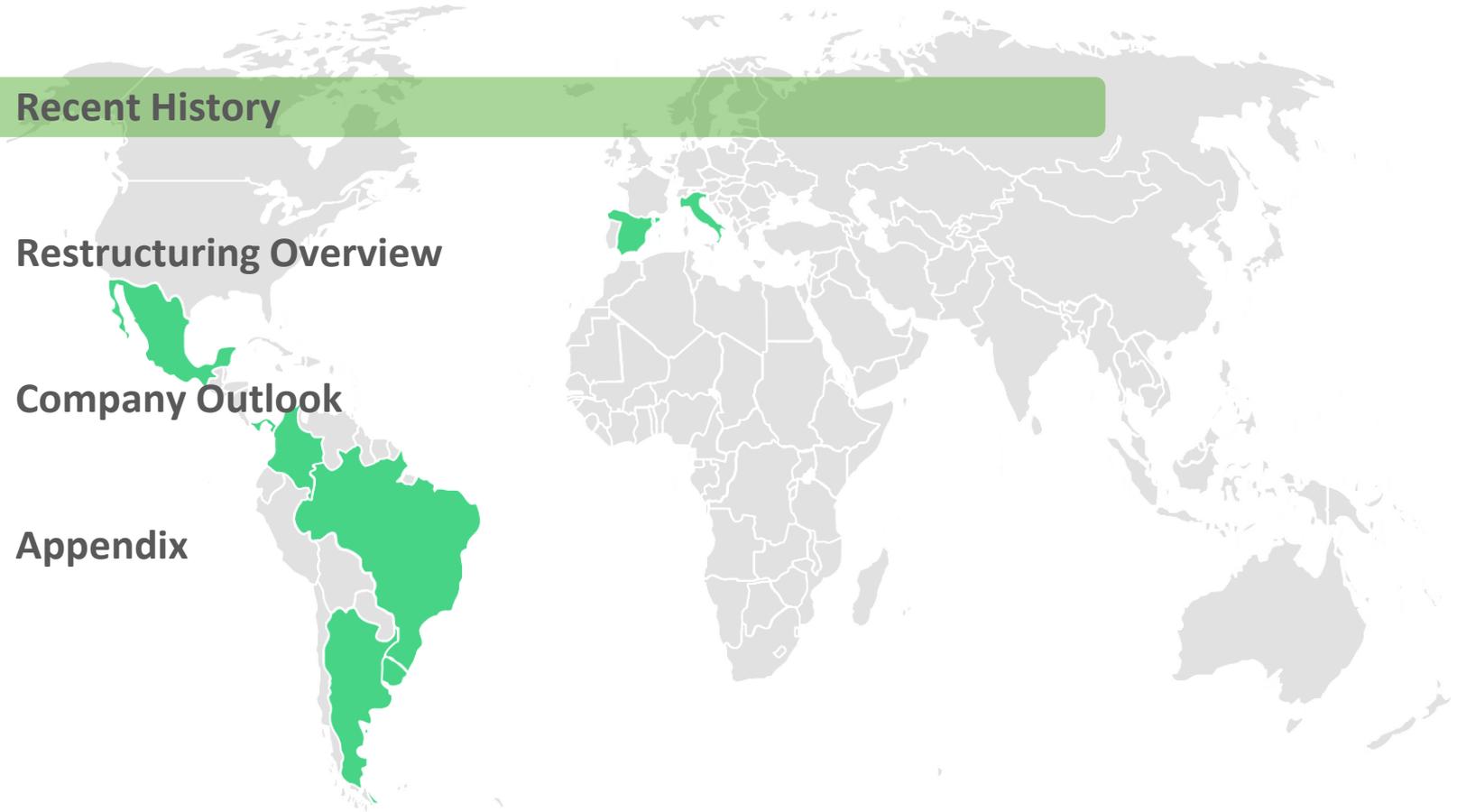
- 1Q 2016 Take Aways

- Recent History

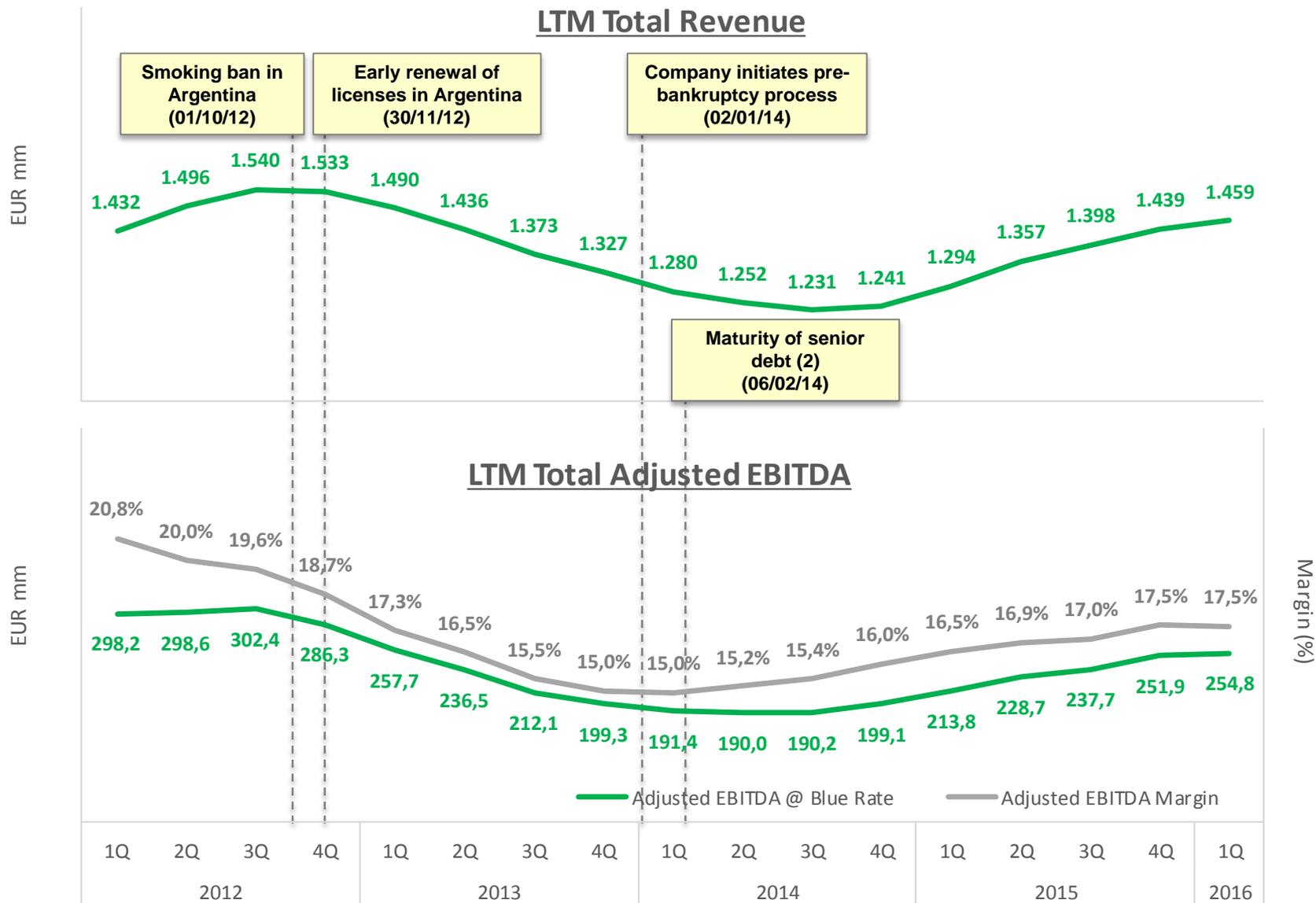
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Historical LTM Total Revenue, Adjusted EBITDA and EBITDA Margin (ARS @ Blue Rate) (1)

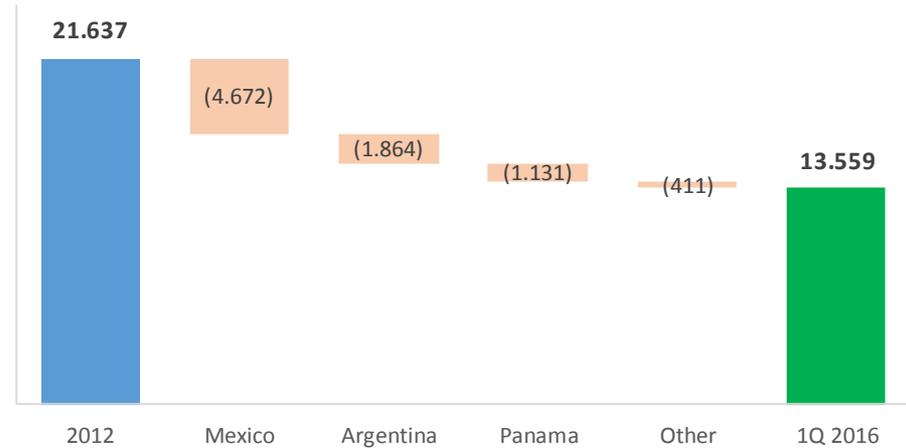
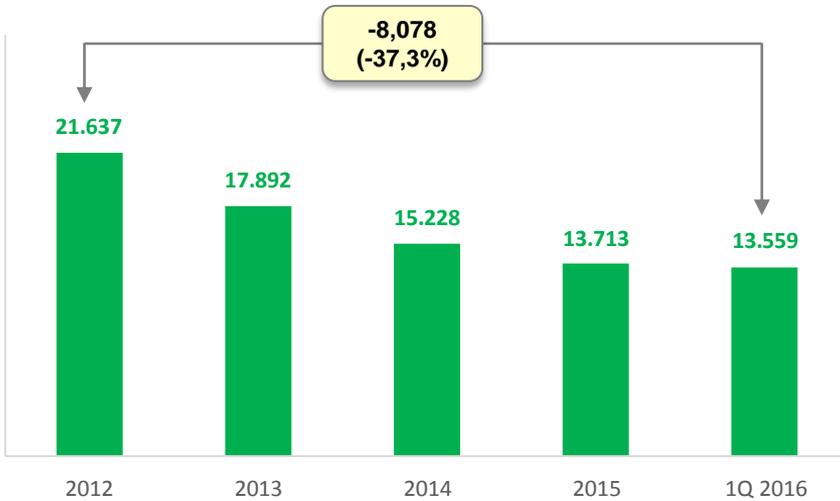


(1) Figures reflect Company consolidated revenue and adjusted EBITDA plus 50% of HRU (unconsolidated joint venture accounted for under equity method) revenue and adjusted EBITDA.

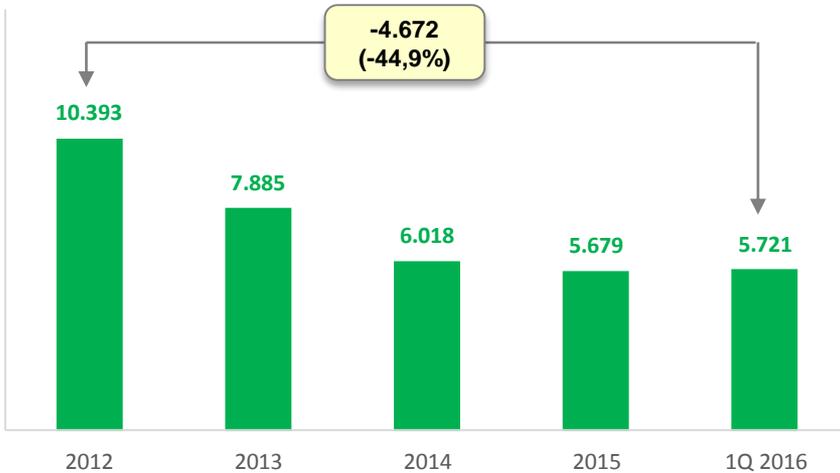
(2) Company announces maturity of senior debt without agreement from lenders to extend maturity (as proposed) to April 15th.

Headcount Reductions (1)

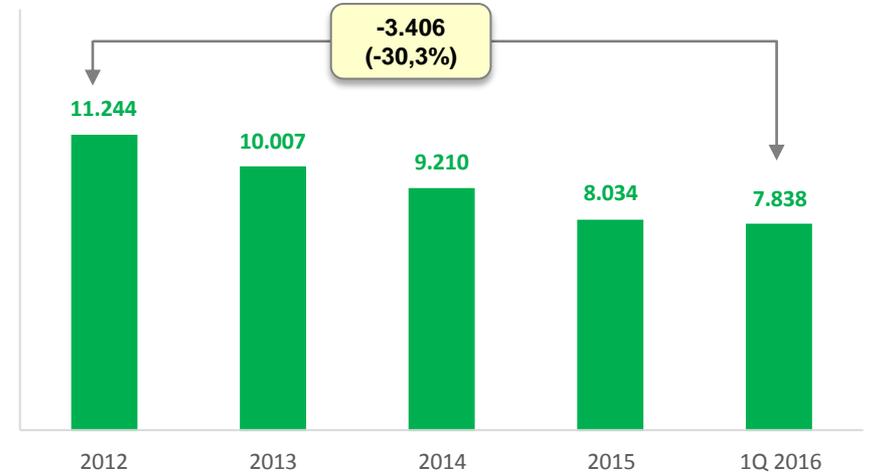
Headcount (EoP) – Group



Headcount (EoP) – Mexico



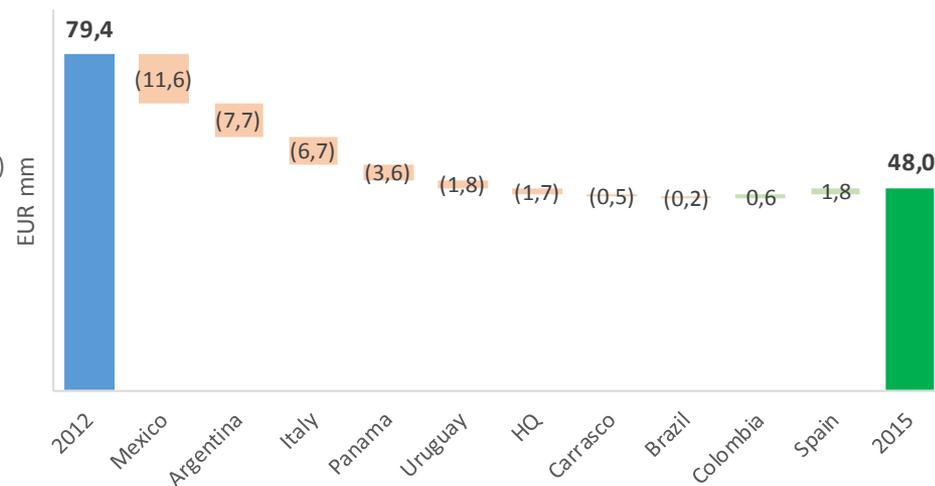
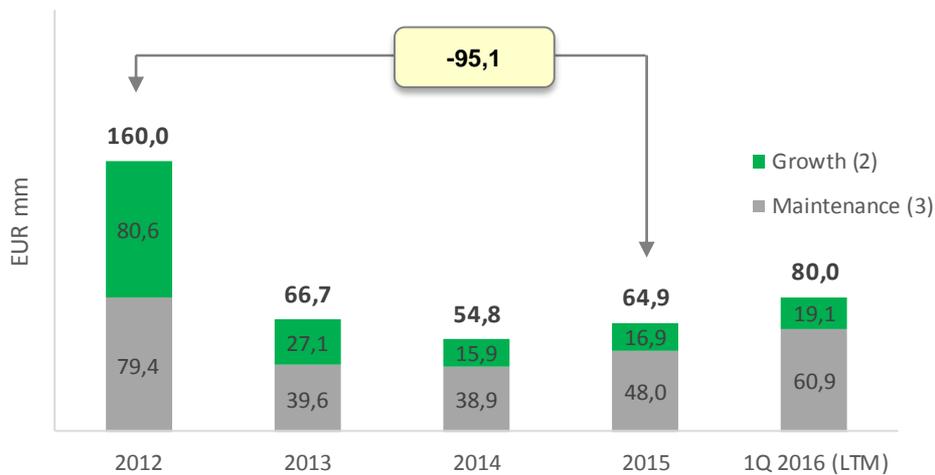
Headcount (EoP) – Other



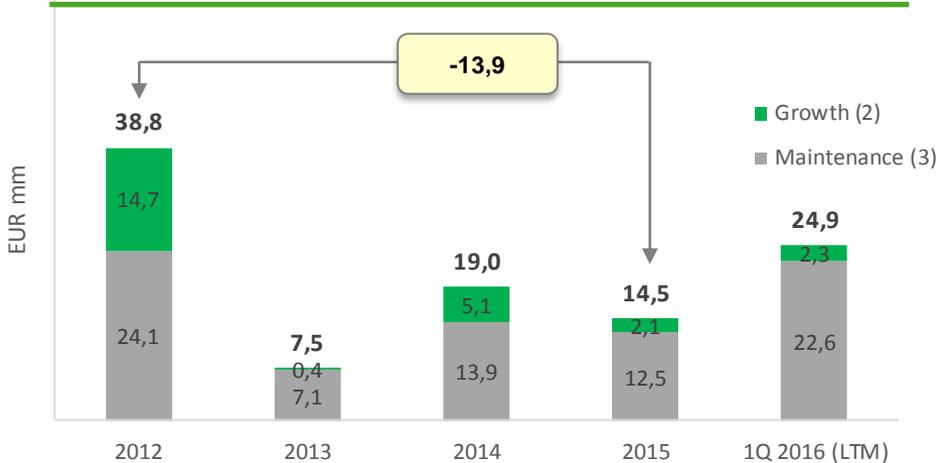
(1) 2012 figures reflect actual headcount as at January 31, 2013.

Capex Reductions (ARS @ Blue Rate)

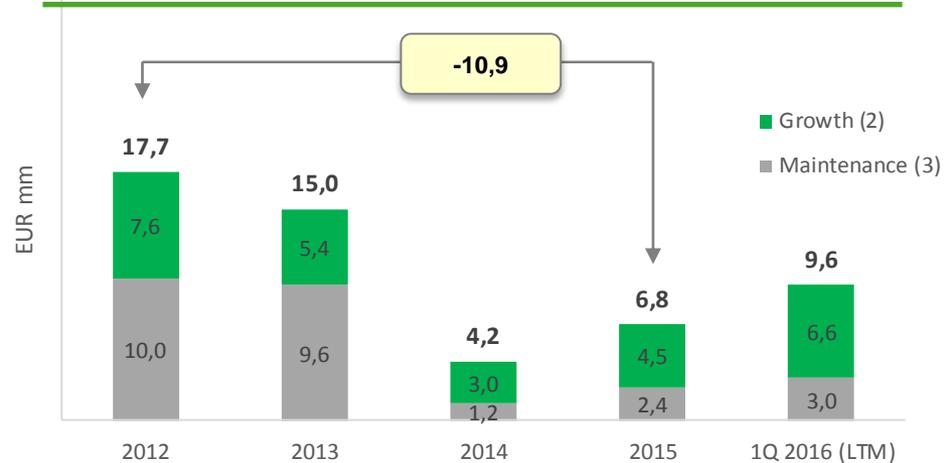
Total Capex – Group (1)



Total Capex – Mexico



Total Capex – Argentina



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

(2) Excluding gaming license renewals (ie. €126,2mm in Argentina in 2012).

(3) Excluding acquisition of 35,8% interest in ICELA (Mexico) for €158mm in 2012.

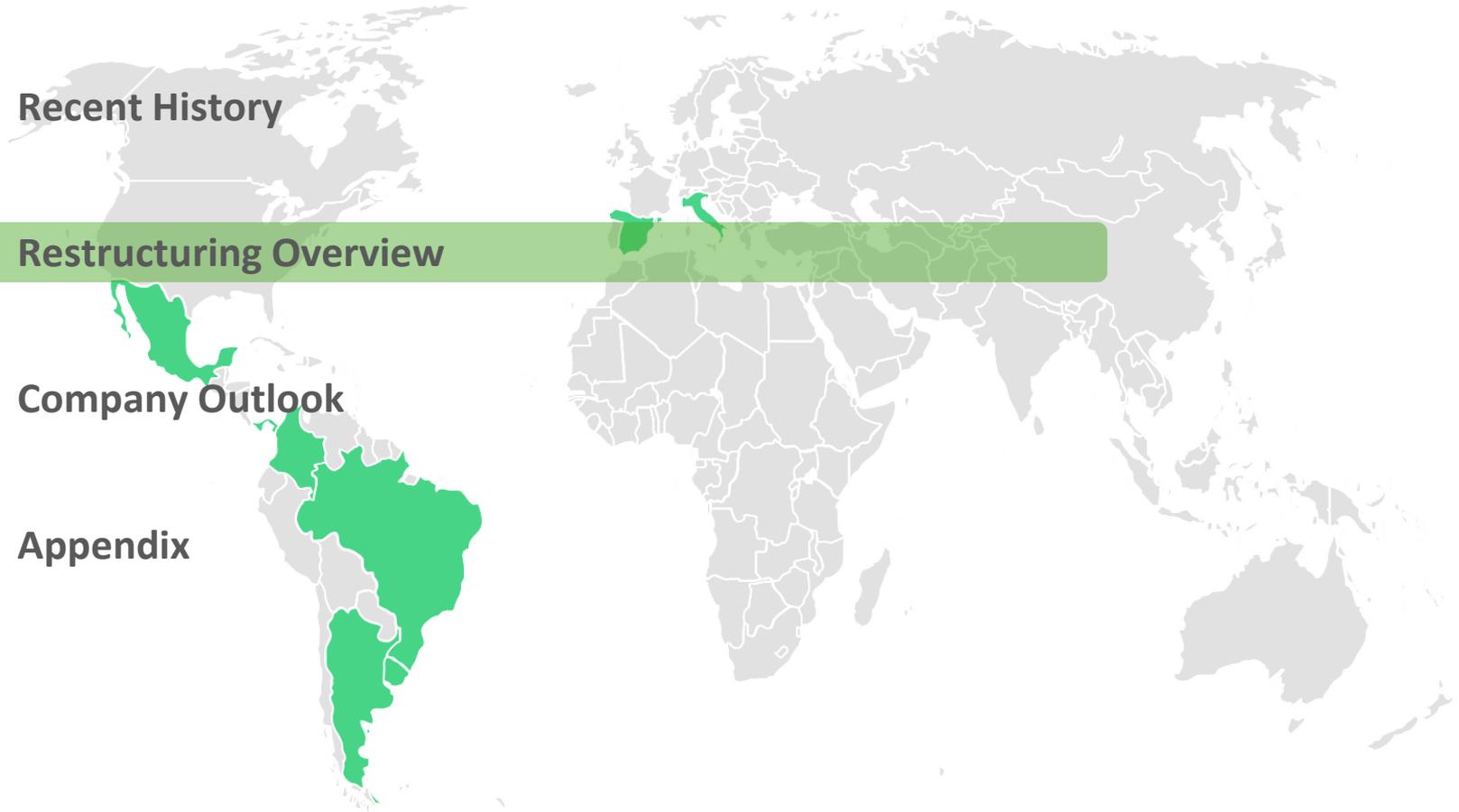
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Overview of Financial Restructuring

- As described in the Significant Event published on April 29, 2016, Codere has finalized its financial restructuring as per the terms of the Scheme of Arrangement sanctioned by the High Court of Justice of England and Wales on December 18, 2015.
- As a result of such restructuring, the existing senior notes (EUR 760 mm due 2015 and USD 300 mm due 2019) were exchanged for:
 - i) USD 164.2 mm of New Second Lien Notes due June 30, 2021 (the “2L Notes”);
 - ii) USD 355.8 mm of New Third Lien Notes due June 30, 2021 (the “3L Notes”);
 - iii) 2,475 million (i.e. nearly 2.5 billion) new shares.
- Additionally, Codere has raised USD 438 mm in new money from Scheme creditors, including:
 - i) USD 218.9 mm of New First Lien Senior Private Notes due April 6, 2021 (the “NSPNs”);
 - ii) USD 218.9 mm in additional 2L Notes.
- The NSPNs, 2L Notes and 3L Notes (together, the “New Notes”) are senior secured obligations of the Company, benefit from the same guarantees and security interests within the Codere group and are subject to an Intercreditor Agreement which establishes priority of payment between the New Notes (ie. NSPNs ahead of the 2L Notes and 2L Notes ahead of the 3L Notes).
- The restructuring leaves the Company in a significantly improved leverage and liquidity position.

Sources & Uses of Cash and Proforma Liquidity

Figures in EUR mm, except where noted otherwise

Sources & Uses

<u>Sources</u>	Amount	% Total
Actual Cash (as at March 31, 2016)	116	23%
Gross Restructuring Proceeds (1)	385	77%
Total	501	100%

<u>Uses</u>	Amount	% Total
Repayment of Legacy Senior Debt	130	26%
Minimum Operating Cash (Business Units + Corporate)	70	14%
Restructuring Expenses & Financing Fees (2)	50	10%
Normalization of Working Capital (3)	46	9%
Restricted Cash (Cash Collateral for LCs/Surety Bonds)	25	5%
Excess Cash to Balance Sheet	180	36%
Total	501	100%

Liquidity

	As at March 31, 2016	
	Actual (pre-Restr.)	Proforma (post-Restr.)
Cash	116	275
Less: Minimum Operating Cash (Business Units + Corporate)	-70	-70
Less: Cash Collateral for LCs/Surety Bonds	0	-25
Net Available Cash	46	180

+134

(1) Includes gross proceeds from issuance of New Senior Private Notes and New Cash Notes.
 (2) Includes consent fee to bondholders.
 (3) Includes payments related to deferred gaming taxes (Spain) and trade accounts payable.

Proforma Capital Structure (as at March 31, 2016) (1)

Figures in EUR mm, except where noted otherwise

	Amount O/S	Leverage	Interest Rate			Total	Maturity	Comments
			Spread / Coupon					
			Libor	Cash	PIK			
OpCo Debt (2)	88,1		-	-	-	7,1%	Various	39 mm in Uruguay and 38,7 mm in Mexico
OpCo Capital Leases (2)	3,6		-	-	-	5,7%	Various	-
OpCo Debt	91,7	0,36 x						
NSPNs (3)	192,4		1,00%	7,00%	-	8,00%	Apr-21	USD 218,9 mm par value; Net Debt / EBITDA maintenance covenant 6.0x; callable @ par
Sub-Total	284,1	1,11 x						
2nd Lien Notes	336,7		-	5,50%	3,50%	9,00%	Jun-21	USD 383,1 mm par value; callable 102 / 102 / 101 / 100
Sub-Total	620,7	2,44 x						
3rd Lien Notes	312,6		-	0,00%	9,00%	9,00%	Jun-21	USD 355,8 mm par value; callable 102 / 102 / 101 / 100
Sub-Total	933,4	3,66 x						
Total Debt	933,4		-	-	-	8,6%		-
(-) Cash	-275,0		-	-	-	-		-
Net Debt	658,4	2,58 x						
LTM Adjusted EBITDA (4)	254,8							

(1) Figures reflect consolidated accounts proforma for restructuring transaction and based on exchange rates as at March 31, 2016.

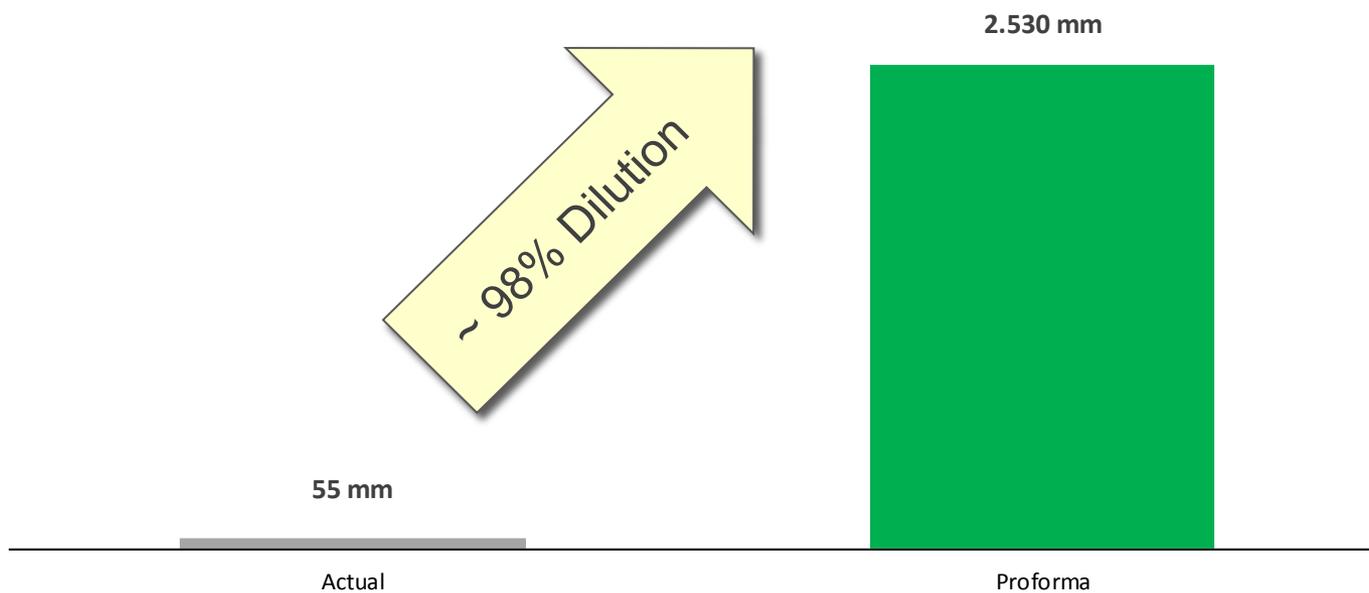
(2) Interest rate reflects blended interest rate as at March 31, 2016.

(3) Libor rate reflects the 1% floor, as established in the NSPNs Issuance Agreement, as Libor on the issue date was below 1%.

(4) Figure reflects LTM through March 31, 2016 (ARS @ Blue Rate).

Proforma Issued Shares (as at March 31, 2016)

Restructuring transaction resulted in significant dilution to the pre-restructuring shareholders.



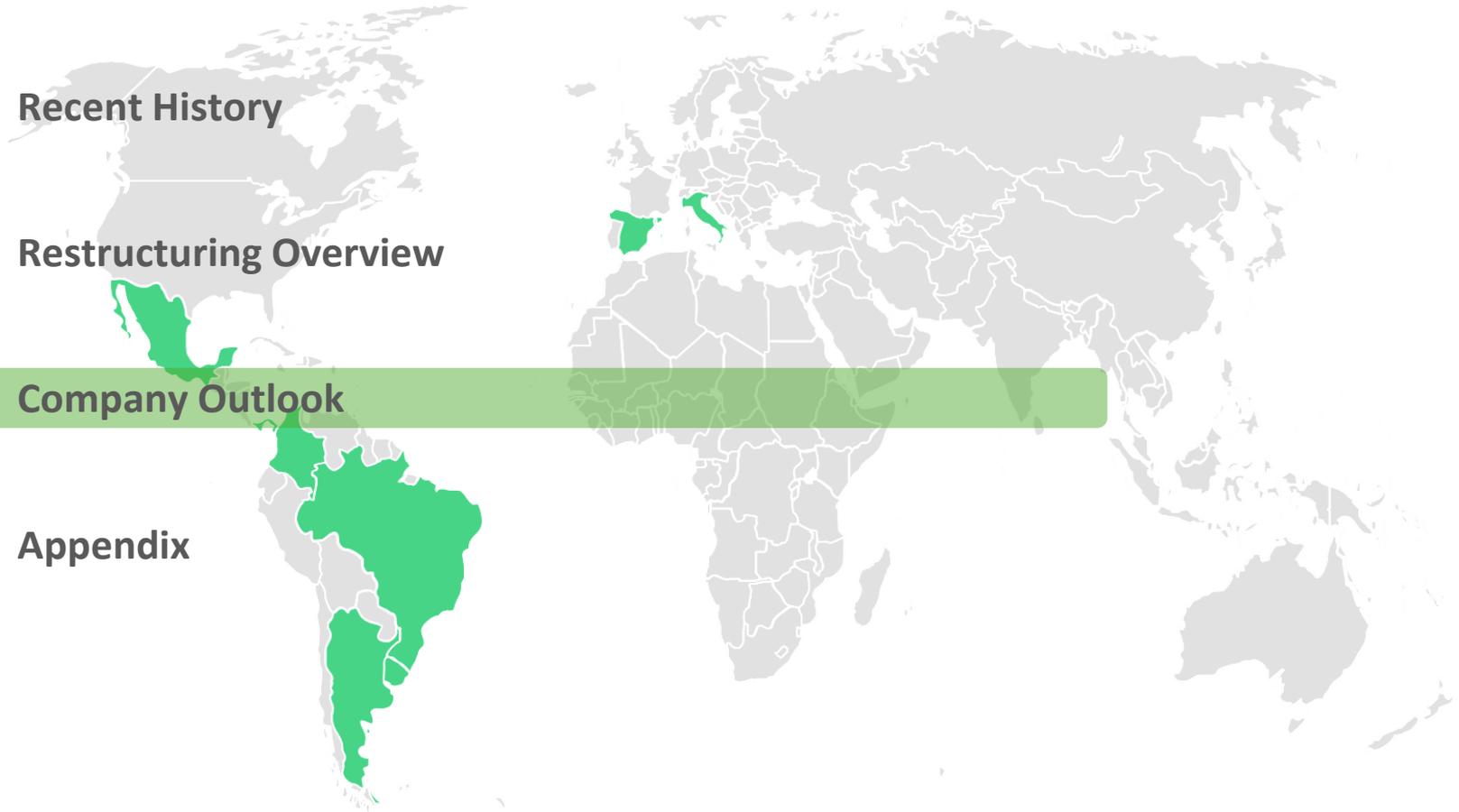
- 1Q 2016 Take Aways

- Recent History

- Restructuring Overview

- **Company Outlook**

- Appendix



Company Priorities

2016 Budget

- 2016 budget presented to and approved by new Board of Directors on May 5, 2016
- In keeping with historical practice, 2017 budget to be approved in Nov./Dec. of prior year.

2017-19 Strategic Plan

- The Company is in the process of finalizing a strategic plan for the three year period 2017-19.
- On future earnings calls, we expect to begin sharing details with investors in this regard.

Capital Markets

- The Company is evaluating opportunities to refinance portions of its debt capital structure with the objective of reducing cost of funding and increasing funding flexibility.
- In conjunction with any such refinancing, we will be coordinating with credit ratings agencies and expect to have all tradeable instruments rated.

2Q 2016

- Total Adjusted EBITDA: €63 – 66mm
- Exchange Rates versus EUR (avg.):

	Avg.	Chg. versus	
		2Q 2015	1Q 2016
ARS	16,50	16,7% ⁽²⁾	2,8%
MXP	20,09	18,3%	1,3%
USD	1,14	2,7%	3,0%

(1) Total adjusted EBITDA figures include 50% of HRU.

(2) Figures reflect change versus period ARS @ Blue Rates.

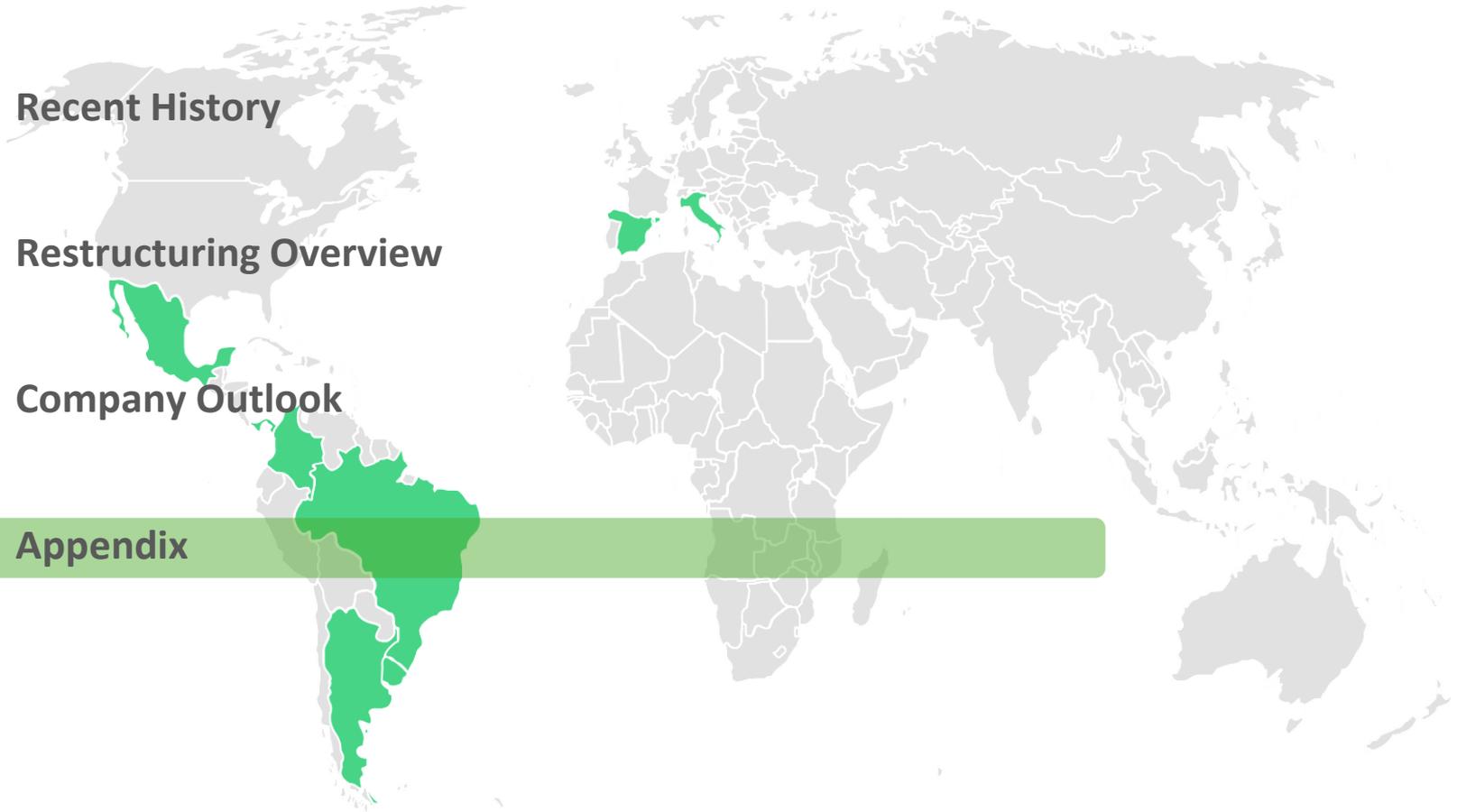
- 1Q 2016 Take Aways

- Recent History

- Restructuring Overview

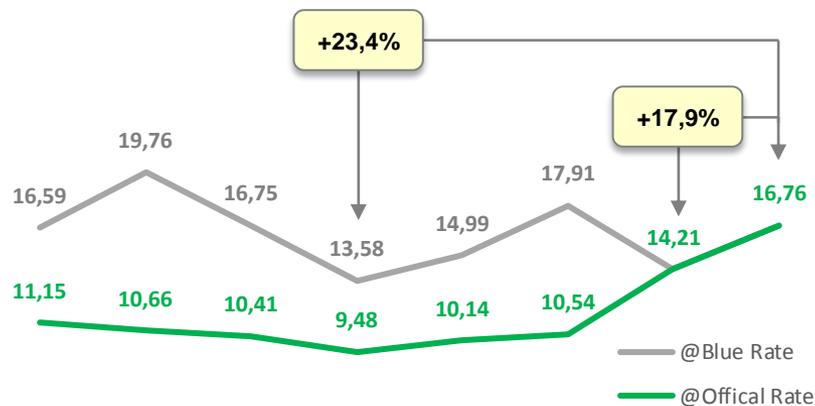
- Company Outlook

- Appendix



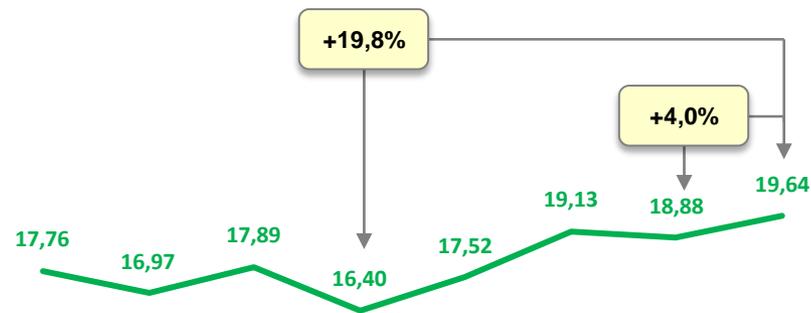
Exchange Rate Evolution (End of Period)

EUR / ARS



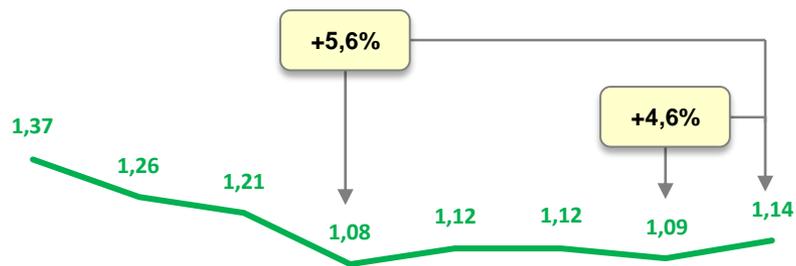
2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
2014			2015			2016	

EUR / MXN



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

EUR / USD



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

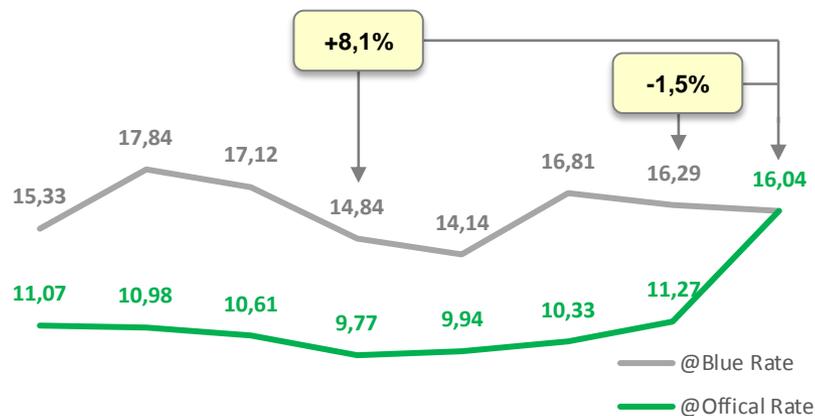
EUR / COP



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

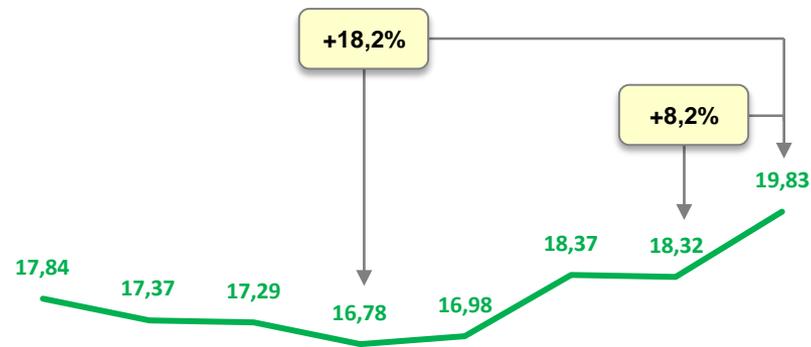
Exchange Rate Evolution (Period Average)

EUR / ARS



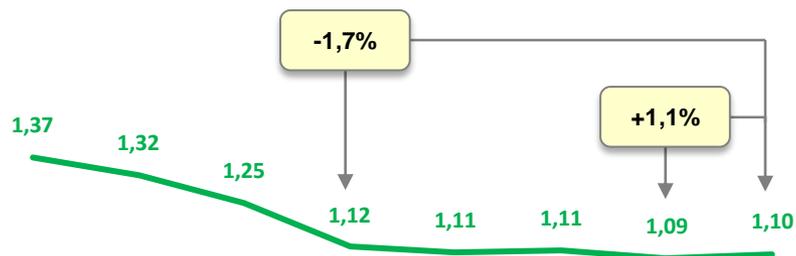
2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
2014			2015			2016	

EUR / MXN



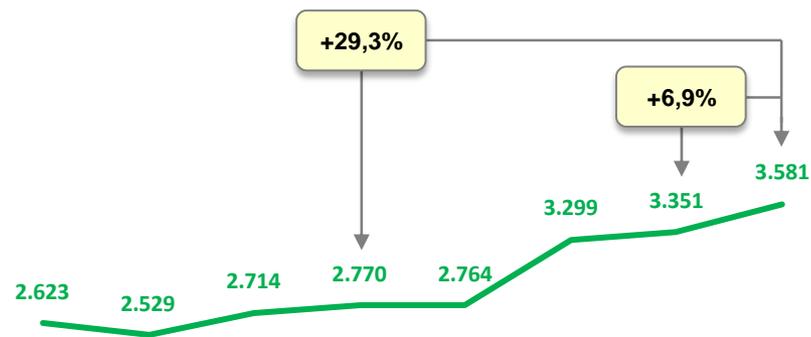
2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
2014			2015			2016	

EUR / USD



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

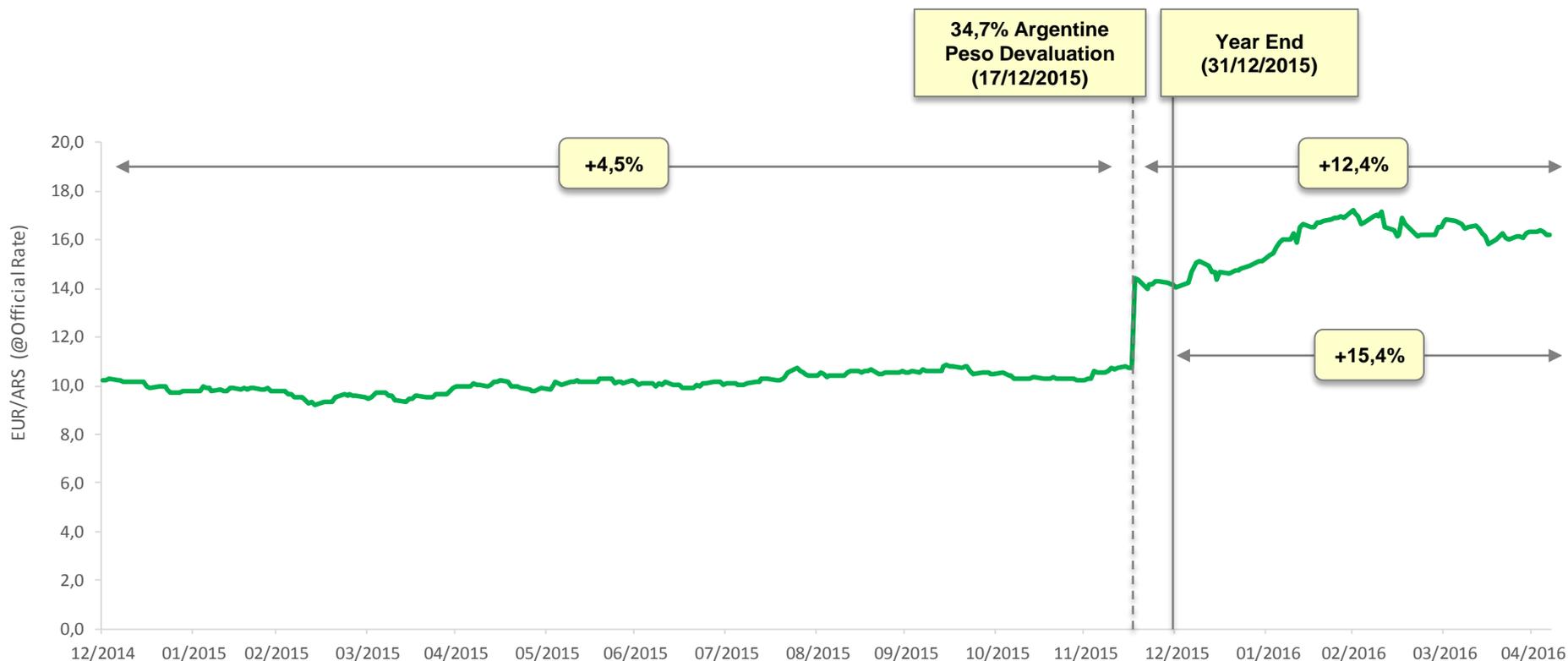
EUR / COP



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

Argentine Peso Devaluation (thru May 6, 2016)

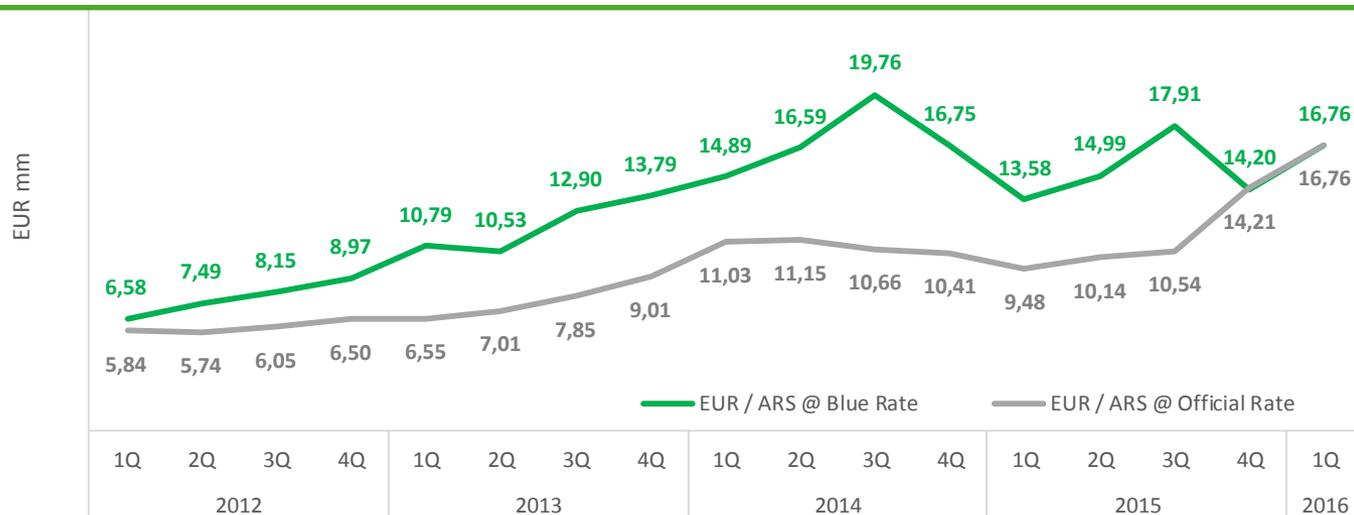
On December 17, 2015, the Argentine government lifted currency controls (thereby allowing the ARS to trade freely) which resulted in a 34,7% devaluation against the EUR.



ARS Blue Rate (Argentina)

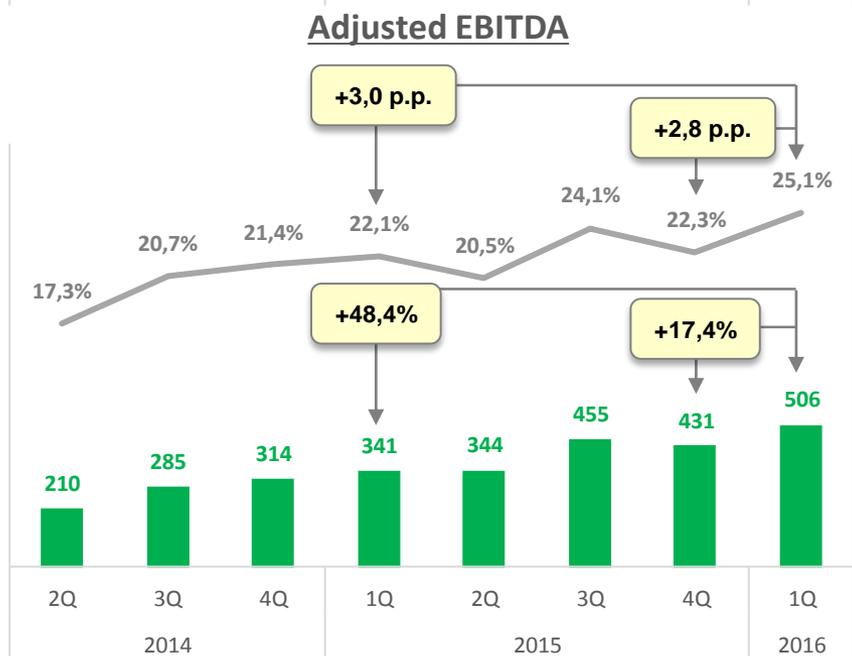
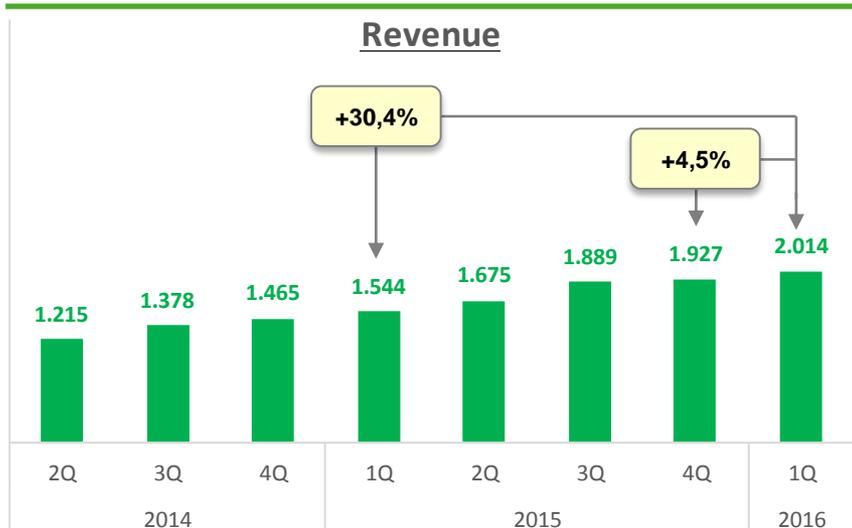
- In October 2011, in response to the negative macroeconomic situation of Argentina and resultant capital flight, the government introduced foreign exchange (“capital”) controls.
- This weak economic environment eventually led to runaway inflation which both reduced Argentine citizen purchasing power and demand for local savings.
- Due to the capital controls in place, these individuals were unable to move their savings to hard currency safe havens (e.g. USD), at least not at official exchange rates, which led to the emergence of an unofficial foreign currency market (to satisfy this demand to shift savings out of ARS and into, for example, USD).
- The rate at which the USD traded versus the ARS in this unofficial rate was referred to as the USD Blue Rate.
- For multi-national companies with operations in Argentina, the primary channel utilized to upstream cash during this period was through the purchase of Argentine sovereign bonds in ARS followed by, after meeting minimum hold period requirements, the sale of these bonds in USD (incurring a cost approximately equal to the difference between the ARS Official Rate and ARS Blue Rate, or a similar alternate effective rate).
- On December 17, 2015, following the election of a new national government in Argentina, the foreign exchange controls were lifted, resulting in a 36% devaluation in the USD/ARS exchange rate.

EUR / ARS Blue Exchange Rate (EoP)

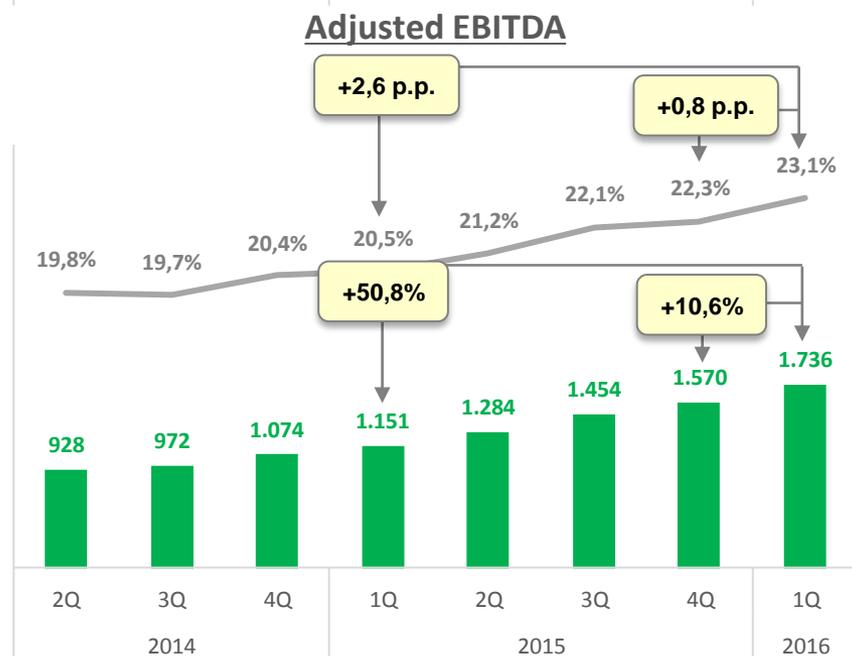
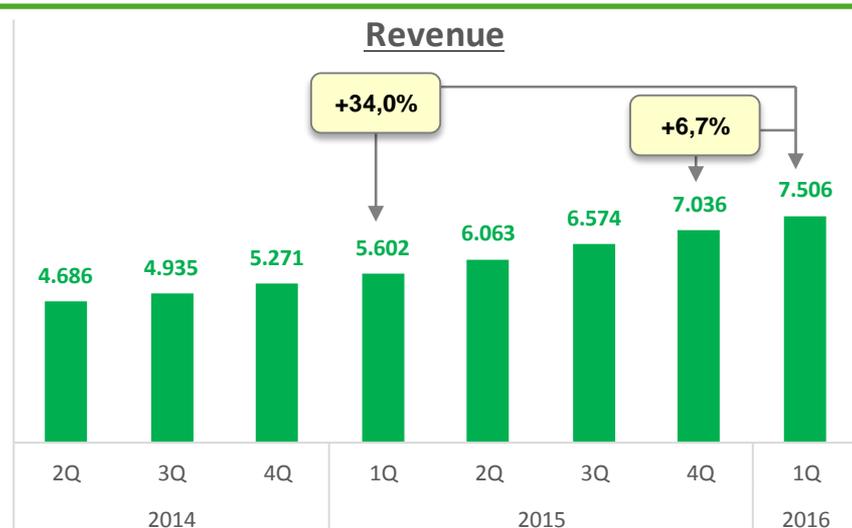


Argentina – Operating Results (Local Currency)

Quarter



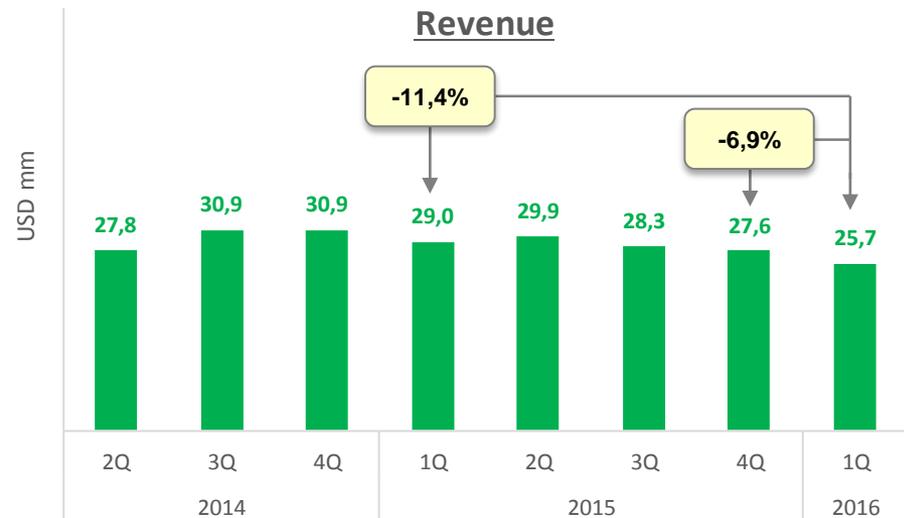
LTM



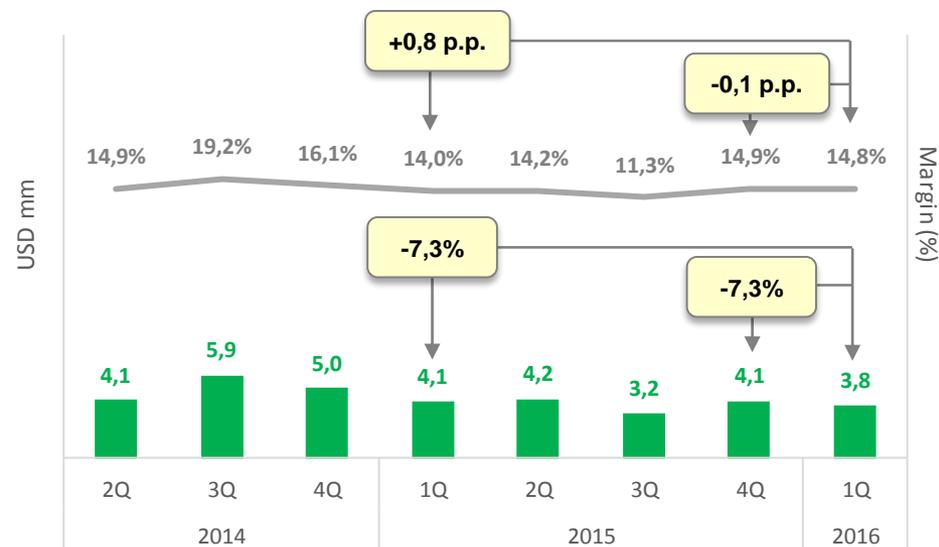
Panama – Operating Results (Local Currency)

Quarter

Revenue

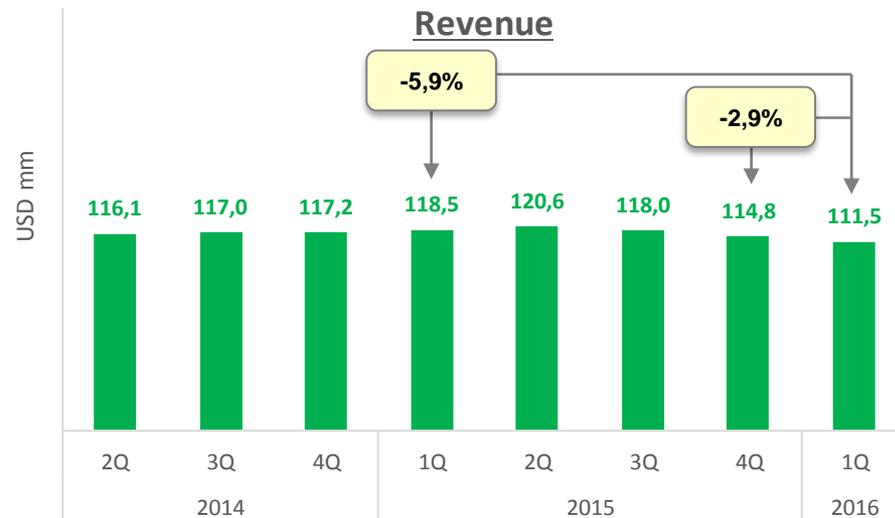


Adjusted EBITDA

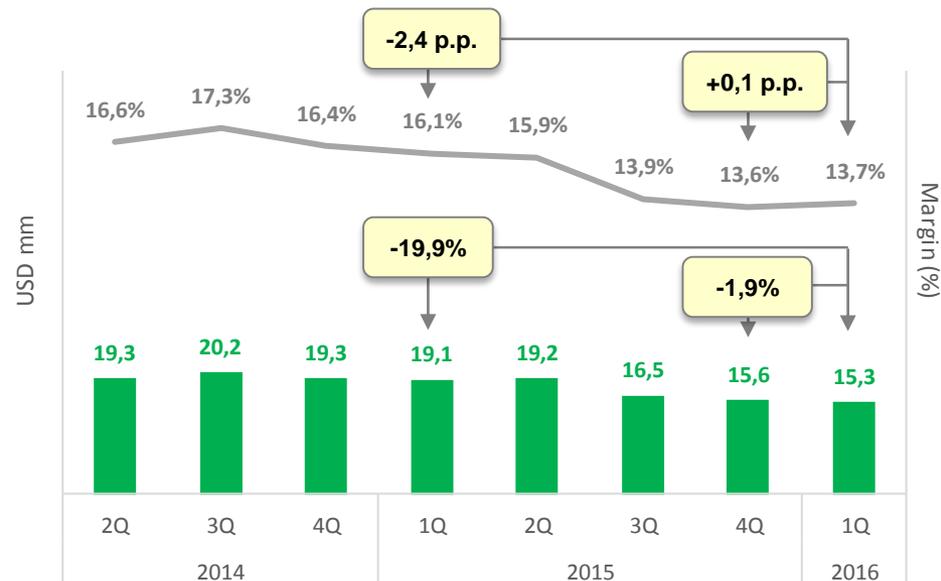


LTM

Revenue

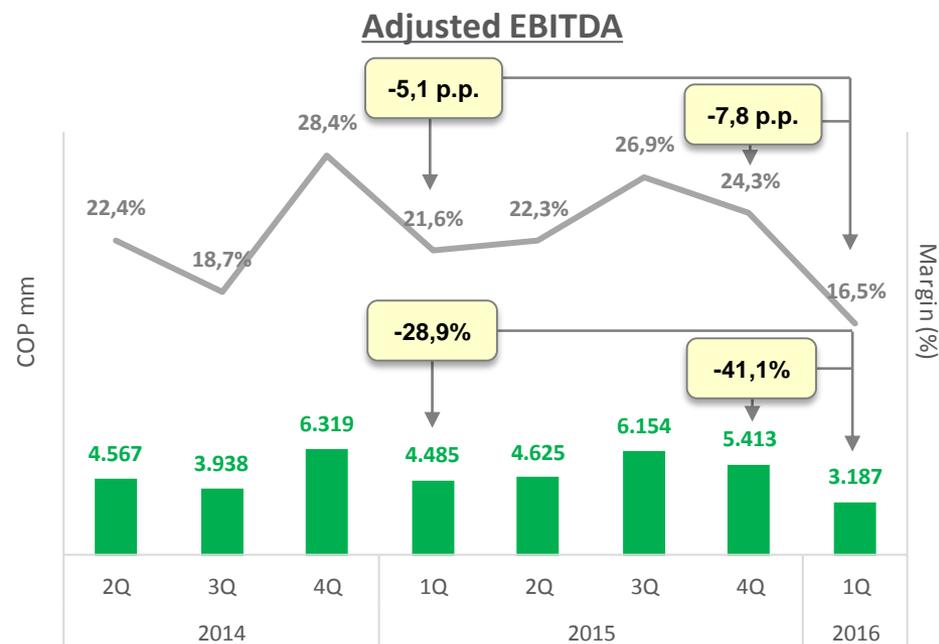
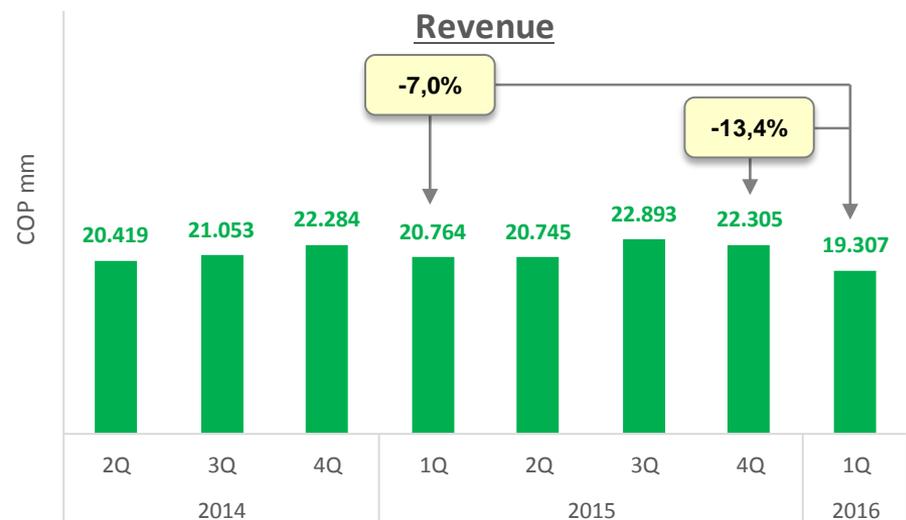


Adjusted EBITDA

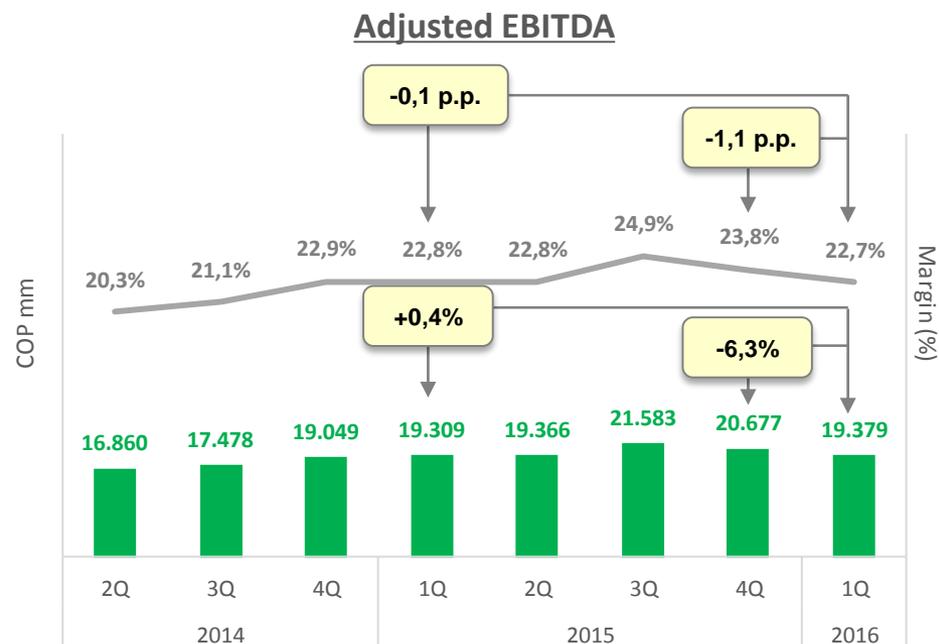
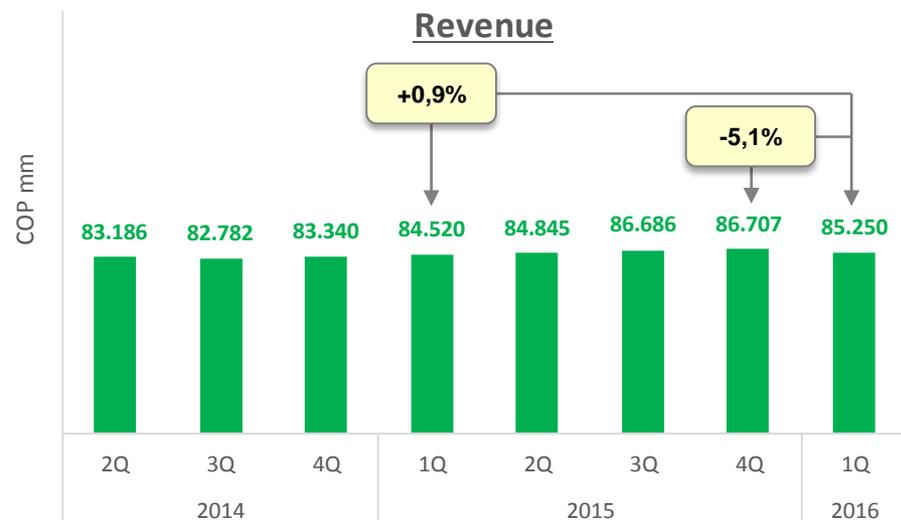


Colombia – Operating Results (Local Currency)

Quarter

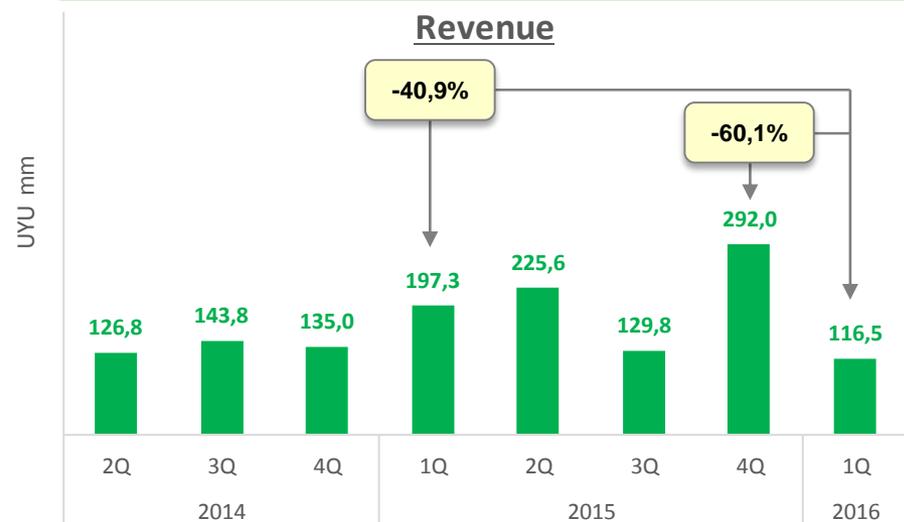


LTM

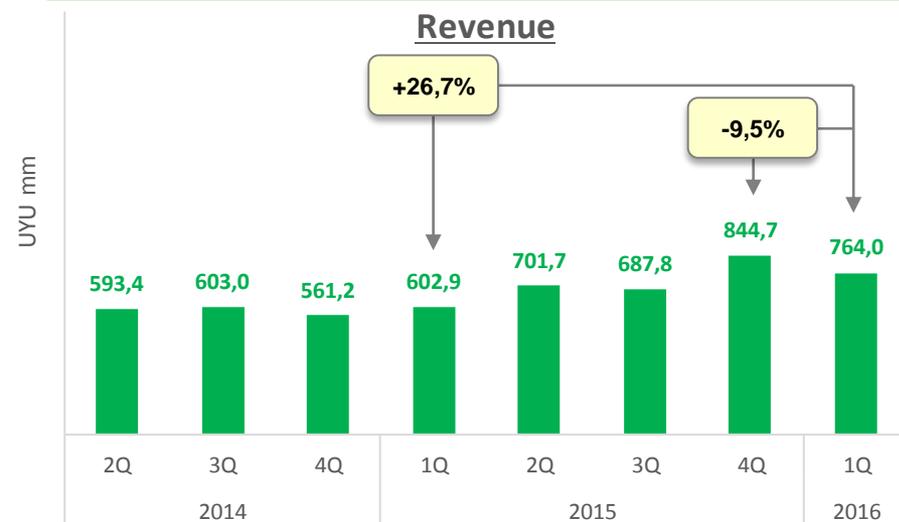


Uruguay (Carrasco Nobile) – Operating Results (Local Currency)

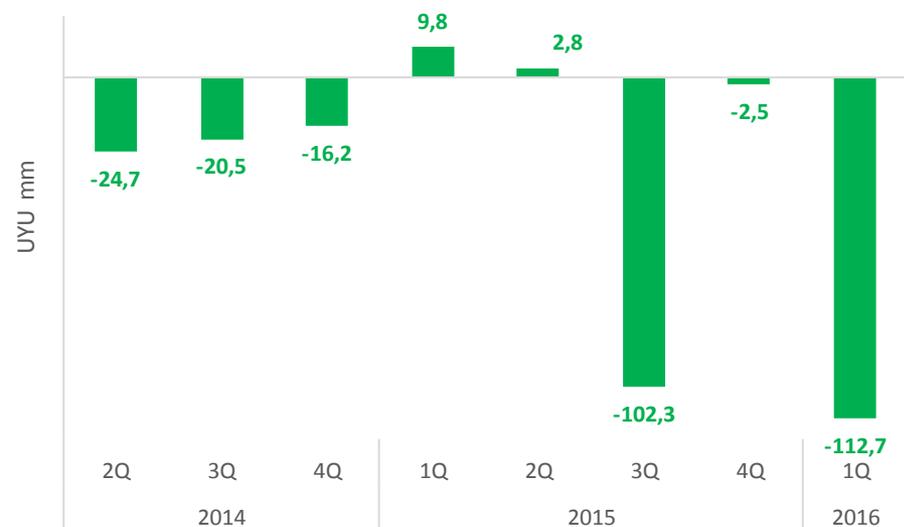
Quarter



LTM



Adjusted EBITDA

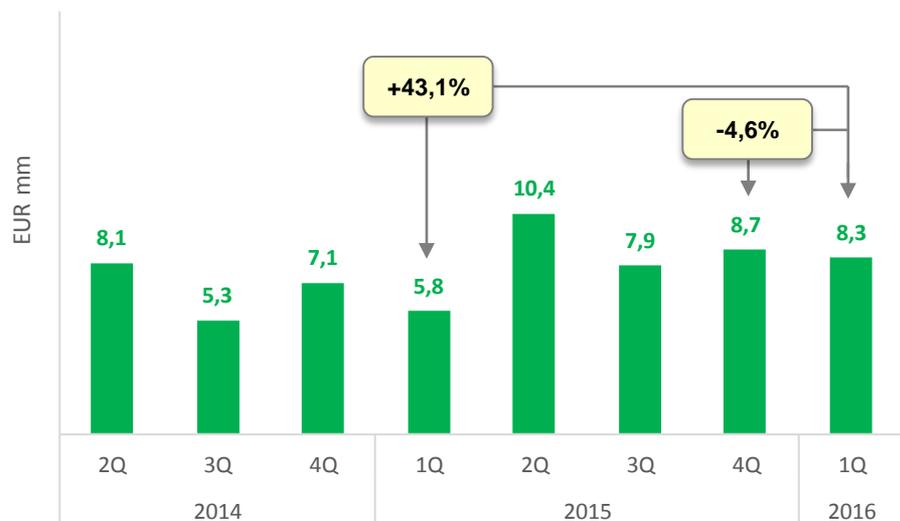


Adjusted EBITDA

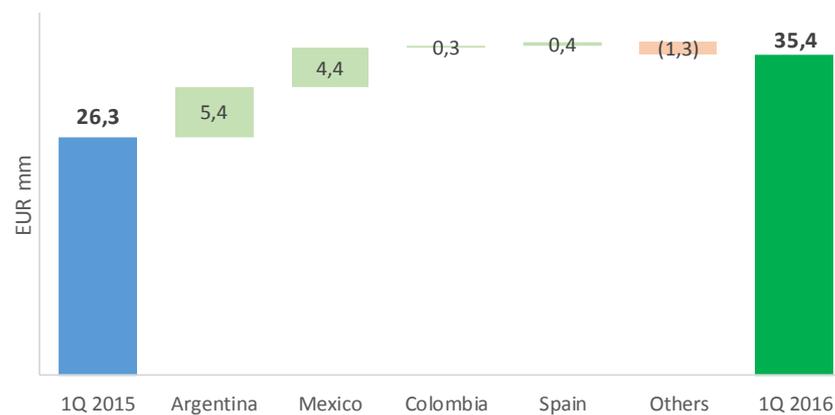
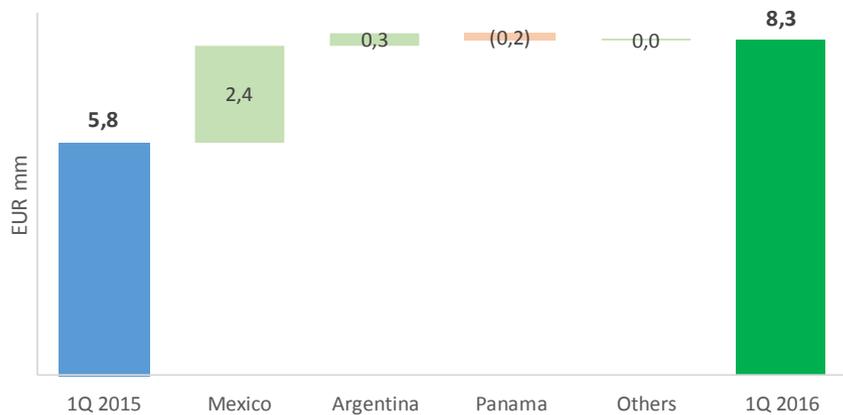
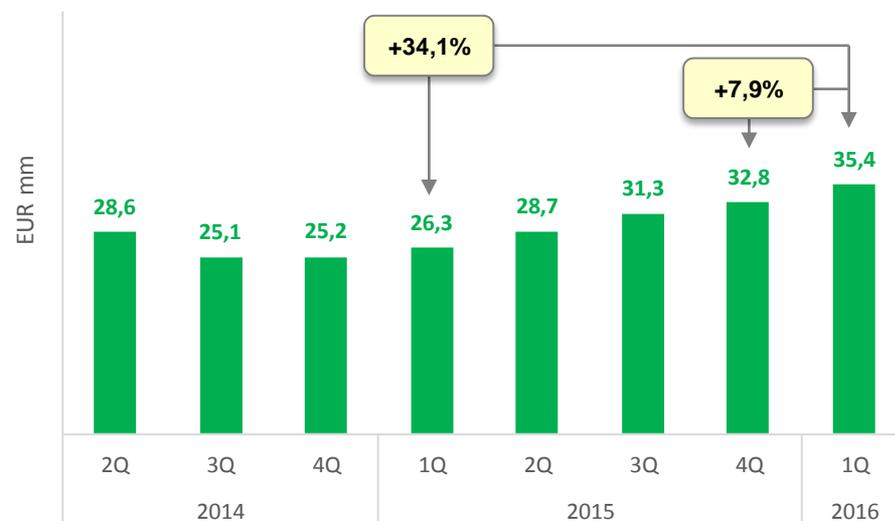


Corporate Income Taxes Paid (ARS @ Blue Rate)

Quarter

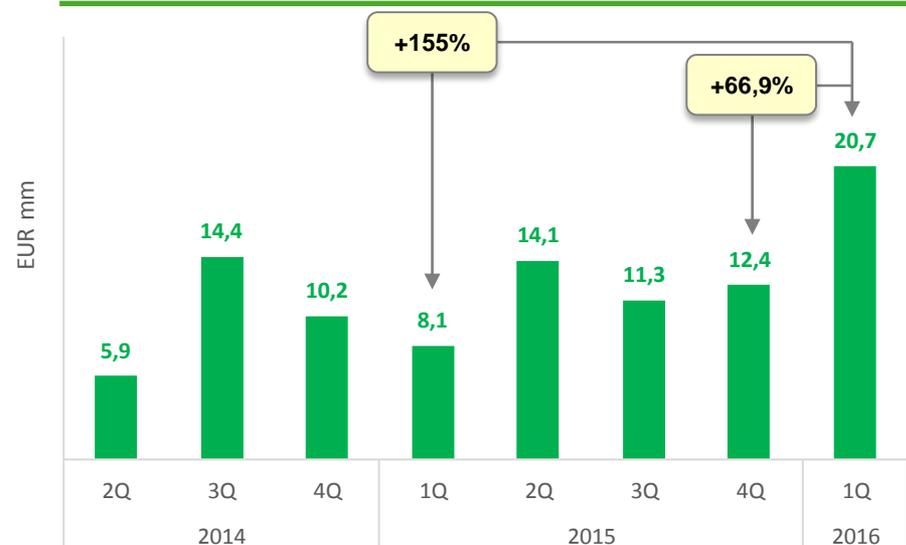


LTM

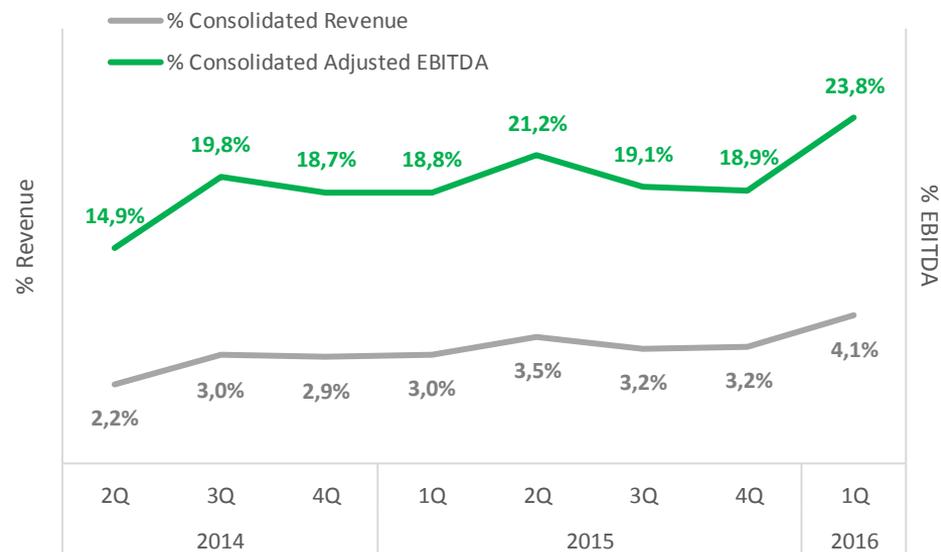
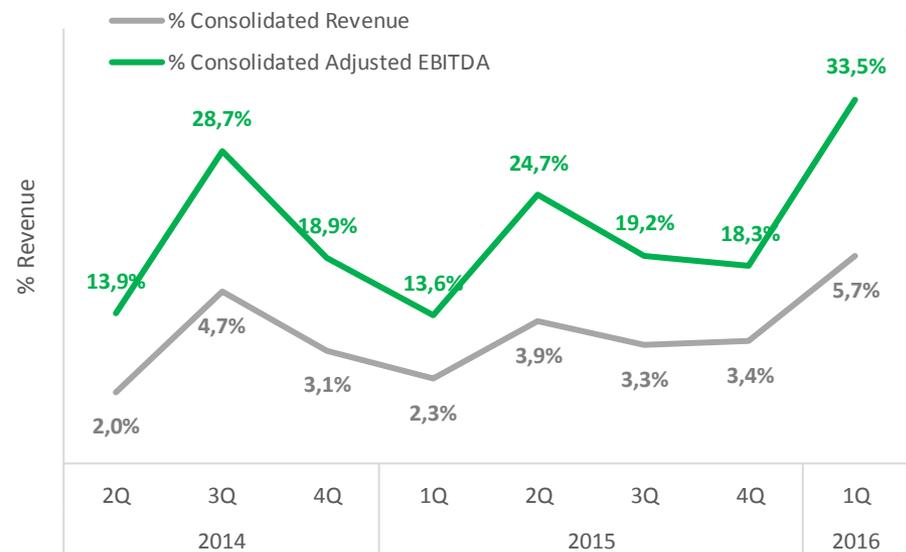


Maintenance Capital Expenditures (ARS @ Blue Rate)

Quarter



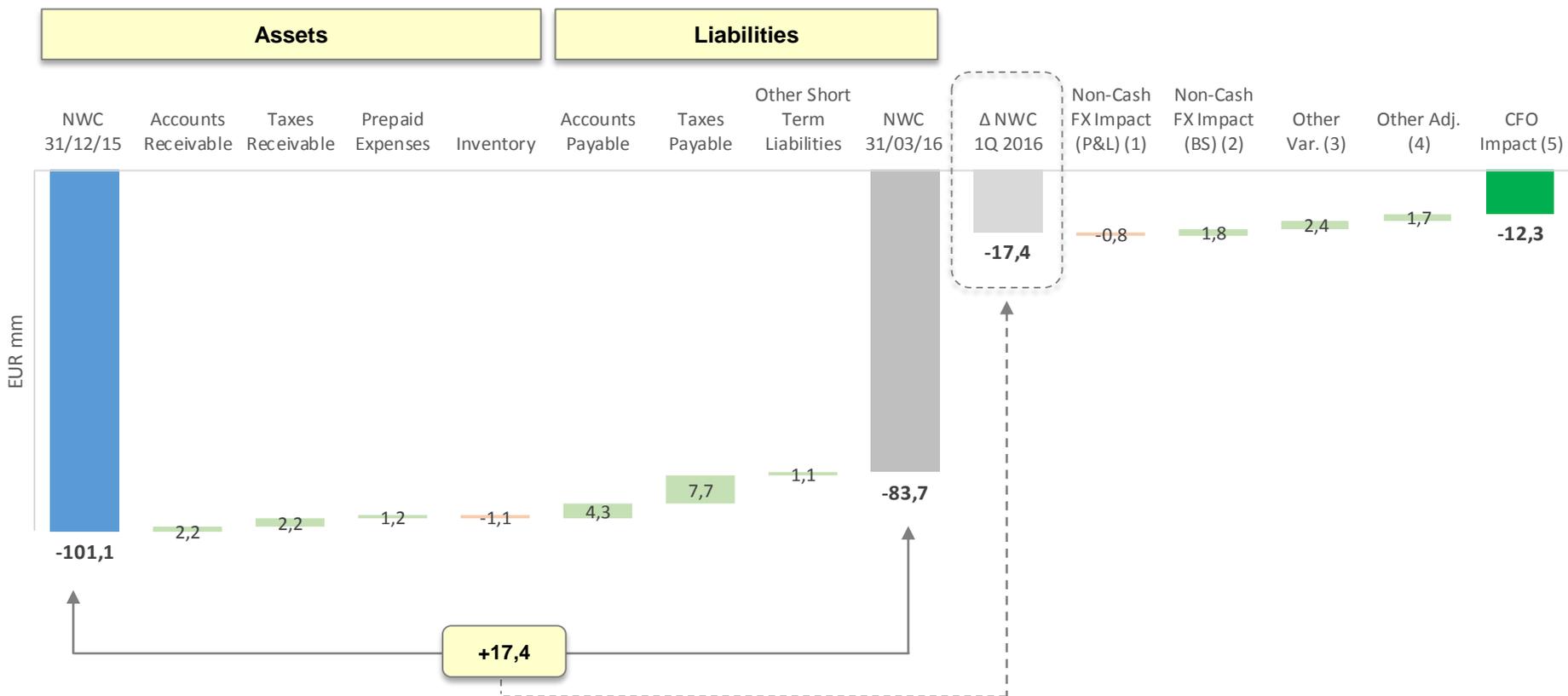
LTM



Change in Net Working Capital

Balance Sheet

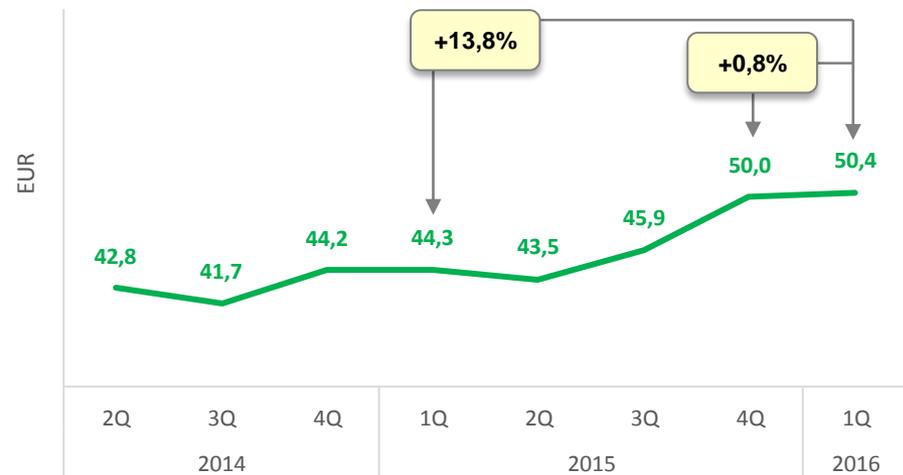
Cash Flow Statement



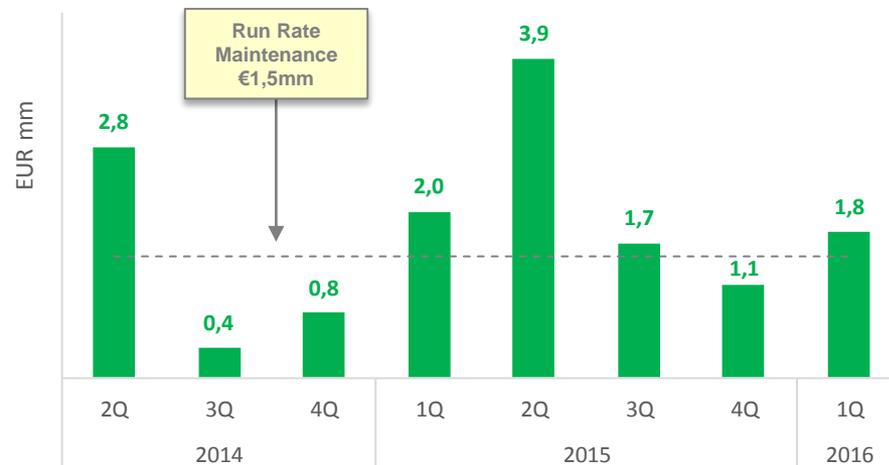
- (1) Figure reflects the non-cash portion of income statement exchange gains (losses).
- (2) Figure reflects the non-cash impact on shareholders equity of exchange rate fluctuations upon consolidation (ie. conversion of local accounts to EUR).
- (3) Figure reflects variation between management reporting of NWC and accounting (cash flow statement) presentation.
- (4) Figure reflects other adjustments to reconcile BS evolution with CFS.
- (5) Figure reflects total cash impact on cash flow from operation.

Spain – Operating Results

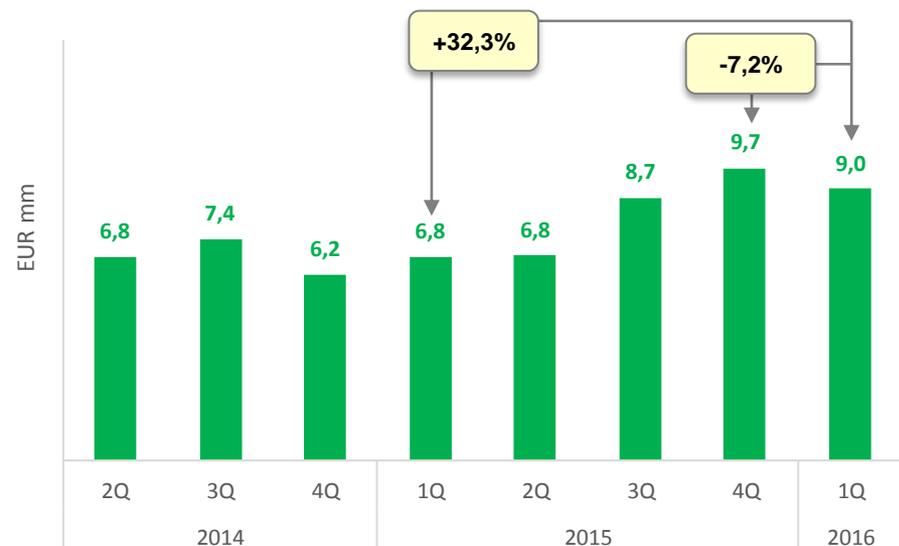
Net Win / Machine / Day



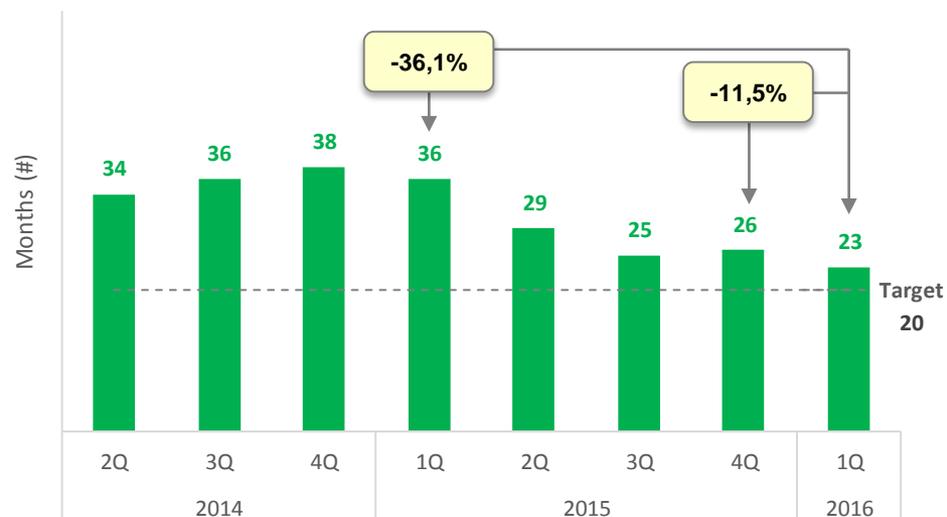
AWP Capex – Product Renovation



AWP Operating EBITDA



AWP Units – Average Age



(1) Figures reflect Operating EBITDA by Segment before business unit (Spain) overheads.



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