



## Company overview

UBS Iberian Small Cap Conference

July 2008

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## Codere's strategy and business model

# Codere at a glance



- Manages 52,195 AWP and EBT machines, 130 bingo halls and 56 off-track betting facilities, 5 casinos and 3 racetracks
- #2 AWP operator in Spain (c.6.2% market share)
- #1 bingo operator in Mexico, through agreements with local partners
- #1 gaming operator in the province of Buenos Aires
- Leading gaming operator in other growth markets (Italy, Panama, Colombia, Brazil and Uruguay)
- €954 million revenues and €208 million EBITDA LTM (€230 million adjusted)

## Key Operating Metrics / Codere's Footprint

	Spain	Argentina	Mexico	Italy	Panama	Colombia	Uruguay	Brazil	Total
Machines	15,738	4,464	18,366	2,362	1,462	8,274	1,529		52,195
Bingo Halls	1	14	96	12		7			130
Casinos					4	1			5
Race Tracks			1		1		1		3
OTBs			44		4		4	4	56

Note: As of 31 March 2008.



(1) Excludes Corporate Overhead.

## Codere's business model

- “European” model of gaming
- Growth focused on profitability rather than scale
- Horizontal versus vertical integration
- Institutionalisation / professionalization

### “European” vs. “Las Vegas” model

	“European” model	“Las Vegas” model
<b>Regulation</b>	High	Low
<b>Target market</b>	Local clientele	Tourist
<b>Stakes / prizes</b>	Low	High
<b>Capital intensity</b>	Low	High
<b>Marketing</b>	Restricted	Permitted
<b>Taxes</b>	High	Low
<b>Number of players</b>	Low	High

# Growth drivers are not directly linked to economic cycles

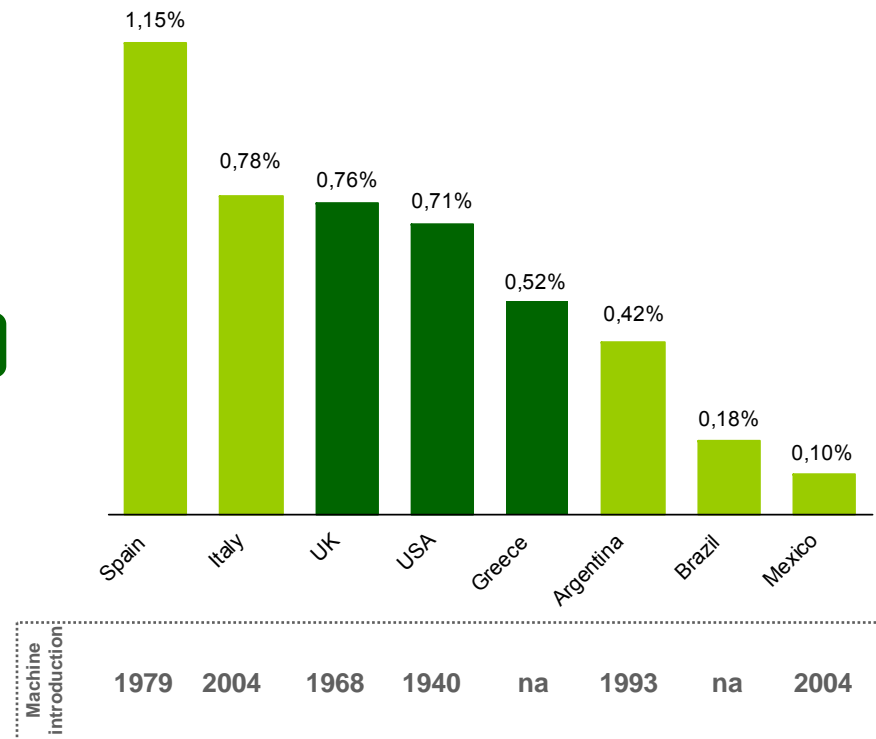
## Increasing Gaming as % of GDP

- Regulatory dialogue
  - Tax authorities outsourcing, large employer, responsible gaming
- Technological & game innovation
  - Video, server-based gaming, TITO, jackpots, multigame
- Market knowledge
  - Customer preferences, distribution footprint

## 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

## Gaming turnover (% GDP)

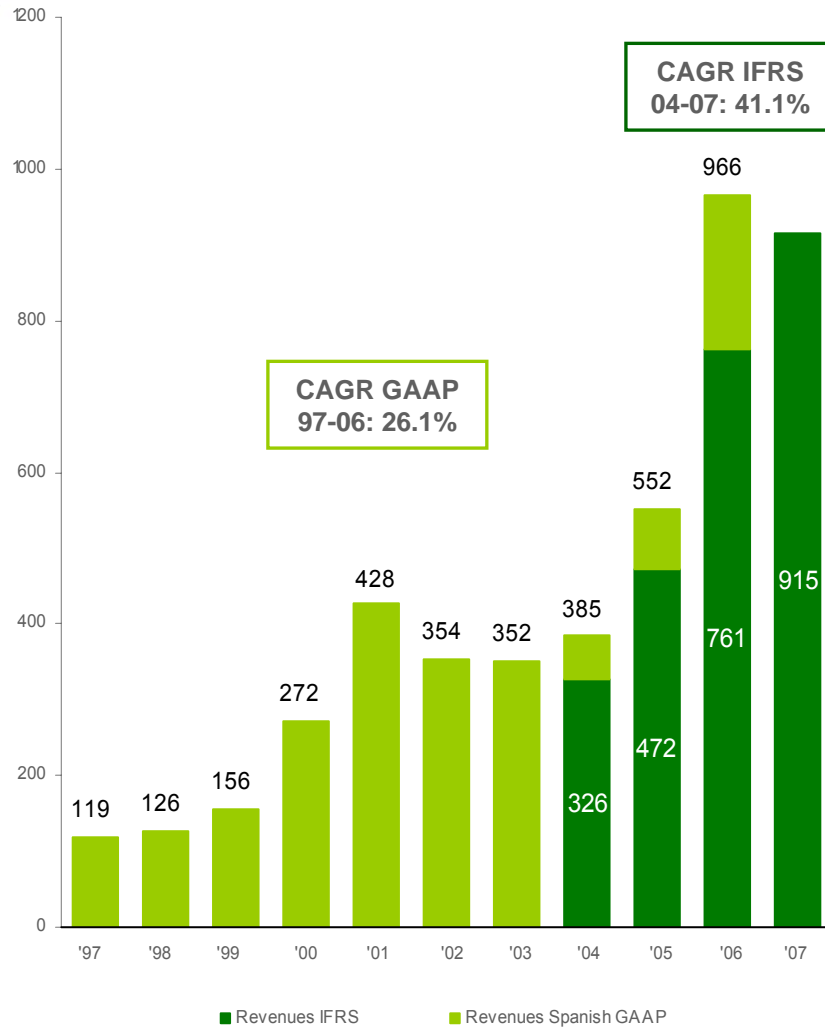


Source: GBGC report (August 2005)

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

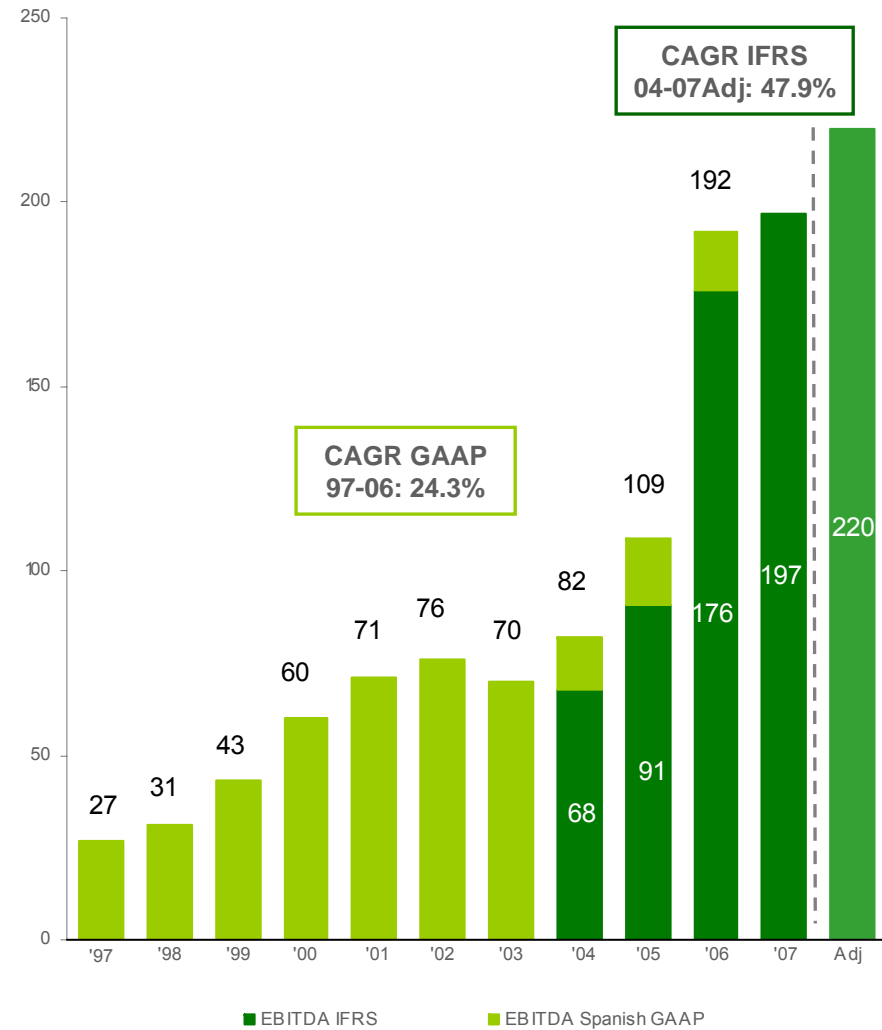
Successful implementation of business model has resulted in a solid track record

### Revenues development (€m)



Note: 96-98 figures are pro forma audited figures as per 1999 Folleto registered with CNMV

### EBITDA development (€m)





## Business and financial overview

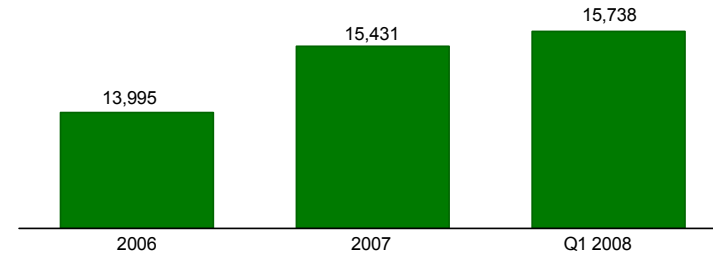


# Spain

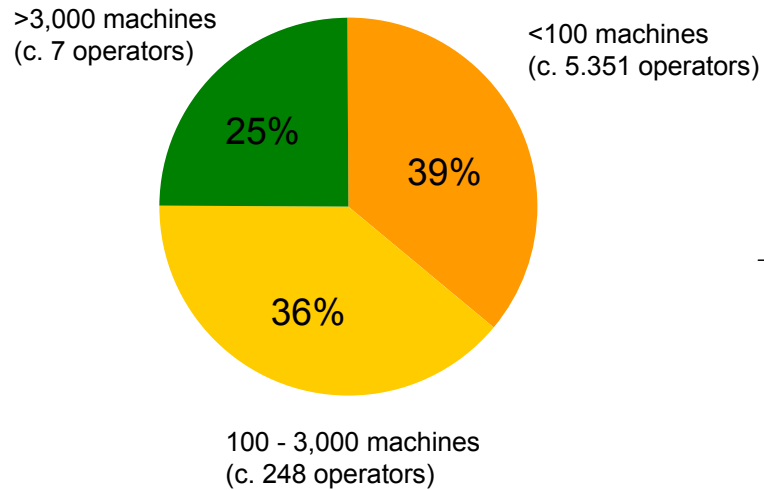
## Key Value Drivers

- 2<sup>nd</sup> largest operator with 15,738 machines
- Superior net win per day through unique focus on machine management
- Growth through consolidation of highly fragmented market

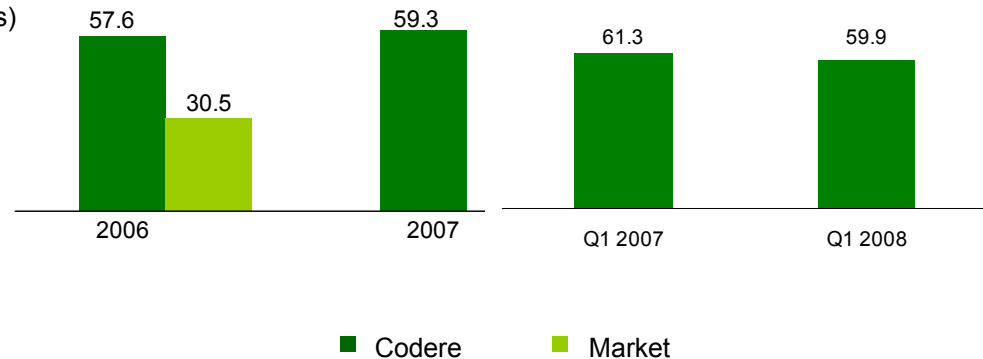
## # AWP Machines



## Market fragmentation



## Average Net Win per Day (€)



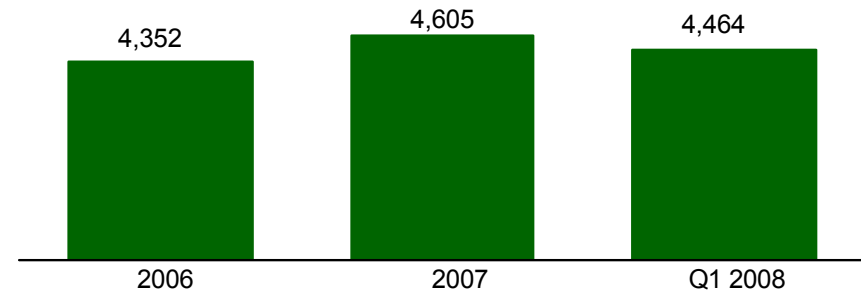
**Growth driven by portfolio increases and net win growth**

# Argentina

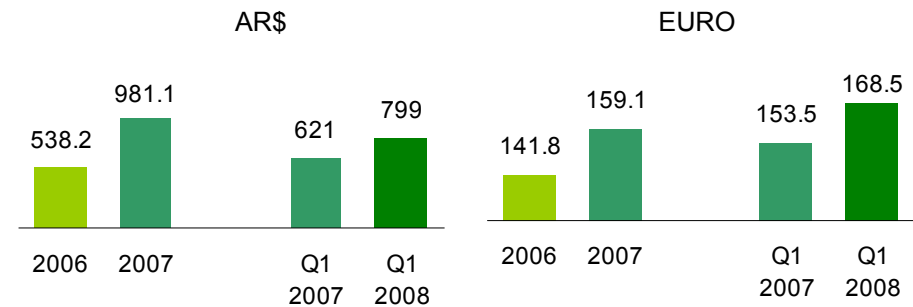
## Key Value Drivers

- Prime position in a fast growing market
  - Growth has primarily been driven by slot machine roll-out
  - Renewal of licenses largely completed
- Unmet demand
  - Continued growth in net win per machine despite substantial increase in slot seats
  - Optimization of hall locations and capacity increase
  - Continued optimization of machine park including introduction of TITO

## # Slot Machines



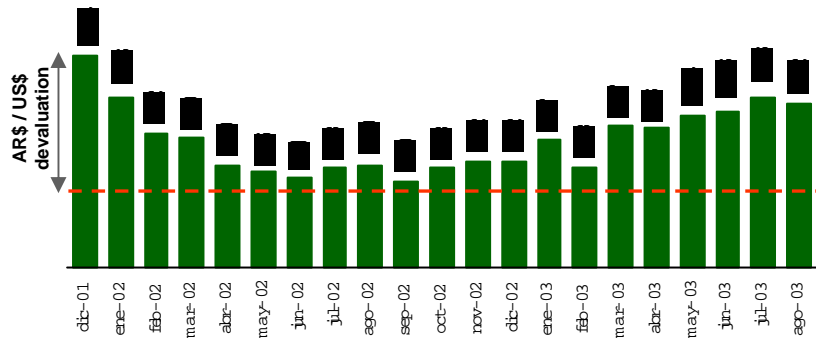
## Net Win per day per machine



**EBITDA growth driven by double-digit growth in net win (+28.7 Q1 2007 vs Q1 2008 in local currency) as well as increase in slot seats**

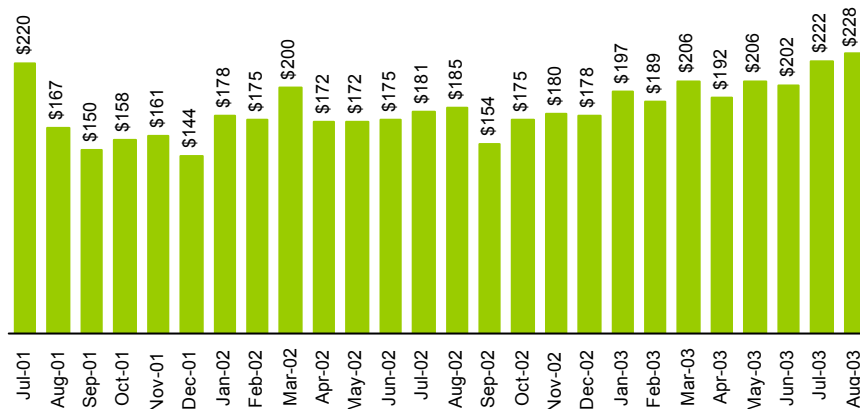
# Codere has demonstrated remarkable resilience

## Net Win per Day in US\$



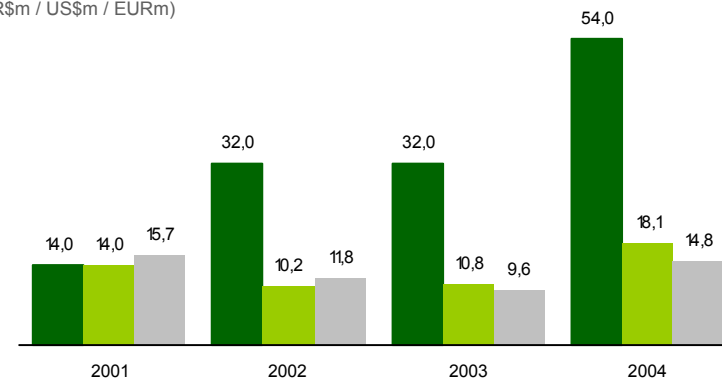
- December 31, 2001 Argentine Government eliminated peso peg to US\$
- Peso devalued 67% versus US\$ in 2001-2002
- By August 2003 net win per machine was back to July 2001 levels in real terms
- 2002 EBITDA decreased 34% in Euro terms following the devaluation of the peso
- Strong profitability maintained throughout economic crisis

## Net Win per Day (constant July 2001 pesos)



## EBITDA

(AR\$m / US\$m / EURm)



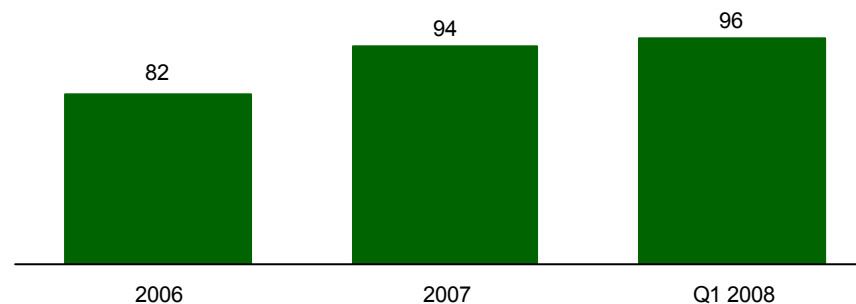


# Mexico

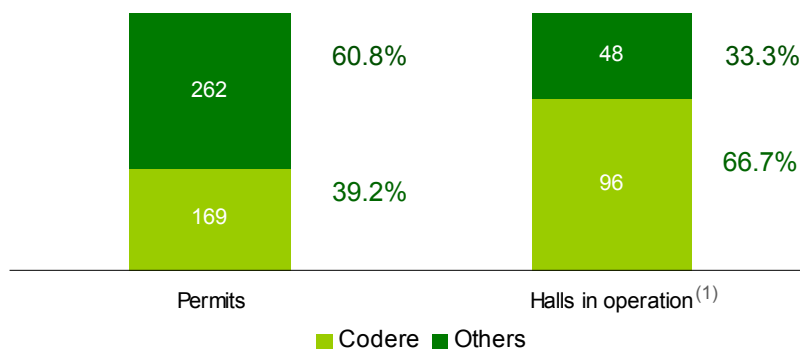
## Key Value Drivers

- Dominant position through agreements with two partners and own licenses
- Growth primarily driven by EBT deployment in last 2 years
  - 2006: 10,630 EBTs → Q1 2008: 18,366 (+73%)
- Further growth from continued EBT rollout

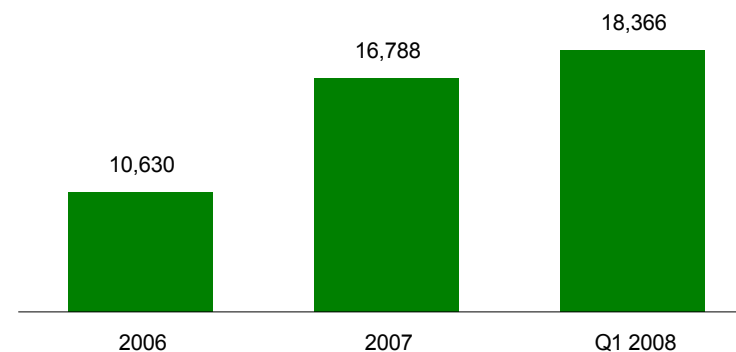
## # Bingo Halls



## Bingo Hall Permits



## # of Electronic Bingo terminals



Note: Market figures estimated as per SEGOB  
(1) At 31 March 2008

**Continuing to benefit from first mover advantage through rapid deployment of halls and EBTs**



- Regulation
  - Regulated by autonomous region
  - Madrid and Basque regions have passed legislation enabling sports betting
  - Madrid granted 5 year administrative authorizations to companies that meet certain requirements (financial and technical). Codere & William Hill JV was granted with the first authorization awarded. (April 2008)
  - Basque region awarded three licenses (25 locations and 500 machines each), one of which was obtained by Codere & William Hill JV
- Channels:
  - Madrid: Betting shops, existing gaming establishments (bingos, arcades and casinos), sports premises and remote channels (incl. Internet)
- Estimated capex per region €20MM (to be shared equally among partners)
- Started operations in Madrid in April and expect to have 70 venues by year end. Expect to start in the Basque Region at the end of 2008.
- 3 or 4 operators expected to have joint market share of 70%

## Q1 2008 results

(in € millions)

	Q1 2007 Reported	Q1 2008 Reported	% change	Q1 2008 At constant currency	% change
<b>Revenues</b>	205.1	243.6	18.8%	263.0	28.2%
<b>EBITDA</b>					
Spain AWP	17.9	18.4	2.8%	18.4	2.8%
Argentina	23.0	27.2	18.3%	30.4	32.2%
Mexico	13.0	21.3	63.8%	23.3	79.2%
Others	3.8	4.3	13.2%	4.5	18.4%
Corp. overhead	(7.0)	(9.4)	<i>n.a.</i>	(9.4)	<i>n.a.</i>
<b>Reported EBITDA</b>	<b>50.7</b>	<b>61.8</b>	<b>21.9%</b>	<b>67.2</b>	<b>32.5%</b>
<b>Net Income</b>	<b>9.3</b>	<b>1.1</b>	<b>(88.2)%</b>	<b>2.6</b>	<b>(72.0)%</b>

The Italian direct AWP business is not reflected as it was classified as a discontinued operation in Q1 2008 and prior periods for comparative purposes.

## Discretionary Free Cash Flow

(€ millions)	Q1 2007	Q1 2008	% Change
<b>EBITDA</b>	<b>50.7</b>	<b>61.8</b>	<b>21.9%</b>
- Net interest	13.3	16.2	21.8%
- Taxes	<u>8.6</u>	<u>12.6</u>	46.5%
<b>Operating Cash Flow</b>	<b>28.8</b>	<b>33.0</b>	<b>14.6%</b>
- Maintenance Capex	<u>17.5</u>	<u>17.0</u>	(2.9%)
<b>Discretionary Free Cash Flow</b>	<b>11.3</b>	<b>16.0</b>	<b>41.6%</b>
- Growth Capex	<u>19.1</u>	<u>14.6</u>	(23.6%)
<b>Free Cash Flow</b>	<b>(7.8)</b>	<b>1.4</b>	<b>n.a.</b>

## 2008 consolidated guidance

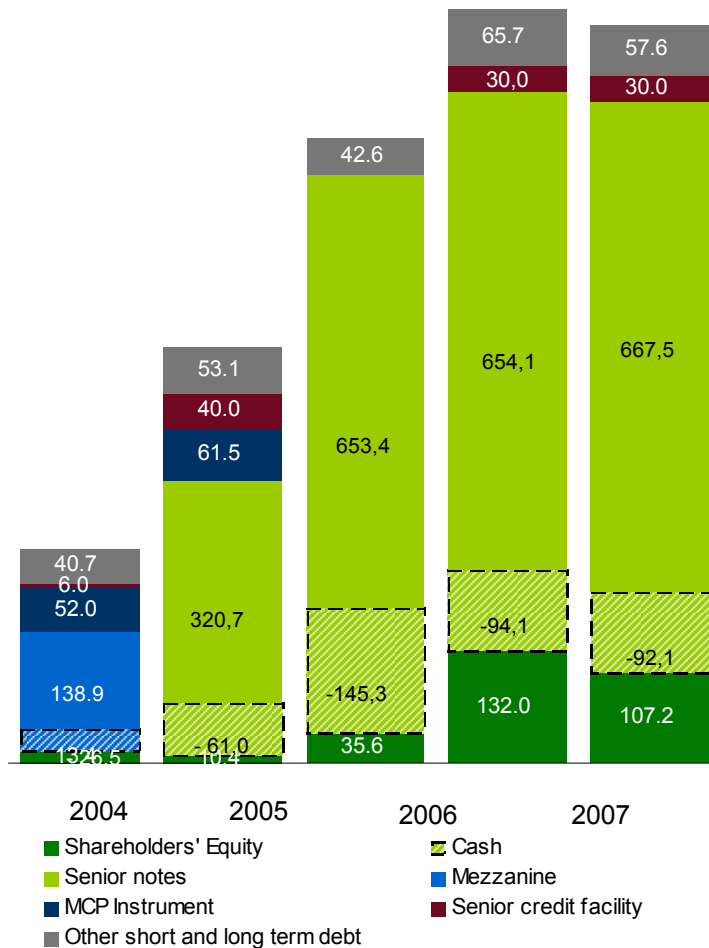
	Comment	2008E	2008 forex rates	
<b>Revenues</b>	+ 20 – 25%	€1,098 – €1,144 Million	MXP/€	16.31
<b>EBITDA</b>	Margin in range of 21%	€231 – €240 Million	ARP/€	4.79
<b>Capex</b>	Range depending on availability of financing	€158 – €198 Million	US\$/€	1.49
<b>KPIs (# machines)</b>				
	Mexico	+ 33%		22,390
	Spain	+ 3 – 7%		15,930 – 16,580
	Argentina	+ 3%		4,740



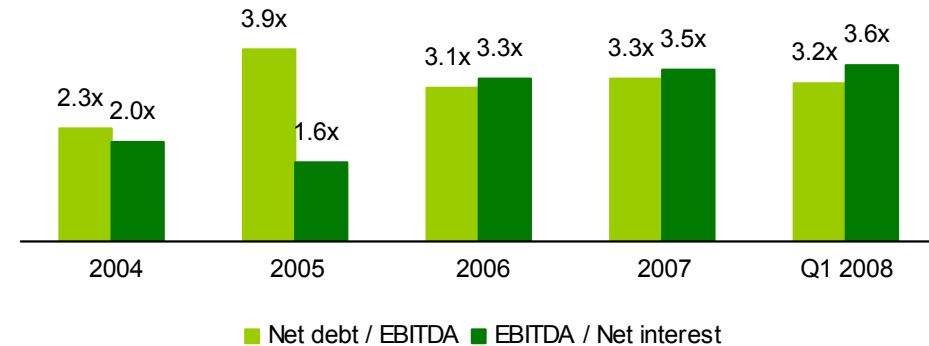
# Simple and conservative capital structure

## Capital Structure

(In € millions)



## Conservative capital structure



## Debt financing

### Bank financing:

- New Senior Credit Facility signed October 19, 2007
  - €100MM multicurrency revolving credit facility
    - €60MM cash and LC at Euribor (or Libor) + 1.75%
    - €40MM LC at 2.75%
  - Key covenants:
    - Net financial debt of Codere Group/EBITDA <4.25x
    - Bank debt/EBITDA <1.5x
    - Minimum interest coverage >2.5x
  - Arranged by CS, Barclays and BBVA

### Key bond covenants

- 3x FCCR incurrence test
- €200m senior debt limit

## 2008 outlook reflects continuation of successful growth strategy in our principal markets

### Spain

- Increase AWP portfolio through new sign ups and selective acquisitions
- Commercialise sports betting with William Hill

### Argentina

- Continue optimization of hall locations and increase capacity
- Finalise license renewal process

### Mexico

- Continue EBT deployment
- Develop new licenses including those acquired through CIE Las Americas

### Italy

- Achieve profitability in the AWP business following disposal of unprofitable direct operations, and growth via acquisitions supported by Codere Network
- Consolidation of bingo business and introduction of AWP's in bingos

### Corporate

- Continue to refine fiscal structure
- Assure capital base for continued growth

## Strengths

- **Unique strategic model**
  - Proven ability to develop profitable gaming activities working with regulators
  - Proven track record in identifying and integrating high-return investment opportunities
  - “Adjacent expansion” strategy, applicable to new markets and business lines
  
- **Resilient business structure**
  - Leadership positions in attractive markets create significant barriers to entry
  - Demonstrated resilience throughout economic cycles
  - Flexible and cash generative financial structure
  
- **Highly experienced management team and Board of Directors**
  - Leadership with 25 years experience in gaming across product lines and regulatory environments
  - Well integrated management team across diverse disciplines
  - Board includes independent directors with significant experience in gaming sector (ex-US ambassador to Spain and former president of the Spanish National Gaming Commission)
  
- **Proven track record in financial markets**
  - Two years reporting as public company
  - Three successful bond issues and two PIK deals at holding company
  - IPO October 19, 2007

**Unique international gaming footprint with exceptional growth potential**

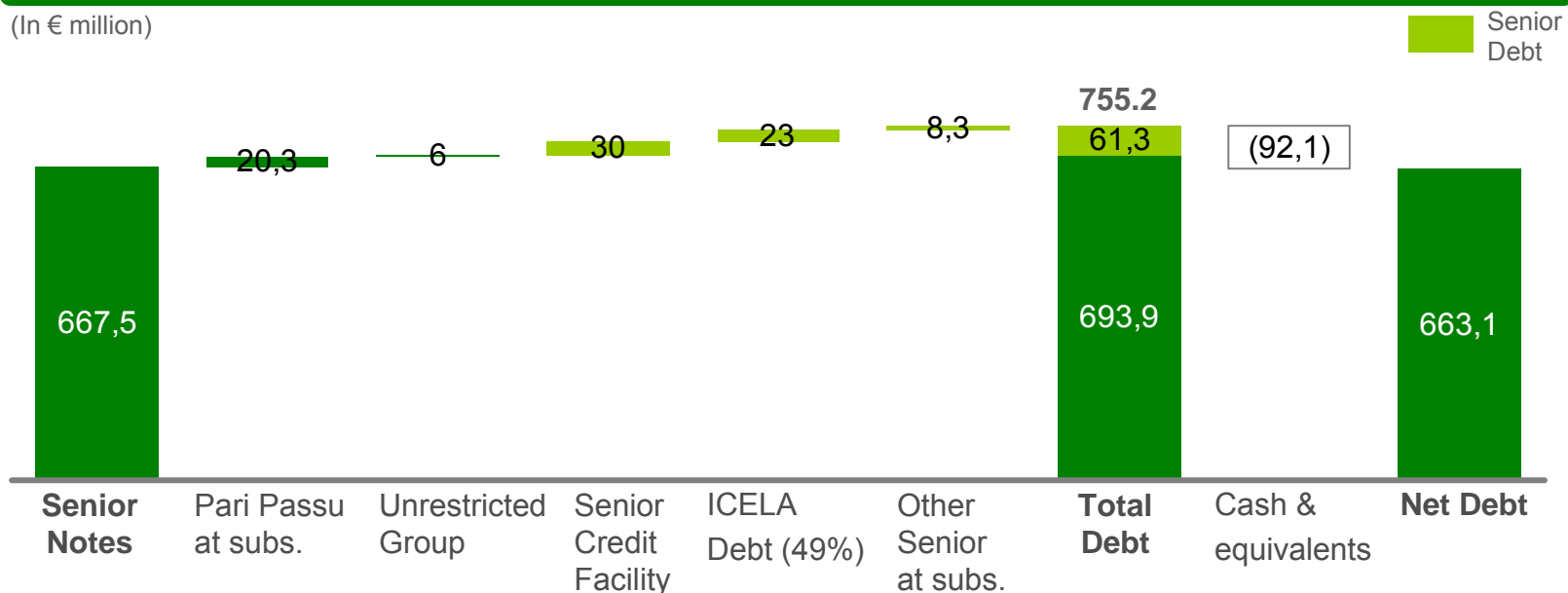


Q & A

# Debt structure and headroom

## Debt Breakdown

(In € million)



### Senior Credit Facility

#### Terms:

- €100MM multicurrency revolving credit
- €60MM cash and LC at Euribor + 1.75%
- €40MM LC at 2.75%

#### Usage:

Facility Limit (cash)	€60MM
(-) Drawn @ Dec. 2007	(€30MM)
<b>Available to draw down</b>	<b>€30MM</b>

### Headroom under Senior

#### Headroom determination:

- Senior Debt Limit: €200MM
- (-) Capacity used:
  - Senior Credit Facility (€30MM)
  - ICELA Debt (100%) (€47MM)
  - Senior Debt @ subs. (€8MM)

- **Headroom under Senior: €115MM**

### Rating

#### Moody's:

- Corporate: B1
- Bond: B2

#### S & P:

- Corporate: BB-
- Bond: BB-

# Foreign exchange risk coverage

## Foreign Exchange Risk

### Risk Source

- Foreign exchange risk is principally related to the potential negative impact in the consolidated financial statements (denominated in euros) of non Euro currencies devaluations against the Euro
- The Argentine Peso (AR\$) and the Mexican Peso (MX\$) are the most relevant sources of foreign exchange risk as operations in those countries generated the 38% and 30% of the EBITDA<sup>(1)</sup> for the quarter ended March 31, 2008, respectively

### Risk Mitigation By Natural Coverage

- In addition to forward contracts, natural coverage plays a relevant role in foreign exchange risk mitigation as most significant operating cost (typically gaming taxes and personnel expenses) are denominated in local currency

## Coverage

### Policy

- Contract foreign exchange forwards on a rolling forward four-quarter basis for approximately 50% of projected Argentina and Mexico EBTIDA
- Make financial projections based on forwards rates available on the market

### Forwards contracted as of March 31, 2008


(€in millions)

Argentina		Mexico	
Quarter	Total €	Quarter	Total €
2Q08	12.8	2Q08	6.9
3Q08	12.8	3Q08	3.2
4Q08	<u>13.0</u>	4Q08	<u>3.5</u>
<b>Total</b>	<b>38.6</b>	<b>Total</b>	<b>13.6</b>

(1) EBITDA pre Headquarters' costs

# Smoking Bans Overview

	Scope	Effective Date	Regulation for gaming venues	General regulation
<b>Italy</b>	National	Jan. 2005	50%* of total surface	Total ban
<b>Spain</b>	National	Jan. 2006	30%* of total surface (max. of 300 m <sup>2</sup> )	Same as gaming
<b>Uruguay</b>	National	March 2006	Total ban	Same as gaming
<b>Mexico</b>	Regional	D.F. April 1, 2008	Total ban	Same as gaming
	National	Federal – Sept 1 2008	% for smoking (TBD)	
<b>Colombia</b>	National	November 30, 2008	Total ban	Same as gaming
<b>Panama</b>	National	April 25, 2008	Total ban	Same as gaming
	Distrito Mar del Plata	April 1, 2007	40%* of total surface	Same as gaming
<b>Argentina</b> (Bs.As. Prov.)	Bs. As. province	Law proposal under discussion	30%* of total surface	Same as gaming

 Currently in force

No clear effects identified on Bingo sales

No clear effects identified on Bingo sales

Daily win reduction of up to 15%. Recovery in 9 to 12 months

No clear effects identified in the first weeks

Decrease in revenues only in some bingo halls

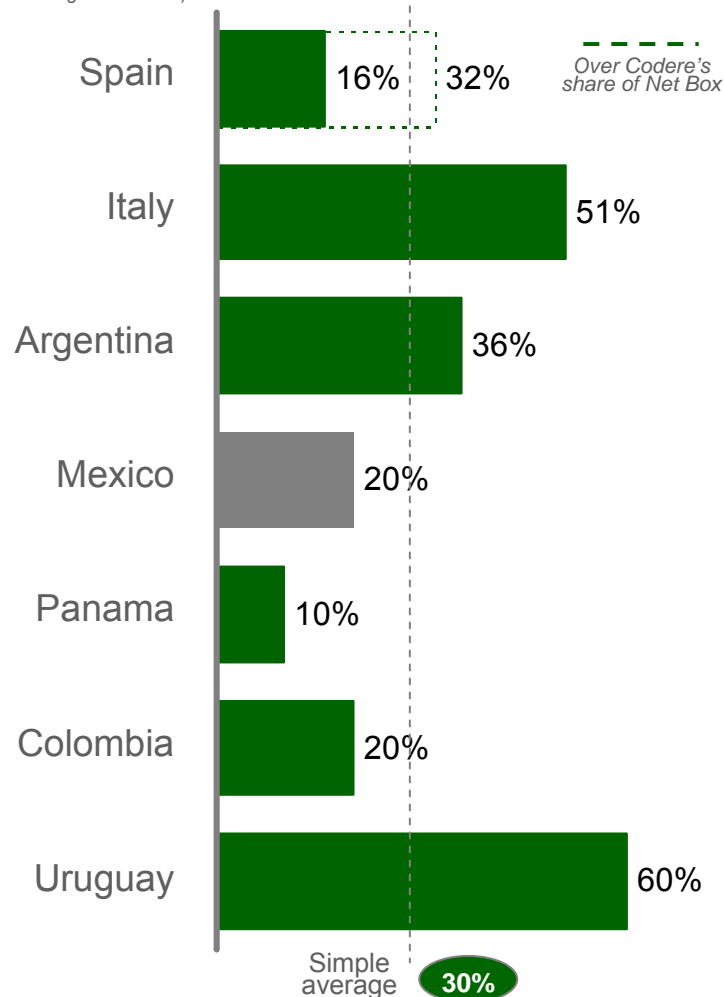
**There is a world trend to regulate smoking in public places. Codere's previous experiences suggest a moderate negative impact in revenues but with strong recovery in the short term**

\* Percentage of space allowed for smokers

# Comparative gaming taxes

## Machine Gaming Taxes

(As percentage of Net Win)



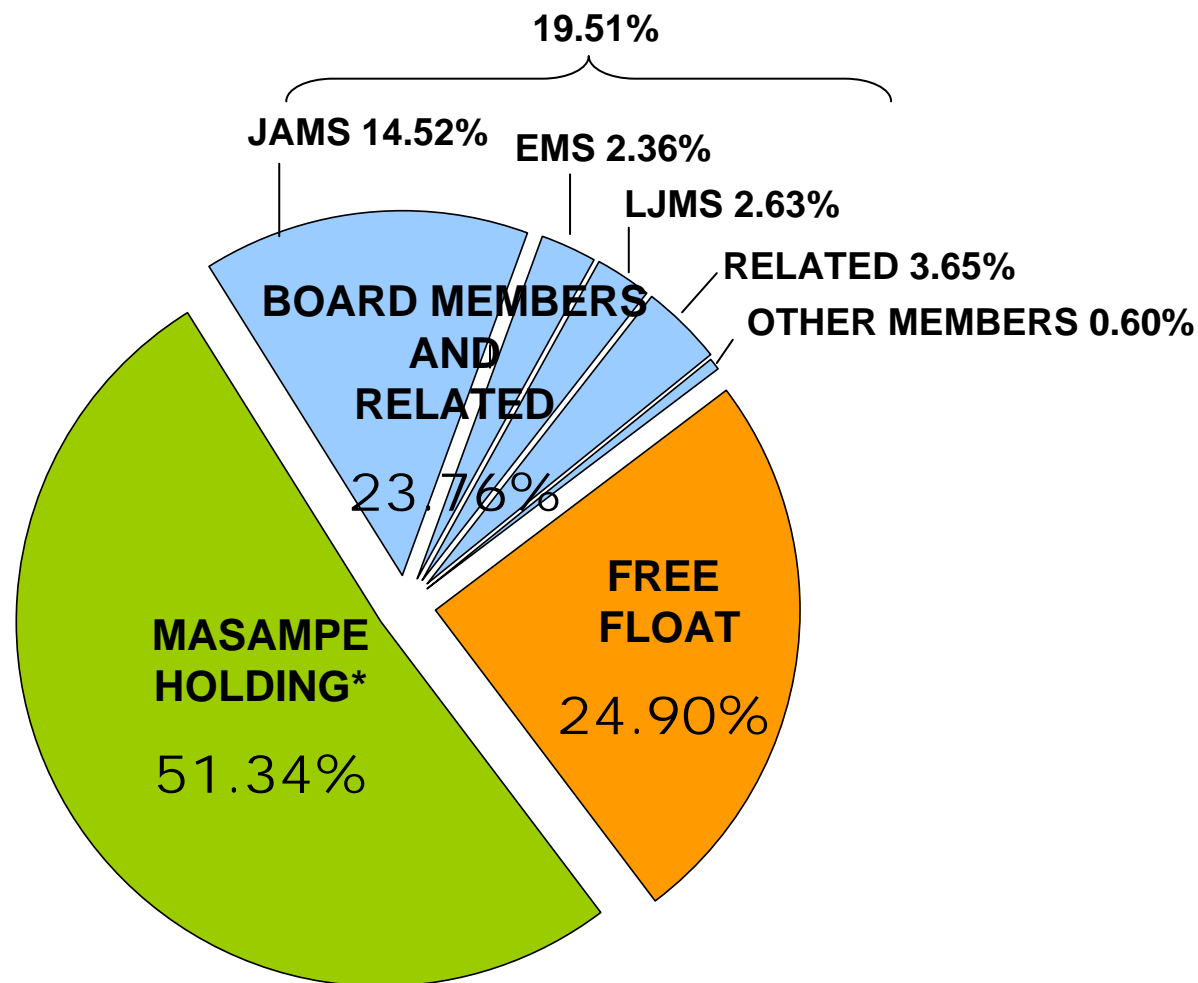
## Comments

- Fixed gaming tax per machine, “tasa”, that differs by Comunidad Autónoma. In 2007, the average annual tax per machine was circa €3,700. The stated percentage was determined considering Codere’s actual average net win levels
- 12.8% (including PREU + Canon) over amounts wagered (“coin-in”). The stated percentage was determined based on the current pay out ratio (75%)
- Includes payments to Non Profit Organizations (2% of net win, on average, in 2006). Canon tax surcharge of renewed halls suppose, on average, an extra 10% to 14% of total net win for these halls
- Federal tax of 20% over net win. Reimbursement of SEGOB and state taxes at 100%.
- Fixed percentage over slot machines net win
- In Colombia gaming taxes are calculated as a % of the current minimum salary multiplied by the number of machines in operation. Historically has represented the stated % of net win
- Percentage of net win that the “Dirección General de Casinos” (DGC) withholds to Codere for the operation of the halls. No further gaming taxes exist



# Shareholders Structure

At 31 March 2008



\* Masampe Holding Partners: JAMS, LJMS y EMS

**Total Shares Outstanding: 55,036,470**

# Shareholder obligations 1

## Payment to Franco brothers and ICIL

- In 2006, Jose Antonio, Encarnación and Luis Javier Martinez Sampedro (“the Martinez Sampedros”) purchased 17.9 million and 1.1 million Codere shares previously owned by the Franco Brothers and ICIL, respectively. The shares purchased were transferred to Masampe B.V.
- The total purchase price was €390.6 million (€20.5 per share), payable in three installments.

	Total Consideration (€Million)	Paid
01 March 2006	41.4	✓
30 April 2007	162.0	✓
31 April 2008 <sup>(1)</sup>	187.2 <sup>(2)</sup>	
	<b>390.6</b>	

(1) Deferred to Oct. 2008 at a 0.25% weekly interest rate

(2) ICIL share (€10.9 million) was paid on April 29, 2008. €176 million due to Franco Brothers.

## PIK loan

- In June 2007, Masampe B.V. borrowed €340.0 million, used to repay the amount outstanding under the initial PIK loan and to make the second installment payment to the Francos and ICIL
- Masampe Holding B.V. is a Dutch special purpose vehicle (SPV) that is controlled by Jose Antonio, Encarnación and Luis Javier Martinez Sampedro. Masampe holds 51.3% of Codere

## Summary Terms

Term	Description
<b>Issue</b>	€340.0 million
<b>Maturity</b>	15 December 2015 (6 month outside existing HY)
<b>Interest</b>	3 months EURIBOR + 750 bps.
<b>Par call window</b>	From June 2008 to December 2009
<b>Covenant<sup>(2)</sup></b>	Net debt to EBITDA < 7.0x (6.5x from June 2008)
<b>Mandatory Prepayment</b>	If Masampe fails to own at least 50.1% of the issued and outstanding shares of Codere S.A.

(2) Calculated on a consolidated basis to include the Borrower (Masampe B.V.) and its subsidiaries (Codere S.A.)

## Shareholder obligations 2 — Sale process

- At the maturity of the third installment (October 2008) either the Martinez Sampedros or the Franco Brothers (the “Sellers”) (if it is not paid) may elect to initiate the sale of all shares held by Masampe and the Martinez Sampedros
- Sale process would be conducted by a leading investment bank
- Requiring this sale process is the Sellers’ sole recourse and, in the event that it is initiated, the obligation to pay the second installment is replaced by the sale process.
- In any event, the Sellers may not require the sale if the proceeds of shares held by Masampe would not be sufficient to satisfy its obligations under the PIK loan (unless the lenders agree otherwise)
- Compensation mechanism
  - Sale proceeds would be divided among the Sellers and the Martinez Sampedros in proportion to the Sellers March 2006 41% shareholding, subject to adjustments for capital increases, dilution, etc.
  - Settlement among the Sellers and the Martinez Sampedros would reflect credit for previous installments paid, which total €191 million, or approximately €10.69 per share

## Growth and maintenance capex

(in € million)	2004	2005	2006	2007	Q1 2008
<b>Spain AWP</b>	<b>26.5</b>	<b>30.7</b>	<b>86.7</b>	<b>59.4</b>	<b>11.6</b>
Maintenance	13.3	18.8	45.0 <sup>(4)</sup>	39.7	8.5
Growth	13.2	11.9	41.7 <sup>(5)</sup>	19.7	3.1
<b>Argentina</b>	<b>2.9</b>	<b>16.8</b>	<b>57.1</b>	<b>21.3</b>	<b>9.7</b>
Maintenance	1.8	-	7.8 <sup>(6)</sup>	9.2	5.3
Growth	1.1	16.8	49.3 <sup>(6)</sup>	12.1	4.4
<b>Mexico</b>	<b>18.7</b>	<b>33.8</b>	<b>60.5</b>	<b>203.1</b>	<b>3.2</b>
Maintenance	0.2	-	0.5	0.5	0.9
Growth	18.5	33.8 <sup>(2)</sup>	60.0 <sup>(2)</sup>	202.6 <sup>(9)</sup>	2.3
<b>Italy</b>	<b>5.4</b>	<b>6.2</b>	<b>22.5</b>	<b>30.8</b>	<b>1.1</b>
Maintenance	-	0.4	1.7	3.5	0.5
Growth	5.4	5.8	20.8 <sup>(7)</sup>	27.3	0.6
<b>Other <sup>(1)</sup></b>	<b>12.5</b>	<b>114.6</b>	<b>53.6</b>	<b>35.3</b>	<b>6.0</b>
Maintenance	8.4	9.0	8.6	21.1	1.8
Growth	4.1	105.6 <sup>(3)</sup>	45.0 <sup>(8)</sup>	14.2	4.2
<b>Total</b>	<b>66.0</b>	<b>202.1</b>	<b>280.4</b>	<b>349.9</b>	<b>31.6</b>
Maintenance	23.7 36%	28.2 14%	63.6 23%	74.0 21%	17.0 54%
Growth	42.3 64%	173.9 86%	216.8 77%	275.9 79%	14.6 46%

- (1) Includes holding company, Spain Bingo, Panama/Chile, Brazil, Colombia, Uruguay, and Sports Betting  
(2) Related to the opening of 42 bingo halls  
(3) Mainly includes Royal €60.6m, and Operbingo €33.3m  
(4) One-off RF portfolio purchase

- (5) Includes mainly MAE acquisition  
(6) Includes 6 license renewals (€30m)  
(7) Bingo Palace (€12m)  
(8) Rete Franco (€6m)  
(9) Includes acquisition of 49% stake in ICELA and minority purchase (€181 million)

# Investment and expected KPI growth is modest in context of track record

## Evolution in the machine portfolio

	2005A <sup>(1)</sup>	2006A <sup>(1)</sup>	2007F <sup>(1)</sup>	2008F
<b># of Machines</b>				
<b>Spain AWP</b>	13,398	14,648	15,431	15.930 - 16.580
Absolute change		1,250	783	499 - 1149
		9.3%	5.3%	3,2% - 7,45%
<b>Argentina</b>	3,546	4,352	4,605	4,740
Absolute change		806	253	135
		22.7%	5.8%	2.9%
<b>Mexico</b>	4,539	10,630	16,788	22,390
Absolute change		6,091	6,158	5,602
		134.2%	57.9%	33.4%
<b>Italy</b>	1,598	2,486	3,467	5.110 - 8.160
Absolute change		888	981	1,643 - 4,693
		55.6%	39.5%	47.4% - 135.4%

(1) Documented portfolio end of period  
 (2) Includes MAE acquisition

## Investment Outlook

	2007F	2008F
<b>Total Capex (in € millions)</b>		
<b>Spain AWP</b>	59.4	59.0 - 74.0
<b>Argentina</b>	21.3	22.0 - 27.0
<b>Mexico</b>	203.1	23.0 <sup>(1)</sup>
<b>Italy <sup>(2)</sup></b>	30.1	24.0 - 34.0
<b>Other <sup>(3)</sup></b>	36.0	30.0 - 40.0
<b>Total</b>	<b>349.9</b>	<b>158.0 - 198.0</b>

(1) €46 million net of repayments from Caliente (€23 million)  
 (2) Includes AWP in bingo halls  
 (3) Includes Brazil, Colombia, Panama, Uruguay, Spain Bingo, Sports Betting and headquarters

## Forecast KPI growth is modest in context of the track record

## 2008 guidance — key markets

	2006	2007	% change	2008	% change
<b>Revenues (€millions)</b>					
Spain AWP	183.2	204.2	11.5%	216.7 - 220.7	6.1% - 8.1%
Argentina	241.5	299.0	23.8%	333.4	11.5%
<i>In constant currency</i>				375.9	25.7%
Mexico	101.4	145.0	43.0%	268.4	85.1%
<i>In constant currency</i>				293.0	102.1%
<b>Margins</b>					
Spain AWP	30.9%	35.7%		35.6%	
Argentina	35.6%	32.9%		31.4%	
Mexico	42.8%	39.9%		26.6%	
<b>EBITDA (€millions)</b>					
Spain AWP	56.6	72.9	28.8%	77.2 – 78.6	5.9% - 7.8%
Argentina	85.9	98.5	14.7%	104.7	6.3%
<i>In constant currency</i>				118.0	19.8%
Mexico	43.4	57.9	33.4%	71.4	23.3%
<i>In constant currency</i>				77.9	34.5%

## 2008 guidance — capex and KPIs

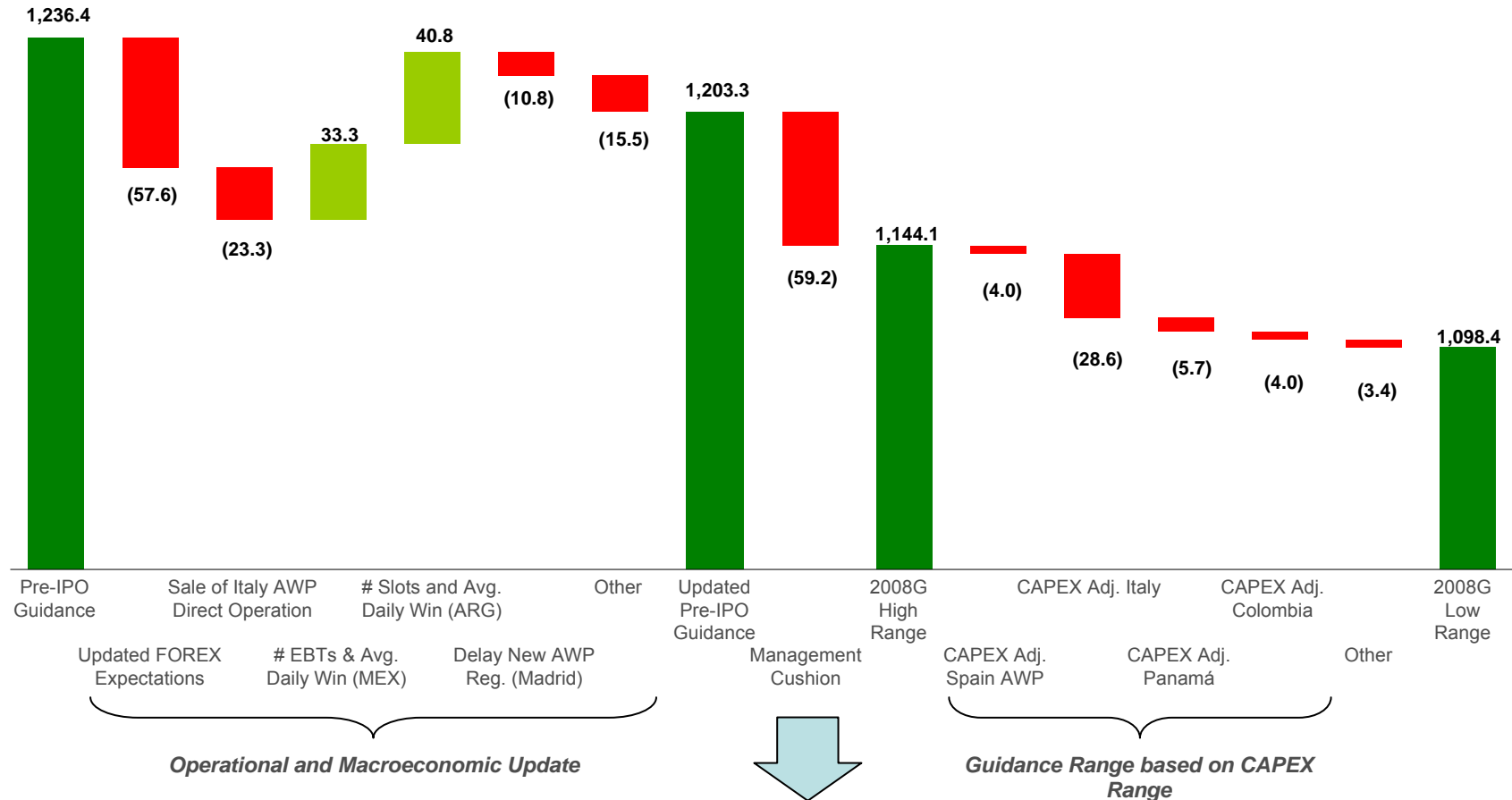
Country	KPIs Number of machines	Capex €in million	
		Maintenance	Growth
Spain AWP	15,930 – 16,580	39	20-35
Argentina	4,740	13	9-14
Mexico	22,390	11	35
Italy <sup>1</sup>	5,110 – 8,160	4	20-30
Other <sup>2</sup>	11,350 – 11,710	<u>18-23</u>	<u>12-17</u>
<b>Subtotal</b>		<b>85-90</b>	<b>96-131</b>
Repayments from Caliente		=	<u>23</u>
<b>Total</b>	<b>59,520 – 63,580</b>	<b>85-90</b>	<b>73-108</b>

1. Includes Italy AWP and Bingo

2. Includes Brazil, Panama, Sports Betting, Uruguay, Colombia, Spain Bingo and Corporate Overhead, as applicable

# 2008 guidance bridge

2008 Revenue guidance vs. pre-IPO guidance (adjusted for ICELA)



Reflects uncertainties over FOREX trends; the ability to deploy projected CAPEX in Italy AWP in the expected timeframe; final materialization and timing of implementation of smoking bans in Argentina, Panamá and México D.F.



## Margin analysis: 2007 on 2008 basis

Margin Analysis 2008	Revenues (€m)	EBITDA (€m)	EBITDA Margin	Impact on Group Margin
<b>FY08 Guidance</b>	<b>1,098.4 - 1,144.1</b>	<b>230.7 - 240.3</b>	<b>21.0%</b>	
<i>Impact of IEPS as of 2008 (ICELA)</i>	<b>①</b>	17.5	n.a.	<b>1.5%</b>
<i>Impact of IEPS as of 2008 (CALIENTE)</i>	<b>②</b> 15.1	15.1	100.0%	<b>1.0%</b>
<i>10 months CIE Results accounted as PRE-ICELA acq.</i>	<b>③</b> (90.4)	(14.4)	16.0%	<b>0.4%</b>
<i>Impact of FOREX Evolution 07-08</i>	<b>④</b> 68.5	19.4	28.3%	<b>0.4%</b>
<i>Incremental Sports Betting Contribution</i>	<b>⑤</b> (16.3)	5.5	(33.7%)	<b>0.8%</b>
<b>FY08 Guidance (comparable basis to 2007)</b>	<b>1,075.4 - 1,121.1</b>	<b>273.7 - 283.3</b>	<b>25.3 - 25.5%</b>	
<b>Reported 2007</b>	<b>915.3</b>	<b>196.7</b>	<b>21.5%</b>	
<b>Adjusted FY 2007</b>	<b>915.3</b>	<b>219.6</b>	<b>24.0%</b>	

Margin enhancement vs. Adjusted FY2007 24%, reflects margin gains in Mexico Caliente, Spain Bingo and Italy AWP and reduction of losses in Brazil

- ①** ICELA proportional consolidation reflects additional IEPS gaming tax in 2008. On a comparable basis with 2007 (i.e. excluding IEPS) Operating Revenue for 2008 would be the same but EBITDA would be increased by €17.5 million
- ②** IEPS has no direct impact in the P&L of Codere's Caliente operation (Codere reports approximately 50% of Caliente PBT as operating revenue). Payment of IEPS results in a reduction of revenue for Codere due to reduced PBT in Caliente halls. Operating Revenue and EBITDA for 2008 reflect a reduction of €15.1 million due to IEPS
- ③** Following the acquisition of 49% of ICELA (November 2007) Codere changed the consolidation methodology for the CIE business from 49% of net income to proportional consolidation. In addition, Codere now is also reporting revenue from other business at ICELA (i.e. racetrack, convention center). Consequently, P&L structure of the business has significantly changed: Operating Revenue now reflects gross win of slot machines, bingo halls and other businesses, instead of net profits from the bingo halls
- ④** Impact of FOREX evolution applying 2007 average exchange rates to 2008 guidance
- ⑤** 2008 guidance reflects greater losses from Sports Betting start-up business. Analysis shows impact of removing these greater losses on the consolidated results

# Detail of EBITDA margin decrease in Mexico

## Impacts on Mexico P&L in 2008

### Underlying business drivers

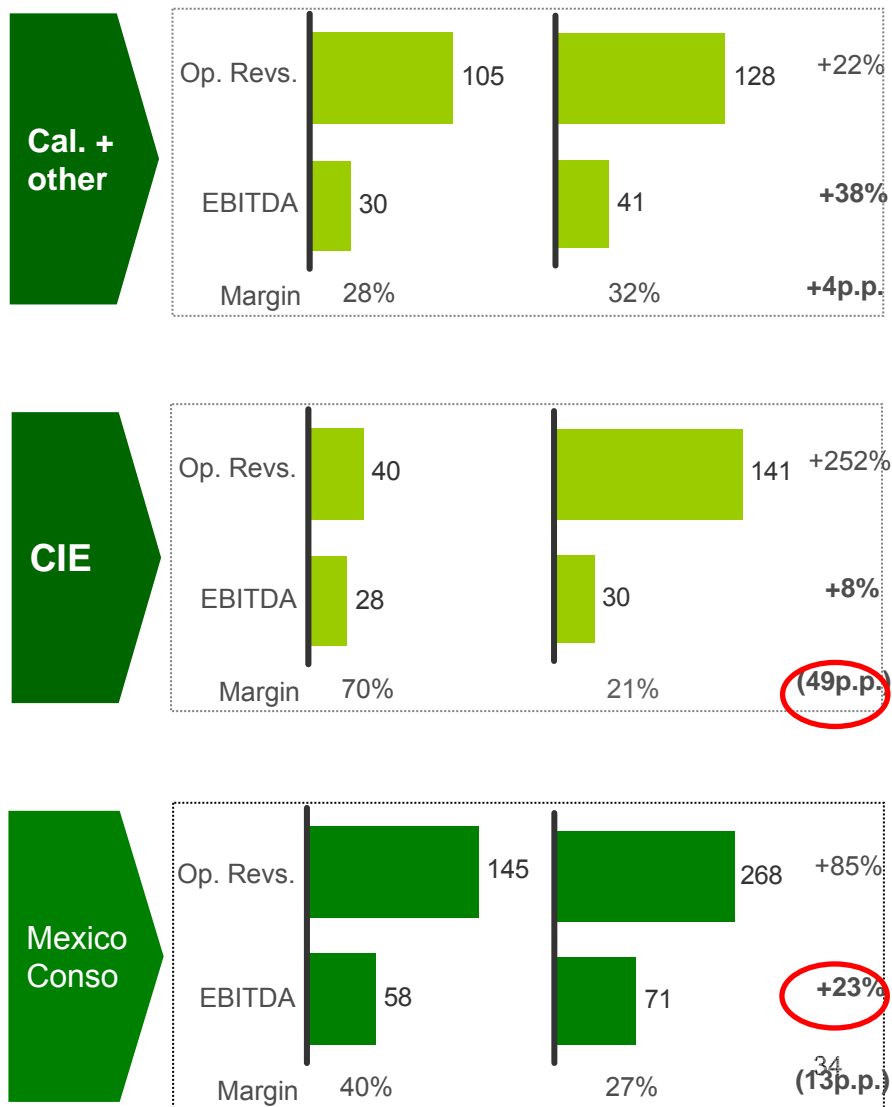
- Strong growth in existing and new halls
- Gaming tax increase to 20% of net Win

Negative EBITDA impact of gaming tax offset by strong growth of the business, resulting in increases in revenues, EBITDA and margins.

### Impact of ICELA acquisition

- Change in consolidation method
- Incorporation of new businesses

Negative impact in EBITDA margin results from the change to proportional consolidation by significantly increasing operating revenues whereas positive EBITDA impact of new businesses is marginal.



## Non-recurrent charges and provisions reflect strategic review of businesses — Italy AWP

- Continued losses in the business coupled with uncertainty with respect to the political and regulatory environment
- Decision to provision full amount of €18.3 million performance bond in light of potential new claims arising from 2007 Financial Law and pre-existing claims (€14.1 million provision in Q4 2007, plus existing provisions from 2006 and accumulated through Q3 07 sum to €18.3 million)
- €11.3 million impairment charge against carrying value of business

(€millions)	Q1	Q2	Q3	Q4	FY 2007
Restructuring Provisions		(0.2)		(0.5)	(0.7)
Machine write-offs		(0.9)	(0.1)	(0.1)	(1.1)
Provisions for AAMS fines, penalties and others	(0.1)			(14.1)	(14.2)
<b>Impact on EBITDA</b>	<b>(0.1)</b>	<b>(1.1)</b>	<b>(0.1)</b>	<b>(14.7)</b>	<b>(16.0)</b>
Provisions for bad debt	0.5	(4.3)	0.1	(3.7)	(7.4)
Change in AWP amortization period	(0.6)				(0.6)
Impairment charge				(11.3)	(11.3)
<b>Impact on EBIT</b>	<b>(0.2)</b>	<b>(5.4)</b>	-	<b>(29.7)</b>	<b>(35.3)</b>

## Non-recurrent charges and provisions reflect strategic review of businesses — Colombia

- Identification of additional potential fiscal contingencies
- Repositioning of business towards more profitable growth. Includes optimization of machine portfolio and conversion of branded halls into entertainment centers, broadening product offer and improving hall image.

(€millions)	Q1	Q2	Q3	Q4	FY 2007
Fiscal contingencies	(1.8)		0.4	(2.8)	(4.2)
Machine write-offs and hall closures		(0.8)	0.3	(2.2)	(2.7)
<b>Impact on EBITDA/EBIT</b>	<b>(1.8)</b>	<b>(0.8)</b>	<b>0.7</b>	<b>(5.0)</b>	<b>(6.9)</b>

# Operating data (I)

## # of Machines and Bingos

	At March 31			At March 31		
	2007	2008	% change	2007	2008	% change
	<b>AWP/Slots/EBTs</b>			<b>Bingo Halls</b>		
Spain	14,954	15,738	5.2%	1	1	0.0%
Argentina	4,371	4,464	2.1%	14	14	0.0%
Mexico	11,134	18,366	65.0%	84	96	14.3%
Italy <sup>(1)</sup>	90	2,362	<i>n.a.</i>	10	12	20.0%
Colombia	10,759	8,274	(23.1%) <sup>(2)</sup>	9	7	(22.2%) <sup>(2)</sup>
Panama	921	1,462	58.7%	-	-	<i>n.a.</i>
Uruguay	<u>1,294</u>	<u>1,529</u>	18.2%	-	-	<i>n.a.</i>
<b>Total</b>	<b>43,523</b>	<b>52,195</b>	<b>19.9%</b>	<b>118</b>	<b>130</b>	<b>10.3%</b>

1- Includes 90 machines in Q1 2007 and 571 machines in Q1 2008 deployed in Italian bingo halls, and the Italian indirect AWP business in 2008

2- Reflects restructuring of operation

## Operating data (II)

### Net Win per Machine

	At March 31,			At March 31,		
	2007	2008	% change	2007	2008	% change
	Local Currency			Euros		
<b>Full year</b>						
Spain (AWPs)	61.3	59.9	(2.3%)	61.3	59.9	(2.3%)
Italy (AWPs) <sup>1</sup>	-	62.9	<i>n.a.</i>	-	62.9	<i>n.a.</i>
Italy Bingo	118.1	98.8	(16.3%)	118.1	98.8	(16.3%)
Mexico (EBTs)	1,010	933	(7.6%)	70.1	57.4	(18.1%)
Argentina (Slots)	621	799	28.7%	153.5	168.5	9.8%

1- These figures include only the indirect operations.



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